

WALLINGTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Wallington, New Jersey

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Introductory Section

**BOARD OF EDUCATION
Wallington, N.J. 07057**

**JODY PIETROWITZ
BUSINESS ADMINISTRATOR
BOARD SECRETARY**

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

November 25, 2025

President Calabrese 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, 2025, 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* (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 this single audit, 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. 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 students with disabilities. The District's October 15, 2024, state aid student count was 1,178 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 areas; 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 NJSLA is administered to students in grades 3 through 9 each Spring. Students are assessed in Science in grades 5, 8, and 11. Students in 11th grade also complete the NJGPA, which assesses their graduation readiness in the areas of ELA and mathematics. Through these assessments, as well as through our local assessments, we are seeing improvement in moving students who were failing closer to the passing threshold. QSAC audits have revealed that the areas in greatest need of focus throughout the District are mathematics and science.

B. The District continues to implement a community service project each year. Excerpts of the associated board policy are as follows:

The purpose of the community service program is to provide all high school students with the opportunity to have a positive impact on our local community while learning that service to others is an ongoing part of life. The Board intends to develop, encourage, and promote partnerships with Borough agencies, community-based organizations, and not-for-profit service entities to provide appropriate service opportunities for high school students.

As of now, each Graduating class must complete 40 hours of service. Community service hours must be completed at a non-profit organization, church, or other civic organization.

C. 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 is administered to all 10th and 11th-grade students within the District. 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.

D. Our curriculum is continually updated to align with the revised New Jersey Student Learning Standards (NJSLS). The most recent revisions focused on integrating the updated ELA and mathematics standards into our curriculum in accordance with the NJDOE timeline. The district's curriculum updates occur yearly and ensure alignment with the most current standards. The district has a director who assists the superintendent in analyzing and revising the curriculum. The Director of Curriculum collaborates with the Superintendent and ensures staff are made aware of all necessary curricular modifications and adjustments. All curriculum and programming materials are reviewed annually.

E. Facilities - We continue to pursue a significant initiative to relieve the pressure of enrollment growth at the grade 7-12 level. The district completed its eighth 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 in that new structure, and serious consideration must be given to the construction of a new facility, as our projections tell us that we will grow by another 100+ students in the next several years. A conversation has begun with the governing body for a more permanent solution that would include 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 Wi-Fi 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, which allows parents to see their child's progress and become our 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 three major upgrades to facilities: 1- All new WHS Parking Lot and ADA accessibility, 2- All new FWG Parking Lot, retaining wall, and ADA accessibility, 3- New heating and electrical system at the F.W. Gavlak School.

F. 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 ACCOUNTING CONTROLS: 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 also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine 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, 2025.

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

7. DEBT ADMINISTRATION: At June 30, 2025, the District's outstanding debt issues totaled \$8,570,000 in school bonds.

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

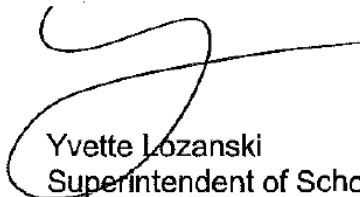
9. **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. **OTHER INFORMATION**:


Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies LLP has been appointed by the Board to conduct 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 combined and individual fund statements and schedules is included in the financial section of this report. The auditors' report related specifically to the single audit is 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 and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

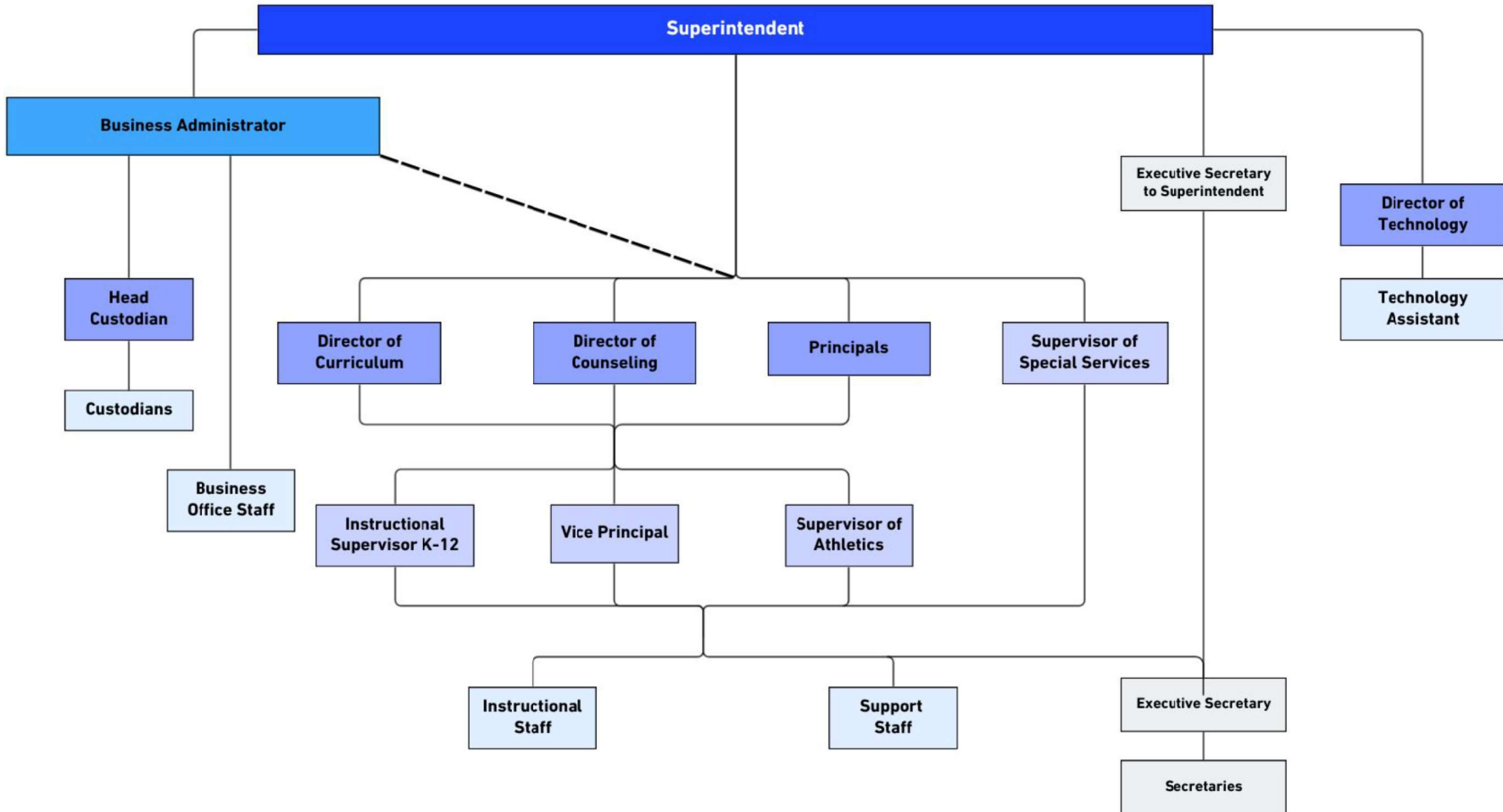


Yvette Lozanski
Superintendent of Schools



Jody Pietrowitz
Board Secretary/Business Administrator

Organizational Chart



*Support Staff: Aides, Custodians, SLEOs, nurses, secretarial staff

WALLINGTON BOARD OF EDUCATION
WALLINGTON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Theodora Calabrese, President	2027
Tom Brynczka, Vice President	2026
Bobby Ristovski	2027
Joseph Brunacki IV	2027
Nancy Maciag	2026
Joseph Smith	2026
Charles Ingraham	2025
Tracey Kassteen	2025
Michael Labriola	2025

Other Officials

- Dr. Yvette Lozanski, Superintendent
- Jody Pietrowitz, Board Secretary/School Business Administrator
- Richard Cedzidlo, Esq., Solicitor
- Philip Nisonoff, Treasurer of School Monies

WALLINGTON BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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Architect

Architects Alliance
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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, 2025, 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, 2025, 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.

Change in Accounting Policy

We draw attention to Note 4H in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

PKF O'CONNOR DAVIES, LLP
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**The Honorable President and Members
of the Board of Trustees
Wallington Board of Education**

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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.

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.

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

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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 schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance, as required by *Title 2 U.S. Code of Federal Regulation (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, schedule of expenditures of federal awards and the schedule of expenditures of 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, 2025. 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.

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

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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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025 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
November 25, 2025



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, 2025

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, 2025. 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 (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

Financial Highlights

- In total, net position increased \$2,259,673.
- General revenues accounted for \$25,827,568 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services and operating and capital grants and contributions accounted for \$5,925,391 or 19 percent of total revenues of \$31,752,959.
- Total net position of governmental activities amounted to \$17,152,786 as of June 30, 2025.
- The District had \$28,780,174 in expenses related to governmental activities; only \$5,657,944 were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$25,827,568 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$32,382,680 in revenues, \$31,480,845 in expenditures and \$1,855,930 in other financing sources. The General Fund's fund balance increased \$2,757,765 from fiscal year 2024.

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, 2025

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, 2025?" 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, liabilities and deferred outflows/inflows of resources 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, 2025**

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, 2025

The District as a Whole (Continued)

Table 1 provides a summary of the District's net position as of June 30, 2025 and 2024.

	Table 1					
	Net Position					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets						
Current and Other Assets	\$ 14,553,227	\$ 14,588,291	\$ 45,567	\$ 103,451	\$ 14,598,794	\$ 14,691,742
Capital Assets, net of accumulated depreciation/amortization	<u>16,791,277</u>	<u>14,284,871</u>	<u>14,773</u>	<u>17,086</u>	<u>16,806,050</u>	<u>14,301,957</u>
Total Assets	<u>31,344,504</u>	<u>28,873,162</u>	<u>60,340</u>	<u>120,537</u>	<u>31,404,844</u>	<u>28,993,699</u>
Deferred Outflows of Resources						
Deferred Amounts on Debt Refunding		836			-	836
Pension Related	<u>392,940</u>	<u>436,915</u>	<u>-</u>	<u>-</u>	<u>392,940</u>	<u>436,915</u>
Total Deferred Outflows of Resources	<u>392,940</u>	<u>437,751</u>	<u>-</u>	<u>-</u>	<u>392,940</u>	<u>437,751</u>
Liabilities						
Long-term Liabilities	13,342,825	11,991,498			13,342,825	11,991,498
Other Liabilities	<u>982,271</u>	<u>2,166,778</u>	<u>20,198</u>	<u>17,025</u>	<u>1,002,469</u>	<u>2,183,803</u>
Total Liabilities	<u>14,325,096</u>	<u>14,158,276</u>	<u>20,198</u>	<u>17,025</u>	<u>14,345,294</u>	<u>14,175,301</u>
Deferred Inflows of Resources						
Pension Related	<u>259,562</u>	<u>322,894</u>	<u>-</u>	<u>-</u>	<u>259,562</u>	<u>322,894</u>
Total Deferred Inflows of Resources	<u>259,562</u>	<u>322,894</u>	<u>-</u>	<u>-</u>	<u>259,562</u>	<u>322,894</u>
Net Position						
Net Investment in Capital Assets	7,560,203	7,773,487	14,773	17,086	7,574,976	7,790,573
Restricted	2,664,830	2,106,851			2,664,830	2,106,851
Unrestricted	<u>6,927,753</u>	<u>4,949,405</u>	<u>25,369</u>	<u>86,426</u>	<u>6,953,122</u>	<u>5,035,831</u>
Total Net Position	<u>\$ 17,152,786</u>	<u>\$ 14,829,743</u>	<u>\$ 40,142</u>	<u>\$ 103,512</u>	<u>\$ 17,192,928</u>	<u>\$ 14,933,255</u>

As noted, GASB Statement No. 101 was implemented during the 2025 fiscal year, which required a retroactive adjustment of beginning net position in the amount of (\$382,295). This amount is not reflected in the June 30, 2024 Net Position above.

The District's combined net position was \$17,192,928 and \$14,933,255 on June 30, 2025 and 2024, respectively. This reflects an increase of 15 percent from the prior year.

**WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Table 2 shows changes in net position for fiscal years ended June 30, 2025 and 2024.

**Table 2
Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program Revenues:						
Charge for Services	\$ 12,093	\$ 12,450	\$ 18,757	\$ 21,952	\$ 30,850	\$ 34,402
Grants and Contributions	5,645,851	5,954,673	248,690	210,525	5,894,541	6,165,198
General Revenues:						
Property Taxes	17,813,732	17,734,880			17,813,732	17,734,880
State Aid	7,252,469	5,873,141			7,252,469	5,873,141
Other	761,367	822,093	-	-	761,367	822,093
Total Revenues	<u>31,485,512</u>	<u>30,397,237</u>	<u>267,447</u>	<u>232,477</u>	<u>31,752,959</u>	<u>30,629,714</u>
Program Expenses						
Instruction	18,269,742	18,081,226			18,269,742	18,081,226
Support Services:						
Students and Instructional Staff	3,297,987	3,303,132			3,297,987	3,303,132
General Administration, School Administration, Business/Central Operations and Maintenance of Facilities	5,892,392	5,625,181			5,892,392	5,625,181
Pupil Transportation	1,009,432	975,233			1,009,432	975,233
Interest on Debt	310,621	217,828			310,621	217,828
Food Service	-	-	330,817	269,308	330,817	269,308
Total Expenses	<u>28,780,174</u>	<u>28,202,600</u>	<u>330,817</u>	<u>269,308</u>	<u>29,110,991</u>	<u>28,471,908</u>
Change in Net Position	2,705,338	2,194,637	(63,370)	(36,831)	2,641,968	2,157,806
Net Position, Beginning of Year, As Reported	14,829,743	12,635,106	103,512	140,343	14,933,255	12,775,449
Change in Accounting Policy	(382,295)	-	-	-	(382,295)	-
Net Position, Beginning of Year, As Restated	<u>14,447,448</u>	<u>12,635,106</u>	<u>103,512</u>	<u>140,343</u>	<u>14,550,960</u>	<u>12,775,449</u>
Net Position, End of Year	<u>\$ 17,152,786</u>	<u>\$ 14,829,743</u>	<u>\$ 40,142</u>	<u>\$ 103,512</u>	<u>\$ 17,192,928</u>	<u>\$ 14,933,255</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 \$31,485,512 and \$30,397,237 for the years ended June 30, 2025 and 2024, respectively. Property taxes made up 57 and 58 percent of revenues for governmental activities for the Wallington Board of Education for fiscal years 2025 and 2024, respectively. Federal, state and local grants accounted for 41 and 39 percent of revenues for fiscal years ended June 30, 2025 and 2024, respectively. Other revenues represented 2 and 3 percent of revenues for the fiscal years ended June 30, 2025 and 2024, respectively.

The total cost of all programs and services was \$28,780,174 and \$28,202,600 for the fiscal years ended June 30, 2025 and 2024, respectively. Instruction comprised 63 and 64 percent of governmental program expenses for the fiscal years ended June 30, 2025 and 2024, respectively. Support service expenses make up 35 and 35 percent of governmental expenses for the fiscal years ended June 30, 2025 and 2024, respectively. Interest on debt represents 1 percent of expenses for both the June 30, 2025 and 2024 fiscal years. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services.

Table 3 shows, for governmental 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, 2025**

Table 3

	<u>Total Cost</u>		<u>Net Cost</u>	
	<u>of Services</u>		<u>of Services</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Instruction	\$ 18,269,742	\$ 18,081,226	\$ 13,681,819	\$ 13,263,550
Support Services:				
Students and Instructional Staff	3,297,987	3,303,132	3,003,889	2,913,274
General Administration, School Admin., Business-Central, Operation and Maintenance of Facilities	5,892,392	5,625,181	5,326,890	5,031,903
Pupil Transportation	1,009,432	975,233	841,792	808,922
Interest on Debt	<u>310,621</u>	<u>217,828</u>	<u>267,840</u>	<u>217,828</u>
 Total Expenses	 <u>\$ 28,780,174</u>	 <u>\$ 28,202,600</u>	 <u>\$ 23,122,230</u>	 <u>\$ 22,235,477</u>

Changes in Net Position from the Implementation of GASB Statement No. 101

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, "Compensated Absences." As a result of this implementation, the District reviewed and adjusted its methodology for estimating compensated absences payable. The cumulative effect of applying this new standard required a restatement of beginning net position as of July 1, 2024. Accordingly, the beginning net position has been decreased by \$382,295 to reflect the impact of the change in accounting principle.

Net position:

Beginning balance, as reported	\$ 14,829,743
<i>Cumulative Effect of Change in Accounting Policy</i>	<u>(382,295)</u>
Beginning balance, as restated	<u>\$ 14,447,448</u>

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$267,447 and \$232,477 and expenses of \$330,817 and \$269,308 for the fiscal years ended June 30, 2025 and 2024, respectively. Of the revenues, \$18,757 and \$21,952 were charges for services paid by patrons for daily food service and \$248,690 and \$210,525 were from State and Federal reimbursements for the fiscal years ended June 30, 2025 and 2024, respectively.

**WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

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 \$34,233,686 and \$32,444,130 and expenditures were \$34,941,899 and \$35,309,764, for the fiscal years ended June 30, 2025 and 2024, respectively. Additionally, in the fiscal year ended June 30, 2025 the District had other financing sources from lease proceeds of \$1,885,930 while in the fiscal year ended June 30, 2024, the District had other financing sources from bond proceeds of \$7,278,000. The net change in the fund balance for the fiscal year ended June 30, 2025 was an increase of \$1,147,717.

The following schedules present a comparison of the revenues of the governmental funds for the fiscal years ending June 30, 2025 and 2024.

<u>Revenues</u>	<u>Amount</u>		Amount of Increase (Decrease)	Percent Change
	<u>2025</u>	<u>2024</u>		
Local Sources	\$ 18,774,887	\$ 18,775,130	\$ (243)	0.00%
State Sources	14,412,570	12,554,790	1,857,780	14.80%
Federal Sources	<u>1,046,229</u>	<u>1,114,210</u>	<u>(67,981)</u>	-6.10%
Total	<u>\$ 34,233,686</u>	<u>\$ 32,444,130</u>	<u>\$ 1,789,556</u>	5.52%

The following schedule represents a comparison of the governmental funds expenditures for the fiscal years ending June 30, 2025 and 2024.

<u>Expenditures</u>	<u>Amount</u>		Amount of Increase (Decrease)	Percent Change
	<u>2025</u>	<u>2024</u>		
Current:				
Instruction	\$ 20,413,342	\$ 19,690,800	\$ 722,542	3.67%
Support Services	11,358,217	9,258,297	2,099,920	22.68%
Capital Outlay	2,110,921	5,443,814	(3,332,893)	-61.22%
Debt Service:				
Principal	742,555	772,420	(29,865)	-3.87%
Interest	<u>316,864</u>	<u>144,433</u>	<u>172,431</u>	119.38%
Total	<u>\$ 34,941,899</u>	<u>\$ 35,309,764</u>	<u>\$ (367,865)</u>	-1.04%

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

General Fund Budgeting Highlights (Schedule C-1)

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.

Local sources revenue exceeded anticipated revenue by \$572,960 as a result of an increase in interest rates driving up interest earned on the District's accounts throughout the year. The District also saw refunds of prior year expenditures which were not anticipated.

State sources exceeded anticipated revenues by \$5,171,910 as a result of the District not anticipating revenues related to Extraordinary Aid, State on-behalf TPAF pension, medical and disability contributions, and State reimbursed TPAF social security contributions.

The District also experienced significant variations between the final amended budget and actual expenditures for various reasons including:

- Resource Room/Resource Center – Salaries of Teachers: a remaining balance of \$142,163 is mainly the result of an open teacher position that was expected to be but was never filled as well as the resignation of a teacher who was never replaced.
- Undistributed Instruction – Tuition to Other LEAs Within the State – Special: a remaining balance of \$944,820 is mainly the result of the District's projection of Special Education enrollment coming in lower than anticipated.
- Undistributed Instruction – Tuition to County Vocational School District – Regular/Special: a combined remaining balance of these two budget lines was \$305,996 which was the result of students transferring out of these schools during the year.
- Unallocated Benefits – Health Benefits: a remaining balance of \$653,677 is mainly the result of the District leaving the NJ State Health Benefits Plan mid-year resulting in increased savings.
- Undistributed Expenditures – Custodial Services: a deficit of \$1,855,930 was the result of the recognition of the net present value of a lease agreement for the right-to-use the Most Sacred Heart of Jesus Church as the location of the Jefferson Elementary School Annex.
- Facilities Acquisition and Construction Services – Construction Services: a remaining balance of \$1,180,910 is the result of projects for a cafeteria and a district wide door replacement project being put off until the subsequent budget year.

**WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Capital Assets

At the end of fiscal years 2025 and 2024, the District had \$16,791,277 and \$14,284,871 invested in land, construction in progress, land improvements, buildings and building improvements, right to use assets – building, machinery and equipment, and right to use assets – equipment used for governmental activities net of depreciation. Overall governmental activities capital assets increased \$2,506,406 from fiscal year 2024 to fiscal year 2025 as a result of capital outlay additions exceeding depreciation/amortization expense. Table 4 shows capital assets net of depreciation/amortization at June 30, 2025 and 2024 for governmental and business-type activities.

**Table 4
Capital Assets, Net of Depreciation/Amortization
Governmental Activities**

	<u>2025</u>	<u>2024</u>
Land	\$ 21,354	\$ 21,354
Construction in Progress	4,359,668	5,503,025
Land Improvements	1,546,009	1,701,681
Buildings and Building Improvements	8,577,860	6,604,017
Right to Use Assets - Building	1,585,180	60,879
Machinery and Equipment	644,498	316,281
Right to Use Assets - Equipment	<u>56,708</u>	<u>77,634</u>
 Total	 <u>\$ 16,791,277</u>	 <u>\$ 14,284,871</u>

At the end of fiscal years 2025 and 2024 the District had \$14,773 and \$17,086 of machinery and equipment used for business-type activities net of depreciation.

**Table 5
Capital Assets, Net of Depreciation
Business-Type Activities**

	<u>2025</u>	<u>2024</u>
Machinery and Equipment	<u>\$ 14,773</u>	<u>\$ 17,086</u>
 Total	 <u>\$ 14,773</u>	 <u>\$ 17,086</u>

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Long-Term Liabilities

At June 30, 2025 and 2024 the District had \$13,342,825 and \$12,373,393 (Restated) of long-term liabilities, respectively. Of this amount, \$792,454 and \$767,706 are for compensated absences, \$1,641,888 and \$138,513 for leases payable, \$8,570,000 and \$8,964,066 for bonds payable, including unamortized bond premium, \$2,338,483 and \$2,503,508 for net pension liability, respectively.

For the Future

The Wallington Board of Education is in stable financial condition at present. 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, 2025.

Basic Financial Statements

Wallington Board of Education

Statement of Net Position

June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,868,194	\$ 29,746	\$ 13,897,940
Accounts receivable	685,033	15,821	700,854
Capital assets, non-depreciable	4,381,022		4,381,022
Capital assets, depreciable, net	12,410,255	14,773	12,425,028
Total assets	<u>31,344,504</u>	<u>60,340</u>	<u>31,404,844</u>
Deferred outflows of resources			
Pension related	<u>392,940</u>		<u>392,940</u>
Liabilities			
Accounts payable	600,613	20,198	620,811
Other liabilities	56,914		56,914
Accrued interest payable	97,349		97,349
Unearned revenue	227,395		227,395
Net pension liability	2,338,483		2,338,483
Current portion of long-term obligations	929,485		929,485
Noncurrent portion of long-term obligations	10,074,857		10,074,857
Total liabilities	<u>14,325,096</u>	<u>20,198</u>	<u>14,345,294</u>
Deferred inflows of resources			
Pension related	<u>259,562</u>	-	<u>259,562</u>
Net position			
Net investment in capital assets	7,560,203	14,773	7,574,976
Restricted for:			
Capital projects	2,214,622		2,214,622
Debt Service	125,100		125,100
Unemployment Reserve	194,576		194,576
Scholarships	27,829		27,829
Student Activities	102,703		102,703
Unrestricted	<u>6,927,753</u>	<u>25,369</u>	<u>6,953,122</u>
Total net position	<u>\$ 17,152,786</u>	<u>\$ 40,142</u>	<u>\$ 17,192,928</u>

See accompanying notes to the basic financial statements.

Wallington Board of Education

Statement of Activities

Year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction:						
Regular Instruction	\$ 9,464,095	\$ 12,093	\$ 1,336,310	\$ (8,115,692)		\$ (8,115,692)
Special Education Instruction	6,377,685		2,441,091	(3,936,594)		(3,936,594)
Other Instruction	1,453,489		544,050	(909,439)		(909,439)
School-Sponsored Activities and Athletics	974,473		254,379	(720,094)		(720,094)
Support services						
Student and instruction related services	3,297,987		294,098	(3,003,889)		(3,003,889)
General administration services	602,438		41,745	(560,693)		(560,693)
School administration services	839,845		89,920	(749,925)		(749,925)
Central services/Admin. Information Technology	665,303		74,754	(590,549)		(590,549)
Plant operations and required maintenance	3,784,806		401,864	(3,382,942)		(3,382,942)
Pupil transportation	1,009,432		167,640	(841,792)		(841,792)
Interest and other charges on long term obligations	310,621			(310,621)	-	(310,621)
Total governmental activities	28,780,174	12,093	5,645,851	(23,122,230)	-	(23,122,230)
Business-type activities						
Food service	330,817	18,757	248,690	-	\$ (63,370)	(63,370)
Total business-type activities	330,817	18,757	248,690		(63,370)	(63,370)
Total primary government	\$ 29,110,991	\$ 30,850	\$ 5,894,541	(23,122,230)	(63,370)	(23,185,600)
General revenues						
Property taxes, levied for general purposes				17,152,783		17,152,783
Property taxes, levied for debt service				660,949		660,949.00
State and federal sources				7,252,469		7,252,469
Interest Earned				405,265		405,265
Miscellaneous income				356,102		356,102
Total general revenues				25,827,568		25,827,568
Change in net position				2,705,338	(63,370)	2,641,968
Net position—beginning year, as reported				14,829,743	103,512	14,933,255
Change in accounting policy				(382,295)	-	(382,295)
Net position, beginning of year, as restated				14,447,448	103,512	14,550,960
Net position—ending				\$ 17,152,786	\$ 40,142	\$ 17,192,928

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Wallington Board of Education

Governmental Funds

Balance Sheet

June 30, 2025

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 12,482,331	\$ 279,949	\$ 980,814	\$ 125,100	\$ 13,868,194
Accounts receivable:					
State	496,944				496,944
Federal		185,682			185,682
Other	2,407				2,407
Total assets	<u>\$ 12,981,682</u>	<u>\$ 465,631</u>	<u>\$ 980,814</u>	<u>\$ 125,100</u>	<u>\$ 14,553,227</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	261,237	83,979			345,216
Scholarships payable		23,725			23,725
Payroll Deductions and Withholdings Payable	18,337				18,337
Unemployment Claims payable	14,852				14,852
Unearned revenue		227,395			227,395
Total liabilities	<u>294,426</u>	<u>335,099</u>	<u>-</u>	<u>-</u>	<u>629,525</u>
Fund balances:					
Restricted for:					
Excess surplus	5,555,563				5,555,563
Excess surplus - prior year - designated for subsequent year's expenditures	4,185,621				4,185,621
Capital reserve	2,214,622				2,214,622
Unemployment Reserve	194,576				194,576
Scholarships		27,829			27,829
Student Activities		102,703			102,703
Capital projects			980,814		980,814
Debt Service				125,100	125,100
Assigned to:					
Designated for					
subsequent year's expenditures	150,565				150,565
Year end encumbrances	352,926				352,926
Unassigned:					
General fund	33,383				33,383
Total fund balances	<u>12,687,256</u>	<u>130,532</u>	<u>980,814</u>	<u>125,100</u>	<u>13,923,702</u>
Total liabilities and fund balances	<u>\$ 12,981,682</u>	<u>\$ 465,631</u>	<u>\$ 980,814</u>	<u>\$ 125,100</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 \$30,751,585 and the accumulated depreciation/amortization is \$13,960,308.	16,791,277
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.	(97,349)
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.	(11,004,342)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	133,378
Accrued pension contributions for the June 30, 2025 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.	(255,397)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(2,338,483)</u>
Net position of governmental activities (A-1)	<u>\$ 17,152,786</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, 2025

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 17,152,783			\$ 660,949	\$ 17,813,732
Tuition	12,093				12,093
Interest earned on Capital Reserve funds	35,222				35,222
Miscellaneous	726,145	\$ 187,695			913,840
Total local sources	17,926,243	187,695	-	660,949	18,774,887
State sources	14,412,570				14,412,570
Federal sources	43,867	1,002,362			1,046,229
Total revenues	32,382,680	1,190,057	-	660,949	34,233,686
Expenditures					
Current					
Instruction					
Regular Instruction	10,647,486	296,832			10,944,318
Special Education Instruction	6,385,357	304,004			6,689,361
Other Instruction	1,266,797	401,526			1,668,323
School-Sponsored Activities and Athletics	946,868	164,472			1,111,340
Support Services					
Student and Instruction Related Services	3,605,591	23,725			3,629,316
General Administration Services	662,071				662,071
School Administration Services	964,624				964,624
Central Services/Admin. Information Technology	771,477				771,477
Plant Operations and Required Maintenance	4,321,297				4,321,297
Pupil Transportation	1,009,432				1,009,432
Capital outlay	501,375		1,609,546		2,110,921
Debt Service:					
Principal	352,555			390,000	742,555
Interest	45,915			270,949	316,864
Total expenditures	31,480,845	1,190,559	1,609,546	660,949	34,941,899
Excess (deficiency) of revenues over (under) expenditures/net change in fund balances	901,835	(502)	(1,609,546)	-	(708,213)
Other financing sources (uses):					
Lease proceeds	1,855,930				1,855,930
Total other financing sources (uses)	1,855,930	-	-	-	1,855,930
Net change in fund balances	2,757,765	(502)	(1,609,546)	-	1,147,717
Fund balances, beginning	9,929,491	131,034	2,590,360	125,100	12,775,985
Fund balances, ending	\$ 12,687,256	\$ 130,532	\$ 980,814	\$ 125,100	\$ 13,923,702

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, 2025

Total net change in fund balances - governmental funds (from B-2)	\$	1,147,717
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation/amortization expense exceeds capital additions in the period.</p>		
	Capital additions	\$ 3,966,851
	Depreciation/amortization expense	<u>(1,460,445)</u>
		2,506,406
<p>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</p>		
	Lease Issued	(1,855,930)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
		3,013
<p>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.</p>		
	Serial bonds payable	390,000
	Leases payable	<u>352,555</u>
		742,555
<p>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.</p>		
	Amortization of premium on bonds	4,066
	Amortization of deferred amount of loss on defeasance	<u>(836)</u>
		3,230
<p>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).</p>		
		(24,748)
<p>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</p>		
	Pension expense	183,095
Change in net position of governmental activities (A-2)	\$	<u>2,705,338</u>

Proprietary Funds

Wallington Board of Education
Proprietary Funds

Statement of Net Position

June 30, 2025

	<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	\$ 29,746
Accounts receivable:	
Federal	14,826
State	995
Total current assets	<u>45,567</u>
Non-current assets:	
Capital assets:	
Depreciable assets	76,043
Accumulated depreciation	(61,270)
Total capital assets, net	<u>14,773</u>
Total assets	<u>\$ 60,340</u>
Liabilities	
Liabilities:	
Accounts payable	20,198
Total liabilities	<u>20,198</u>
Net position	
Investment in capital assets	14,773
Unrestricted	25,369
Total net position	<u>40,142</u>
Total Liabilities and Net Position	<u>\$ 60,340</u>

See accompanying notes to the basic financial statements.

Wallington Board of Education
Proprietary Funds

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2025

	<u>Major Funds</u>
	<u>Business Type Activities -</u>
	<u>Enterprise Funds</u>
	<u>Food</u>
	<u>Service</u>
Operating revenues:	
Local sources:	
Daily sales reimbursable programs	\$ 18,757
Total operating revenues	<u>18,757</u>
Operating expenses:	
Cost of sales reimbursable programs	328,504
Depreciation	2,313
Total operating expenses	<u>330,817</u>
Operating (loss)	<u>(312,060)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	13,219
State school breakfast program	1,165
Federal sources:	
School breakfast program	26,832
National school lunch program	207,474
Total nonoperating revenues	<u>248,690</u>
Change in net position	<u>(63,370)</u>
Total net position, beginning of year	103,512
Total net position, end of year	<u>\$ 40,142</u>

See accompanying notes to the basic financial statements.

Wallington Board of Education
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2025

	<u>Major Funds</u>
	<u>Business Type Activities -</u>
	<u>Enterprise Funds</u>
	<u>Food</u>
	<u>Service</u>
Cash flows from operating activities	
Cash payments to suppliers for goods and services	\$ (325,331)
Receipts from services provided	18,757
Net cash used for operating activities	<u>(306,574)</u>
Cash flows from noncapital financing activities	
Cash received from state and federal reimbursements	245,519
Net cash provided by noncapital financing activities	<u>245,519</u>
Net decrease in cash and cash equivalents	(61,055)
Cash and cash equivalents, beginning of year	90,801
Cash and cash equivalents, end of year	<u>\$ 29,746</u>
Reconciliation of operating (loss) to net cash used for operating activities	
Operating (loss)	\$ (312,060)
Adjustments to reconcile operating (loss) to net cash used for operating activities:	
Depreciation	2,313
Change in assets and liabilities:	
Increase in accounts payable	3,173
Net cash used for operating activities	<u>\$ (306,574)</u>

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, 2025**

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

Adopted – The District adopted GASB Statement No. 100, *“Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62”*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. See Note 4H.

Adopted – The District adopted GASB Statement No. 101, *“Compensated Absences”*. 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. See Note 4H.

Adopted - The GASB issued Statement No. 102 *“Certain Risk Disclosures”* in December 2023. This Statement defines concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Recently Issued and Adopted Accounting Principles (Continued)

government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

Recent - The GASB issued Statement No. 103 "*Financial Reporting Model Improvements*" in April 2024. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Recent - The GASB issued Statement No. 104 "*Disclosure of Certain Capital Assets*" in September 2024. This objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this 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.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary 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.

The District reports on 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, 2025**

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, 2025**

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

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 one item which arises only under the accrual basis of accounting that qualifies for reporting in this category.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 (Continued)

The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (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

The liability for compensated absences represents the vacation and sick time (“leave”/“leave days”) and salary related payments which have been earned for services previously rendered by employees in accordance with the District’s various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee’s rate of pay and the number of unused leave days accumulated as of year-end, management’s assumption that likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, “*Compensated Absences*.”

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.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions (Continued)

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.

8. Long-Term Obligations

In the district-wide financial statements, 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 refunding's 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 refunding's 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 non-cancellable 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 terms, 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.

WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Leases (Continued)*

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

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, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 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, 2024 audited excess surplus that was appropriated in the 2025/2026 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).

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).

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

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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)

Restricted Fund Balance (Continued)

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.

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

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

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.

Designated For Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the Adopted 2025/2026 District Budget certified for taxes .

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.

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.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 (Continued)

In other words, additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, 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 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund 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 non-operating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 2024/2025. During 2024/2025 the Board increased the original general fund budget by \$19,850. The increase was funded by reappropriation of prior year’s general fund encumbrances. Also, during 2024/2025 the Board increased the original special revenue fund budget by \$531,231. 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 governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

Encumbrance accounting is employed in 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 the 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.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		\$ 1,679,400
Increased by		
Deposit per Board Resolution	\$ 500,000	
Interest on Deposits	<u>35,222</u>	
		<u>535,222</u>
Balance, June 30, 2025		<u>\$ 2,214,622</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, 2025 is \$9,741,184. Of this amount, \$4,185,621 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of \$5,555,563 will be appropriated in the 2026/2027 original budget certified for taxes.

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.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits were \$13,897,940 and bank and brokerage firm balances of the Board's deposits amounted to \$14,969,798. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	
FDIC Insured	\$ 280,826
GUDPA Insured	<u>14,688,972</u>
Total Insured	<u>\$ 14,969,798</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, 2025 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.

As of June 30, 2025, 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.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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, 2025, 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		\$ 185,682	\$ 14,826	\$ 200,508
State	\$ 496,944		995	497,939
Other	<u>2,407</u>	<u>-</u>	<u>-</u>	<u>2,407</u>
Gross Receivables	499,351	185,682	15,821	700,854
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivable	<u>\$ 499,351</u>	<u>\$ 185,682</u>	<u>\$ 15,821</u>	<u>\$ 700,854</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 Drawdowns	<u>\$ 227,395</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 227,395</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Increases	Decreases	Transfers	Balance, June 30, 2025
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 21,354				\$ 21,354
Construction In Progress	<u>5,503,025</u>	<u>\$ 1,510,358</u>	<u>-</u>	<u>\$ (2,653,715)</u>	<u>4,359,668</u>
Total Capital Assets, Not Being Depreciated	<u>5,524,379</u>	<u>1,510,358</u>	<u>-</u>	<u>(2,653,715)</u>	<u>4,381,022</u>
Capital Assets, Being Depreciated/Amortized:					
Buildings and Building Improvements	16,701,461	137,561		2,653,715	19,492,737
Right to Use Assets -Buildings	1,120,484	1,855,930	(1,120,484)		1,855,930
Land Improvements	3,196,091	4,200			3,200,291
Machinery and Equipment	1,207,095	458,802			1,665,897
Right to Use Assets -Equipment	<u>155,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,708</u>
Total Capital Assets Being Depreciated/Amortized	<u>22,380,839</u>	<u>2,456,493</u>	<u>(1,120,484)</u>	<u>2,653,715</u>	<u>26,370,563</u>
Less Accumulated Depreciation/Amortization for:					
Buildings and Building Improvements	(10,097,444)	(817,433)			(10,914,877)
Right to Use Assets -Buildings	(1,059,605)	(331,629)	1,120,484		(270,750)
Land Improvements	(1,494,410)	(159,872)			(1,654,282)
Machinery and Equipment	(890,814)	(130,585)			(1,021,399)
Right to Use Assets -Equipment	<u>(78,074)</u>	<u>(20,926)</u>	<u>-</u>	<u>-</u>	<u>(99,000)</u>
Total Accumulated Depreciation/Amortization	<u>(13,620,347)</u>	<u>(1,460,445)</u>	<u>1,120,484</u>	<u>-</u>	<u>(13,960,308)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>8,760,492</u>	<u>996,048</u>	<u>-</u>	<u>2,653,715</u>	<u>12,410,255</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,284,871</u>	<u>\$ 2,506,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,791,277</u>

	Balance, July 1, 2024	Increases	Decreases	Balance, June 30, 2025
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 76,043	-	-	\$ 76,043
Total Capital Assets Being Depreciated	<u>76,043</u>	<u>-</u>	<u>-</u>	<u>76,043</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(58,957)	\$ (2,313)	-	(61,270)
Total Accumulated Depreciation	<u>(58,957)</u>	<u>(2,313)</u>	<u>-</u>	<u>(61,270)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,086</u>	<u>(2,313)</u>	<u>-</u>	<u>14,773</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,086</u>	<u>\$ (2,313)</u>	<u>\$ -</u>	<u>\$ 14,773</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 80,526
Special Education	<u>593</u>
Total Instruction	<u>81,119</u>
Support Services	
Student & Instruction Related Services	40,470
School Administrative Services	5,497
Plant Operations and Maintenance	<u>1,376,139</u>
Total Support Services	<u>1,422,106</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 1,503,225</u>

Business-Type Activities:

Food Service Fund	<u>\$ 2,313</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,313</u>

E. 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 year ended June 30, 2025 were \$331,629.

The future minimum lease obligations and the net present value of the minimum lease payments on the remaining building lease as of June 30, 2025, were as follows:

Fiscal Year Ending	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 343,341	\$ 42,305	\$ 385,646	
2027	365,361	31,847	397,208	
2028	393,693	15,431	409,124	
2029	412,495	8,905	421,400	
2030	<u>70,290</u>	<u>286</u>	<u>70,576</u>	
Total	<u>\$ 1,585,180</u>	<u>\$ 98,774</u>	<u>\$ 1,683,954</u>	

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Leases Payable - Equipment

The District leases copiers under a non-cancelable lease. The term of the lease is five years. Lease payments for the year ended June 30, 2025 were \$20,926.

The future minimum lease obligations and the net present value of the minimum lease payments on the remaining equipment lease as of June 30, 2025, were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 21,899	\$ 2,161	\$ 24,060
2027	22,939	1,121	24,060
2028	<u>11,870</u>	<u>160</u>	<u>12,030</u>
	<u>\$ 56,708</u>	<u>\$ 3,442</u>	<u>\$ 60,150</u>

F. 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, 2025 are comprised of the following issues:

\$2,617,000, 2014 School Bonds, due in annual installments of \$252,000 to \$260,000 through August 15, 2029, interest at 3.00%	\$1,292,000
\$7,278,000, 2024 School Bonds, due in annual installments of \$225,000 to \$450,000 through February 15, 2044, interest of 0.05% to 4.00%	<u>7,278,000</u>
	<u>\$8,570,000</u>

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 485,000	\$ 255,699	\$ 740,699
2027	485,000	247,786	732,786
2028	485,000	239,874	724,874
2029	490,000	231,961	721,961
2030	502,000	221,981	723,981
2031-2035	2,125,000	985,006	3,110,006
2036-2040	2,200,000	626,600	2,826,600
2041-2044	<u>1,798,000</u>	<u>179,681</u>	<u>1,977,681</u>
	<u>\$ 8,570,000</u>	<u>\$ 2,988,588</u>	<u>\$ 11,558,588</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$60,472,852
Less: Net Debt Outstanding	8,570,000
Less: Authorized but Not Issued	<u>530</u>
Remaining Borrowing Power	<u>\$ 51,902,322</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Balance, <u>July 1, 2024</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2025</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 8,960,000		\$ 390,000	\$ 8,570,000	\$ 485,000
Add: Unamortized Premium	<u>4,066</u>	-	<u>4,066</u>	-	-
Total Bonds Payable	8,964,066	-	394,066	8,570,000	485,000
Compensated Absences	767,706	\$ 45,814	21,066	792,454	79,245
Leases Payable - Buildings	60,879	1,855,930	331,629	1,585,180	343,341
Leases Payable - Equipment	77,634		20,926	56,708	21,899
Net Pension Liability	<u>2,503,508</u>	-	<u>165,025</u>	<u>2,338,483</u>	-
Governmental activity Long-term liabilities	<u>\$ 12,373,793</u>	<u>\$ 1,901,744</u>	<u>\$ 932,712</u>	<u>\$ 13,342,825</u>	<u>\$ 929,485</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.

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.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages 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>Adjusted</u>	Balance <u>June 30,</u>
2025	\$171,317	\$ 25,000	\$ (1,741)	\$ 194,576
2024	131,168	25,000	15,149	171,317
2023	106,168	25,000		131,168

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, 2025, 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, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. 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 District 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. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members' accounts.

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

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy, vesting and benefit provisions are set by 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 of New Jersey or any county, municipality, school board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tiers 1 and 2 members with 25 years or more of service credit before reaching age 60, Tiers 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to 60 if the have at least 25 years of service.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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' pensionable 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, 2025, the State of New Jersey contributed \$4,057,565 to the TPAF for on-behalf 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 \$682,567 during the year ended June 30, 2025 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, 2025, 2024 and 2023 were \$234,180, \$231,009, and \$228,009, 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 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, 2025, the District reported a liability of \$2,338,483 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.0172098535 percent, which was a decrease of 0.0000743432 from its proportion measured as of June 30, 2023.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

For the year ended June 30, 2025, the District recognized full accrual pension expense of \$71,015 in the government-wide financial statements. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 46,844	\$ 6,226
Changes of Assumptions	2,905	26,607
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		108,429
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	87,794	118,300
District Contributions Subsequent to the Measurement Date	255,397	
	<u>\$ 392,940</u>	<u>\$ 259,562</u>

\$255,397 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2026	\$ (107,725)
2027	83,254
2028	(68,329)
2029	(29,671)
2030	452
	<u>\$ (122,019)</u>

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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 Scale MP-2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 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	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	3.00%	8.20%
Real Estate	8.00%	10.95%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 non-employer 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, 2024, 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>\$ 3,107,269</u>	<u>\$ 2,338,483</u>	<u>\$ 1,684,250</u>

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.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

Deferred outflows of resources	\$	1,079,580,780
Deferred inflows of resources		1,611,322,898
Net pension liability		13,702,423,985
District's Proportion		0.0172098535%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2024 is \$372,160,096.

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, 2024, 2023, 2022, 2021, 2020 and 2019 is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years, respectively.

Special Funding Situation

A special funding situation exists for certain local participating employers in the PERS. The State of New Jersey, a non-employer contributing entity, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2024 State special funding situation net pension liability amount of \$114.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133.

Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense and related revenue pertaining to the special funding situation is \$7,539.

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 non-employer 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.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer 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, 2024 was \$36,778,390. The District's proportionate share was \$0. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the State's proportionate share of the TPAF net pension liability associated with the District was 0.0744123630 percent, which was an decrease of 0.0005301150 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue in the government-wide financial statements of \$784,566 for contributions incurred by the State.

Actuarial assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	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 Scale MP-2021.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

The actuarial assumptions used in the July 1, 2023 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, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 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	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	3.00%	8.20%
Real Estate	8.00%	10.95%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 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 determining the total pension liability.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Pension Plans (Continued)

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, 2024 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 or 1-percentage-point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 43,716,323</u>	<u>\$ 36,778,390</u>	<u>\$ 30,935,339</u>

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, 2024 are as follows:

Deferred outflows of resources	\$ 1,176,934,477
Deferred inflows of resources	10,530,833,639
Net pension liability	49,425,106,602
 State's proportionate share associated with the District	 0.0744123630%

Collective pension benefit of the Local Group for the plan for the measurement period ended June 30, 2024 is \$148,167,647.

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, 2024, 2023, 2022, 2021, 2020 and 2019, is 7.84, 7.93, 7.83, 7.93, 8.04, and 8.29 years, respectively.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2024 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepting actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability.

The State's share of the net pension liability, based on a measurement date of June 30, 2022 which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds the post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs.

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 required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits was \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021.

Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financialreports.shtml>.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

Total OPEB Liability

The Nonemployer OPEB liability from the State of New Jersey's plan is \$59,650,630,530.

Changes in Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2024:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2023 Measurement Date	\$ <u>36,585,506</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,476,311
Interest on the Total OPEB Liability	1,355,802
Differences Between Expected and Actual Experience	(311,292)
Changes of Assumptions	3,081,390
Gross Benefit Payments	(1,035,448)
Contributions from the Member	<u>35,455</u>
Net Changes	<u>4,602,218</u>
Balance, June 30, 2024 Measurement Date	\$ <u><u>41,187,724</u></u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2024</u>
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>372,741</u></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 total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2024 was \$41,187,724. 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, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Salary increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% 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 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF/ABP) 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, 2023 valuation were based on the results of the actual experience studies for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate used to measure the total OPEB liability for June 30, 2024 was 3.93%. 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 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2024 and decreases to 4.50% in fiscal year 2034 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

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, 2023 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	At 1% Decrease <u>(2.93%)</u>	At Current Discount Rate <u>(3.93%)</u>	At 1% Increase <u>(4.93%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 48,239,646</u>	<u>\$ 41,187,724</u>	<u>\$ 35,516,515</u>

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 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:

	At 1% <u>Decrease</u>	At Healthcare Cost Trend <u>Rates</u>	At 1% <u>Increase</u>
Total OPEB Liability (School Retirees)	<u>\$ 34,309,674</u>	<u>\$ 41,187,724</u>	<u>\$ 50,146,838</u>

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$1,441,996 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2024 are as follows:

Deferred outflows of resources	\$ 18,640,445,786
Deferred inflows of resources	25,058,850,175
Collective OPEB expense	1,999,742,665
District's Proportion	0.07%

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

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.

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.

G. Net Position – Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$7,560,203 indicated as part of the Governmental Activities net position is calculated as follows:

Capital Assets , Net		\$ 16,791,277
Add:		
Unspent Capital Projects Funds	\$ 980,814	980,814
		<u>17,772,091</u>
Less:		
Bonds Payable	(8,570,000)	
Lease Payable - Buildings	(1,585,180)	
Lease Payable - Equipment	<u>(56,708)</u>	
		<u>(10,211,888)</u>
Net Investment in Capital Assets		<u>\$ 7,560,203</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

H. Change in Accounting Principle and Restatement of Net Position

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid.

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the provisions of GASB Statement No. 101 were adopted effective July 1, 2024. As a result, the compensated absences liability was restated as of June 30, 2024, and the cumulative effect of the change of (\$382,295) was recognized in the 2024 change in net position.

NOTE 5 SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from June 30, 2025 through November 25, 2025, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the statement of net position date, have been recognized in the accompanying financial statements.

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net Pension Liability (Asset)	0.01721 %	0.01728 %	0.01808 %	0.01696 %	0.01756 %	0.01729 %	0.01730 %	0.01747 %	0.01844 %	0.01833 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 2,338,483</u>	<u>\$ 2,503,508</u>	<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>
District's Covered Payroll	<u>\$ 1,486,059</u>	<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>\$ 1,191,151</u>	<u>\$ 1,196,610</u>	<u>\$ 1,241,919</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	157%	183%	213%	154%	240%	256%	279%	342%	456%	331%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%

* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 254,110	\$ 231,009	\$ 228,009	\$ 198,685	\$ 192,134	\$ 168,176	\$ 172,134	\$ 161,915	\$ 163,800	\$ 157,666
Contributions in Relation to the Contractually Required Contributions	<u>254,110</u>	<u>231,009</u>	<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>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ <u>1,499,675</u>	\$ <u>1,486,059</u>	\$ <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>
Contributions as a Percentage of Covered Payroll	16.94%	15.55%	16.67%	15.52%	14.69%	14.11%	14.17%	13.24%	13.73%	13.18%

* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</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>\$ 36,778,390</u>	<u>\$ 38,245,147</u>	<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>
Total	<u>\$ 36,778,390</u>	<u>\$ 38,245,147</u>	<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>
District's Covered Payroll	<u>\$ 9,290,909</u>	<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>
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	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

* 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, 2025**

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 Eight Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service Cost	\$ 1,476,311	\$ 1,500,886	\$ 1,947,561	\$ 2,269,209	\$ 1,249,266	\$ 1,144,935	\$ 1,303,236	\$ 1,573,562
Interest on Total OPEB Liability	1,355,802	1,288,497	925,177	1,061,099	1,000,364	1,208,279	1,340,196	1,158,024
Differences Between Expected and Actual Experience	(311,292)	(217,126)	1,386,109	(7,598,492)	8,393,841	(4,709,139)	(4,394,847)	
Changes of Assumptions	3,081,390	73,741	(9,365,160)	40,355	8,399,753	413,268	(3,498,380)	(4,825,143)
Gross Benefit Payments	(1,035,448)	(1,004,404)	(916,415)	(835,848)	(800,549)	(850,841)	(815,175)	(821,674)
Change of Benefit Terms				(43,538)				
Contribution from the Member	<u>35,455</u>	<u>33,020</u>	<u>29,399</u>	<u>27,127</u>	<u>24,265</u>	<u>25,221</u>	<u>28,174</u>	<u>30,256</u>
Net Change in Total OPEB Liability	4,602,218	1,674,614	(5,993,329)	(5,080,088)	18,266,940	(2,768,277)	(6,036,796)	(2,884,975)
Total OPEB Liability - Beginning	<u>36,585,506</u>	<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>	<u>39,407,417</u>
Total OPEB Liability - Ending	<u>\$ 41,187,724</u>	<u>\$ 36,585,506</u>	<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	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>41,187,724</u>	<u>36,585,506</u>	<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>\$ 41,187,724</u>	<u>\$ 36,585,506</u>	<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>\$ 10,776,968</u>	<u>\$ 10,212,316</u>	<u>\$ 9,826,088</u>	<u>\$ 9,485,614</u>	<u>\$ 9,214,309</u>	<u>\$ 8,983,522</u>	<u>\$ 8,701,291</u>	<u>\$ 8,554,764</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	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, 2025**

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
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 17,152,783		\$ 17,152,783	\$ 17,152,783	
Tuition	15,500		15,500	12,093	\$ (3,407)
Interest Earned on Capital Reserve Funds	10,000		10,000	35,222	25,222
Miscellaneous - Unrestricted	175,000		175,000	726,145	551,145
Total - Local Sources	17,353,283	-	17,353,283	17,926,243	572,960
State Sources:					
Categorical Special Education Aid	1,472,628		1,472,628	1,472,628	
Transportation Aid	167,987		167,987	167,987	
Security Aid	389,603		389,603	389,603	
Equalization Aid	7,395,424		7,395,424	7,395,424	
Extraordinary Aid				431,778	431,778
On-behalf Teachers' Pension and Annuity Fund - Pension Contribution				3,138,837	3,138,837
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical				917,171	917,171
On-Behalf Teachers' Pension and Annuity Fund - Long Term Disability				1,557	1,557
Reimbursed TPAF Social Security Contribution				682,567	682,567
Total State Sources	9,425,642	-	9,425,642	14,597,552	5,171,910
Federal Sources:					
Medicaid Assistance	38,644		38,644	43,867	5,223
Total - Federal Sources	38,644	-	38,644	43,867	5,223
Total Revenues	26,817,569	-	26,817,569	32,567,662	5,750,093
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	337,406		337,406	326,270	11,136
Grades 1-5 - Salaries of Teachers	1,973,680		1,973,680	1,930,503	43,177
Grades 6-8 - Salaries of Teachers	1,001,179		1,001,179	950,491	50,688
Grades 9-12 - Salaries of Teachers	1,976,372		1,976,372	1,958,072	18,300
Regular Programs - Home Instruction					
Salaries of Teachers	23,000		23,000	12,954	10,046
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	316,749		316,749	296,686	20,063
Purchased Professional-Educational Services	90,250		90,250	59,079	31,171
General Supplies	270,025		270,025	198,295	71,730
Textbooks	65,700		65,700	46,585	19,115
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,054,361	-	6,054,361	5,778,935	275,426
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	407,636		407,636	380,499	27,137
Other Salaries for Instruction	480,695	\$ 4,400	485,095	420,815	64,280
General Supplies	4,400		4,400	4,400	
Textbooks	10,400	(4,400)	6,000	95	5,905
Total Learning and/or Language Disabilities	903,131	-	903,131	805,809	97,322
Resource Room/Resource Center					
Salaries of Teachers	766,182		766,182	624,019	142,163
General Supplies	3,100		3,100	3,100	
Textbooks	1,800		1,800	612	1,188
Total Resource Room/Resource Center	771,082	-	771,082	627,731	143,351
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,674,213	-	1,674,213	1,433,540	240,673
Basic Skills/Remedial - Instruction					
Salaries of Teachers	440,557	(10,000)	430,557	309,813	120,744
Other salaries for instruction	15,000	10,000	25,000	22,250	2,750
General Supplies	6,000		6,000	640	5,360
Total Basic Skills/Remedial - Instruction	461,557	-	461,557	332,703	128,854
Bilingual Education - Instruction					
Salaries of Teachers	315,510		315,510	315,510	
Purchased professional and educational services	1,500		1,500		1,500
General Supplies	500		500		500
Total Bilingual Education - Instruction	317,510	-	317,510	315,510	2,000
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	73,880		73,880	69,168	4,712
Purchased Services	40,172		40,172	18,997	21,175
Supplies and Materials	8,200		8,200	1,987	6,213
Other Objects	6,500		6,500	2,157	4,343
Total School-Spon. Cocurricular Actvts. - Inst.	128,752	-	128,752	92,309	36,443
School-Spon. Athletics					
Salaries	399,328		399,328	385,983	13,345
Purchased Services	42,833	100	42,933	42,850	83
Supplies and Materials	68,650		68,650	67,212	1,438
Other Objects	29,275		29,275	28,085	1,190
Total School-Spon. Athletics	540,086	100	540,186	524,130	16,056

Wallington Board of Education
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
Before/After School Programs - Support Svcs					
Salaries	\$ 86,000		\$ 86,000	\$ 80,968	\$ 5,032
Supplies and Materials	5,000		5,000	5,000	
Total Before/After School Programs - Support Svcs	91,000	-	91,000	85,968	5,032
Summer School - Instruction					
Salaries of Teachers	13,000		13,000		13,000
Total Summer School - Instruction	13,000	-	13,000	-	13,000
Other instructional programs - instruction:					
Salaries	19,000		19,000	6,350	12,650
Purchased services	1,800		1,800		1,800
General supplies	700		700		700
Total Other instructional programs - instruction:	21,500	-	21,500	6,350	15,150
Total Instruction	9,301,979	\$ 100	9,302,079	8,569,445	732,634
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular		2,832	2,832	2,832	
Tuition to Other LEAs Within the State - Special	3,954,997	(40,864)	3,914,133	2,969,313	944,820
Tuition to County Voc. School Dist. - Regular	403,416	37,812	441,228	435,985	5,243
Tuition to County Voc. School Dist. - Special	351,545	(18,000)	333,545	182,855	150,690
Tuition to CSSD & Regional Day Schools	607,249		607,249	451,943	155,306
Tuition to Private Schools for the Disabled - Within State	438,066	18,000	456,066	447,655	8,411
Tuition - State Facilities	4,620	220	4,840	2,420	2,420
Total Undistributed Expenditures - Instruction	5,759,893	-	5,759,893	4,493,003	1,266,890
Undistributed Expenditures - Attend. and Social Work					
Salaries	148,593		148,593	141,040	7,553
Other Purchased Services	150		150		150
General supplies	900		900	280	620
Total Undistributed Expenditures - Attend. and Social Work	149,643	-	149,643	141,320	8,323
Undistributed Expenditures- Health Services					
Salaries	248,601		248,601	242,001	6,600
Purchased Professional and Technical Services	52,142		52,142	44,482	7,660
Other Purchased Services	200		200		200
Supplies and Materials	7,000	(7,000)			
Supplies and Materials - Menstrual Products	-	7,000	7,000	6,204	796
Total Undistributed Expenditures - Health Services	307,943	-	307,943	292,687	15,256
Undistributed Expenditures - Other Supp. Serv. Students - Speech, OT, PT and Related Services					
Salaries	170,606		170,606	137,942	32,664
Supplies and Materials	1,600		1,600	1,340	260
Total Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT and Related Services	172,206	-	172,206	139,282	32,924
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	401,692		401,692	376,612	25,080
Salaries of Secretarial and Clerical Assistants	49,430		49,430	49,430	
Other Purchased Services	1,000		1,000	750	250
Supplies and Materials	44,850		44,850	31,457	13,393
Other Objects	55,500		55,500	45,455	10,045
Total Undist. Expend. - Guidance	552,472	-	552,472	503,704	48,768
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	277,434		277,434	256,367	21,067
Salaries of Secretarial and Clerical Assistants	60,276		60,276	60,176	100
Other Salaries	131,357		131,357	130,324	1,033
Purchased Prof. - Educational Services	30,000		30,000	15,168	14,832
Other Purchased Services	2,000		2,000		2,000
Supplies and Materials	9,500		9,500	7,784	1,716
Other Objects	1,000		1,000	350	650
Total Undistributed Expenditures - Child Study Teams	511,567	-	511,567	470,169	41,398
Undistributed Expenditures - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	174,639		174,639	155,286	19,353
Salaries of Other Professional Staff	4,200		4,200	3,200	1,000
Salaries of Secretarial and Clerical Assistants	294,033		294,033	283,485	10,548
Other Purchased Services	1,700	(100)	1,600	470	1,130
Supplies and Materials	500		500		500
Total Undistributed Expenditures - Improvement of Inst. Serv.	475,072	(100)	474,972	442,441	32,531
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	248,020		248,020	204,362	43,658
Other Purchased Services	700		700		700
Supplies and Materials	202,750		202,750	178,732	24,018
Total Undist. Expend. - Edu. Media Serv./Sch. Library	451,470	-	451,470	383,094	68,376
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	25,825	750	26,575	26,575	
Other Purchased Services	3,350	(750)	2,600	200	2,400
Total Undist. Expend. - Instructional Staff Training Serv.	29,175	-	29,175	26,775	2,400

Wallington Board of Education
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 262,925		\$ 262,925	\$ 262,925	
Legal Services	100,000		100,000	71,947	\$ 28,053
Audit Fees	40,000	\$ 500	40,500	40,416	84
Other Purchased Professional Services	17,000	(1,200)	15,800	450	15,350
Purchased Technical Services	1,100	700	1,800	1,350	450
Communications/Telephone	81,000		81,000	37,988	43,012
Board of Education Other Purchased Services	-	23,975	23,975	8,371	15,604
Miscellaneous Purchased Services	29,975	(21,430)	8,545	8,545	
General Supplies	26,500		26,500	11,716	14,784
Miscellaneous Expenditures	27,500	(2,545)	24,955	17,336	7,619
Total Undist. Expend. - Supp. Serv. - General Admin.	586,000	-	586,000	461,044	124,956
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	418,108		418,108	417,880	228
Salaries of Other Professional Staff	116,699		116,699	116,699	
Salaries of Secretarial and Clerical Assistants	42,428		42,428	42,428	
Other Purchased Services	10,250		10,250	8,135	2,115
Supplies and Materials	20,000		20,000	12,442	7,558
Total Undist. Expend. - Support Serv. - School Admin.	607,485	-	607,485	597,584	9,901
Undist. Expend. - Central Services					
Salaries	327,568	2,075	329,643	329,619	24
Miscellaneous Purchased Services	26,000	(2,075)	23,925	21,169	2,756
Supplies and Materials	7,500		7,500	2,548	4,952
Miscellaneous Expenditures	27,000	(2,500)	24,500	10,266	14,234
Total Undist. Expend. - Central Services	388,068	(2,500)	385,568	363,602	21,966
Undist. Expend. - Technology Admin.					
Salaries	175,750	2,500	178,250	178,250	
Supplies and Materials	2,500		2,500	-	2,500
Total Undist. Expend. - Technology Admin.	178,250	2,500	180,750	178,250	2,500
Undist. Expend. - Required Maint. for Sch. Facil.					
Cleaning, Repair and Maintenance Services	455,340		455,340	224,970	230,370
General Supplies	72,250		72,250	54,154	18,096
Other Objects	2,900		2,900	-	2,900
Total Undist. Expend. - Required Maint. for Sch. Facil.	530,490	-	530,490	279,124	251,366
Undist. Expend. - Custodial Services					
Salaries	493,876		493,876	415,061	78,815
Purchased Professional - Technical Services	75,000		75,000	8,300	66,700
Cleaning, Repair and Maintenance Services	745,818	5,250	751,068	520,476	230,592
Rental of Land & Buildings other than Leases	397,500		397,500	384,215	13,285
Lease Obligation (Non Budget)				1,855,930	(1,855,930)
Insurance	315,500		315,500	255,446	60,054
Miscellaneous Purchased Services	61,500		61,500	31,350	30,150
Electricity	495,000	(3,655)	491,345	322,721	168,624
Other Objects	9,250	3,655	12,905	12,708	197
Total Undist. Expend. - Custodial Services	2,593,444	5,250	2,598,694	3,806,207	(1,207,513)
Undist. Expend. - Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	159,900		159,900	94,415	65,485
General Supplies	3,000		3,000	-	3,000
Total Undist. Expend. - Care and Upkeep of Grounds	162,900	-	162,900	94,415	68,485
Undist. Expend. - Security					
Salaries	250,000		250,000	158,845	91,155
Purchased Professional and Technical Services	38,000		38,000	8,024	29,976
Cleaning, Repair and Maintenance Services	27,000		27,000	14,229	12,771
General Supplies	5,000		5,000	2,314	2,686
Other Objects	15,000		15,000	-	15,000
Total Undist. Expend. - Security	335,000	-	335,000	183,412	151,588
Undist. Expend. - Student Transportation Serv.					
Contracted Services (Other than Between Home and School) - Vendors	85,000	30,850	115,850	111,126	4,724
Contracted Services (Bet. Home & Sch) - Joint Agreements	133,334	(850)	132,484	128,032	4,452
Contracted Services (Special Education Students) - ESCs	850,000	(30,000)	820,000	770,274	49,726
Total Undist. Expend. - Student Transportation Serv.	1,068,334	-	1,068,334	1,009,432	58,902
Unallocated Benefits					
Social Security Contributions	255,000		255,000	230,209	24,791
Other retirement contrib. - PERS	270,000		270,000	234,180	35,820
Other retirement contrib. - regular	22,000		22,000	-	22,000
Unemployment Compensation	25,000		25,000	1,741	23,259
Workmen's Compensation	100,000		100,000	82,561	17,439
Health Benefits	3,153,500		3,153,500	2,499,823	653,677
Tuition Reimbursement	22,000		22,000	13,242	8,758
Other Employee Benefits	36,000		36,000	21,078	14,922
Unused vacation payment to term/ret staff	95,000		95,000	90,669	4,331
Total Unallocated Benefits	3,978,500	-	3,978,500	3,173,503	804,997

Wallington Board of Education
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
On-behalf Teachers' Pension and Annuity Fund - Pension Contribution				\$ 3,138,837	\$ (3,138,837)
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical				917,171	(917,171)
On-Behalf Teachers' Pension and Annuity Fund - Long Term Disability				1,557	(1,557)
Reimbursed TPAF Social Security Contribution				682,567	(682,567)
Total On-behalf Contributions				<u>4,740,132</u>	<u>(4,740,132)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 18,837,912	\$ 5,150	\$ 18,843,062	21,779,180	(2,936,118)
TOTAL GENERAL CURRENT EXPENSE	<u>28,139,891</u>	<u>5,250</u>	<u>28,145,141</u>	<u>30,348,625</u>	<u>(2,203,484)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	30,000		30,000	30,000	
Grades 9-12	537,500		537,500	431,825	105,675
Undistributed InstructionL					
Support Services-School Administration	58,500		58,500	24,171	34,329
Total Equipment	<u>626,000</u>		<u>626,000</u>	<u>485,996</u>	<u>140,004</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	30,000	14,600	44,600		44,600
Construction Services	1,215,000		1,215,000	34,090	1,180,910
Assessment for Debt Service on SDA Funding	32,158		32,158	32,158	
Total Facilities Acquisition and Construction Services	<u>1,277,158</u>	<u>14,600</u>	<u>1,291,758</u>	<u>66,248</u>	<u>1,225,510</u>
Interest Deposit to Capital Reserve	10,000		10,000		10,000
TOTAL CAPITAL OUTLAY	<u>1,913,158</u>	<u>14,600</u>	<u>1,927,758</u>	<u>552,244</u>	<u>1,375,514</u>
Transfer of Funds to Charter Schools	<u>585,594</u>		<u>585,594</u>	<u>579,976</u>	<u>5,618</u>
TOTAL EXPENDITURES	<u>30,638,643</u>	<u>19,850</u>	<u>30,658,493</u>	<u>31,480,845</u>	<u>(822,352)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(3,821,074)</u>	<u>(19,850)</u>	<u>(3,840,924)</u>	<u>1,086,817</u>	<u>4,927,741</u>
Other Financing Sources:					
Lease Issued				1,855,930	1,855,930
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,855,930</u>	<u>1,855,930</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	<u>(3,821,074)</u>	<u>(19,850)</u>	<u>(3,840,924)</u>	<u>2,942,747</u>	<u>6,783,671</u>
Fund Balance, July 1	<u>10,640,600</u>		<u>10,640,600</u>	<u>10,640,600</u>	
Fund Balance, June 30	<u>\$ 6,819,526</u>	<u>\$ (19,850)</u>	<u>\$ 6,799,676</u>	<u>\$ 13,583,347</u>	<u>\$ 6,783,671</u>
Recapitulation of (Deficiency) Excess of Revenues and (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (3,821,074)		\$ (3,821,074)	\$ 2,962,597	\$ 6,783,671
Adjustment for Prior Year Encumbrances		\$ (19,850)	(19,850)	(19,850)	
Total	<u>\$ (3,821,074)</u>	<u>\$ (19,850)</u>	<u>\$ (3,840,924)</u>	<u>\$ 2,942,747</u>	<u>\$ 6,783,671</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess surplus restricted for subsequent years expenditures				\$ 4,185,621	
Excess surplus - current year				5,555,563	
Capital reserve				2,214,622	
Unemployment reserve				194,576	
Assigned to:					
Designated for subsequent years expenditures				150,565	
Year End Encumbrances				352,926	
Unassigned Fund Balance				929,474	
				<u>\$ 13,583,347</u>	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Fund balance per Governmental Funds (Budgetary)				\$ 13,583,347	
Last State Aid Payments Not Recognized on GAAP Basis				(896,091)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 12,687,256</u>	

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

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 659,000	\$ 531,231	\$ 1,190,231	\$ 1,002,362	\$ (187,869)
Other sources				187,695	187,695
Total revenues	<u>659,000</u>	<u>531,231</u>	<u>1,190,231</u>	<u>1,190,057</u>	<u>(174)</u>
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	164,000	36,500	200,500	184,016	16,484
Purchased professional & technical services	18,000	(18,000)			
Purchased professional-educational services		20,184	20,184	17,632	2,552
Tuition	303,000	40,018	343,018	304,004	39,014
General supplies	59,743	108,690	168,433	156,622	11,811
Other objects	3,789	2,400	6,189	5,207	982
Student Activities				164,472	(164,472)
Total instruction	<u>548,532</u>	<u>189,792</u>	<u>738,324</u>	<u>831,953</u>	<u>(93,629)</u>
Support services:					
Salaries of other professional staff	20,000	20,722	40,722	21,217	19,505
Employee benefits	64,968	153,369	218,337	187,212	31,125
Purchased professional and technical services	15,000	43,774	58,774	57,974	800
Purchased professional-educational services		37,629	37,629	35,050	2,579
Other purchased services		48,956	48,956		48,956
Miscellaneous purchased services	6,500	21,568	28,068	16,783	11,285
Supplies and materials	4,000	8,306	12,306	9,530	2,776
Other objects		7,115	7,115	7,115	
Scholarships				23,725	(23,725)
Total support services	<u>110,468</u>	<u>341,439</u>	<u>451,907</u>	<u>358,606</u>	<u>93,301</u>
Total expenditures	<u>659,000</u>	<u>531,231</u>	<u>1,190,231</u>	<u>1,190,559</u>	<u>(328)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(502)</u>	<u>\$ (502)</u>
Fund Balance, July 1				<u>131,034</u>	
Fund Balance, June 30				<u>\$ 130,532</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 27,829	
Student Activities				<u>102,703</u>	
Total Fund Balance				<u>\$ 130,532</u>	

Wallington Board of Education
 Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2025

	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)	\$ 32,567,662	\$ 1,190,057
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	711,109	
Current year	<u>(896,091)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 32,382,680</u>	<u>\$ 1,190,057</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 31,480,845	\$ 1,190,559
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		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 31,480,845</u>	<u>\$ 1,190,559</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, 2025

	I.D.E.A.						NJTSS Mental Health Staffing Support	Subtotals Page 1	
	Title I, Part A	Part B	Preschool	Title II A	Title III	Title III Immigrant			Title IV
Revenues:									
Federal sources	\$ 343,315	\$ 296,297	\$ 7,707	\$ 66,660	\$ 30,035	\$ 10,544	\$ 17,632	\$ 15,723	\$ 787,913
State sources									
Other sources									
Total revenues	<u>343,315</u>	<u>296,297</u>	<u>7,707</u>	<u>66,660</u>	<u>30,035</u>	<u>10,544</u>	<u>17,632</u>	<u>15,723</u>	<u>787,913</u>
Expenditures:									
Instruction:									
Salaries of teachers	142,000				9,000				151,000
Purchased professional-educational services							17,632		17,632
Tuition		296,297	7,707						304,004
General supplies	44,076				3,434	5,844			53,354
Other objects					2,807	2,400			5,207
Student activities									
Total instruction	<u>186,076</u>	<u>296,297</u>	<u>7,707</u>	<u>-</u>	<u>15,241</u>	<u>8,244</u>	<u>17,632</u>	<u>-</u>	<u>531,197</u>
Support services:									
Salaries of other professional staff				16,117				575	16,692
Employee benefits	157,239				11,520				168,759
Purchased professional and technical services								14,200	14,200
Purchased professional-educational services				35,050					35,050
Miscellaneous purchased services				15,493	1,290				16,783
Supplies and materials					1,984	2,300		948	5,232
Other objects									-
Scholarships awarded									
Total support services	<u>157,239</u>	<u>-</u>	<u>-</u>	<u>66,660</u>	<u>14,794</u>	<u>2,300</u>	<u>-</u>	<u>15,723</u>	<u>256,716</u>
Total expenditures	<u>\$ 343,315</u>	<u>\$ 296,297</u>	<u>\$ 7,707</u>	<u>\$ 66,660</u>	<u>\$ 30,035</u>	<u>\$ 10,544</u>	<u>\$ 17,632</u>	<u>\$ 15,723</u>	<u>\$ 787,913</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>

Wallington Board of Education
Special Revenue Fund

Combining Schedule of Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2025

	ARP - ESSER Homeless Children and Youth	ARP - ESSER Accelerated Learning Coaching and Educator Support	ARP- ESSER	ARP - ESSER Evidence Based Coprnhensive Beyond the School Day Activities	ARP - ESSER Evidence Based Summer Learning/ Enrichment Activities	Scholarship Fund	Student Activity / Athletic Fund	Page 1 Totals	Total
Revenues:									
Federal sources	\$ 394	\$ 6,027	\$ 169,779	\$ 5,233	\$ 33,016			\$ 787,913	\$ 1,002,362
State sources								-	-
Other sources						\$ 24,469	\$ 163,226	-	187,695
Total revenues	<u>394</u>	<u>6,027</u>	<u>169,779</u>	<u>5,233</u>	<u>33,016</u>	<u>24,469</u>	<u>163,226</u>	<u>787,913</u>	<u>1,190,057</u>
Expenditures:									
Instruction:									
Salaries of teachers					33,016			151,000	184,016
Purchased Professional-educational services								17,632	17,632
Tuition								304,004	304,004
General supplies			103,268					53,354	156,622
Other objects								5,207	5,207
Student activities								164,472	164,472
Total instruction	<u>-</u>	<u>-</u>	<u>103,268</u>	<u>-</u>	<u>33,016</u>	<u>-</u>	<u>164,472</u>	<u>531,197</u>	<u>831,953</u>
Support services:									
Salaries of other professional staff				4,525				16,692	21,217
Employee benefits			18,453					168,759	187,212
Purchased professional and technical services		6,027	37,747					14,200	57,974
Purchased professional-educational services								35,050	35,050
Travel								16,783	16,783
Supplies and materials	394		3,196	708				5,232	9,530
Other objects			7,115					-	7,115
Scholarships awarded						23,725		-	23,725
Total support services	<u>394</u>	<u>6,027</u>	<u>66,511</u>	<u>5,233</u>	<u>-</u>	<u>23,725</u>	<u>-</u>	<u>256,716</u>	<u>358,606</u>
Total expenditures	<u>\$ 394</u>	<u>\$ 6,027</u>	<u>\$ 169,779</u>	<u>\$ 5,233</u>	<u>\$ 33,016</u>	<u>\$ 23,725</u>	<u>\$ 164,472</u>	<u>\$ 787,913</u>	<u>\$ 1,190,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>744</u>	<u>(1,246)</u>	<u>-</u>	<u>(502)</u>
Fund Balance, July 1						<u>27,085</u>	<u>103,949</u>	<u>-</u>	<u>131,034</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,829</u>	<u>\$ 102,703</u>	<u>\$ -</u>	<u>\$ 130,532</u>

Capital Projects Fund

**WALLINGTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<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, 2025</u>
				<u>Prior Year</u>	<u>Current Year</u>	
2022 Referendum - Various Improvements	10/4/2022	\$ 7,278,530	\$ 7,278,530	\$ 4,687,640	\$ 1,609,546	\$ 981,344
		<u>\$ 7,278,530</u>	<u>\$ 7,278,530</u>	<u>\$ 4,687,640</u>	<u>\$ 1,609,546</u>	981,344
						Less: Unfunded Authorizations <u>530</u>
						Fund Balance Deficit (GAAP Basis) June 30, 2025 <u>\$ 980,814</u>

Recapitulation of Fund Balance - June 30, 2025 (GAAP Basis)

Restricted:	
Year-End Encumbrances	\$ 163,312
Available for Capital Projects	<u>817,502</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 980,814</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, 2025**

EXPENDITURES

Other Purchased Professional and Technical Services	\$ 43,014
Construction Services	<u>1,566,532</u>
Total Expenditures	<u>1,609,546</u>
Deficiency of Revenues Under Expenditures	(1,609,546)
Fund Balance, July 1, 2024	<u>2,590,360</u>
Fund Balance, June 30, 2025 (Budgetary Basis)	<u>\$ 980,814</u>
Fund Balance- June 30, 2025 (GAAP Basis)	<u>\$ 980,814</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, 2025**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 7,278,000		\$ 7,278,000	\$ 7,278,530
Premium on Bonds	<u>984</u>	<u>-</u>	<u>984</u>	<u>-</u>
 Total Revenues	 <u>7,278,984</u>	 <u>-</u>	 <u>7,278,984</u>	 <u>7,278,530</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	\$ 142,286	\$ 43,014	\$ 185,300	692,909
Construction Services	4,541,454	1,566,532	6,107,986	6,461,558
Other Objects	<u>3,900</u>	<u>-</u>	<u>3,900</u>	<u>124,063</u>
 Total Expenditures	 <u>4,687,640</u>	 <u>1,609,546</u>	 <u>6,297,186</u>	 <u>7,278,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,591,344	(1,609,546)	981,798	
Transfers Out	<u>984</u>	<u>-</u>	<u>984</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,590,360</u>	<u>\$ (1,609,546)</u>	<u>\$ 980,814</u>	<u>\$ -</u>
 Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date	10/05/22			
Bonds Authorized	\$ 7,278,530			
Bonds Issued	\$ 7,278,000			
Original Authorized Cost	\$ 7,278,530			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 7,278,530			
 Percentage Increase Over Original				
Authorized Cost	0%			
Percentage Completion	87%			
Original Target Completion Date	06/30/24			
Revised Target Completion Date	08/31/26			

Long-Term Debt

Wallington Board of Education
Long-Term Debt

Schedule of Obligations Under Leases

Year ended June 30, 2025

	Balance June 30, 2024	Issued	Retired	Balance June 30, 2025
Archdiocese of Newark	\$ 60,879	\$ 1,855,930	\$ 331,629	\$ 1,585,180
Municipal Capital Finance	77,634		20,926	56,708
Total Leases Payable	<u>\$ 138,513</u>	<u>\$ 1,855,930</u>	<u>\$ 352,555</u>	<u>\$ 1,641,888</u>

Wallington Board of Education
Debt Service Fund

Budgetary Comparison Schedule
Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 660,949		\$ 660,949	\$ 660,949	
Total revenues	660,949	-	660,949	660,949	-
Expenditures:					
Regular debt service:					
Redemption of principal	390,000		390,000	390,000	
Interest on bonds	270,949		270,949	270,949	
Total expenditures	660,949	-	660,949	660,949	-
Excess of revenues over expenditures	-	-	-	-	-
Fund balance, July 1				125,100	
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 125,100	\$ -
Recapitulation of Fund Balance:					
Designated For Subsequent Years Expenditures				<u>\$ 125,100</u>	

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)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020 Restated	2021	2022 Restated	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 7,718,866	\$ 7,574,665	\$ 7,289,240	\$ 6,610,202	\$ 6,718,235	\$ 6,824,355	\$ 7,072,198	\$ 7,414,176	\$ 7,773,487	\$ 7,560,203
Restricted	147,290	147,292	147,524	417,644	419,981	405,721	900,444	1,421,786	2,106,851	2,664,830
Unrestricted	<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>	<u>4,949,405</u>	<u>6,927,753</u>
Total Governmental Activities Net Position	<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>	<u>\$ 14,829,743</u>	<u>\$ 17,152,786</u>
Business-Type Activities										
Net Investments in Capital Assets	\$ 18,056	\$ 13,751	\$ 9,446	\$ 5,141	\$ 1,284	\$ -	\$ 12,603	\$ 19,399	\$ 17,086	\$ 14,773
Unrestricted	<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>	<u>86,426</u>	<u>25,369</u>
Total Business-Type Activities Net Position	<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>	<u>\$ 103,512</u>	<u>\$ 40,142</u>
District-Wide										
Net Investments in Capital Assets	\$ 7,736,922	\$ 7,588,416	\$ 7,298,686	\$ 6,615,343	\$ 6,719,519	\$ 6,824,355	\$ 7,084,801	\$ 7,433,575	\$ 7,790,573	\$ 7,574,976
Restricted	147,290	147,292	147,524	417,644	419,981	405,721	900,444	1,421,786	2,106,851	2,664,830
Unrestricted	<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>	<u>5,035,831</u>	<u>6,953,122</u>
Total District Net Position	<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>	<u>\$ 14,933,255</u>	<u>\$ 17,192,928</u>

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

Note 2 - Net Position at June 30, 2022 is restated to reflect adjustments to capital assets.

Note 3 - GASB Statement No. 101 was implemented during the 2025 fiscal year, which required a retroactive adjustment of beginning net position in the amount of (\$382,295). This amount is not reflected in the June 30, 2024 Net Position, above.

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 8,969,996	\$ 9,843,999	\$ 10,103,408	\$ 9,209,094	\$ 9,133,929	\$ 10,667,546	\$ 9,580,432	\$ 9,807,279	\$ 9,567,506	\$ 9,464,095
Special Education	5,112,215	5,806,153	5,875,529	5,877,791	6,127,085	6,060,932	5,638,243	5,544,712	6,217,001	6,377,685
Other Instruction	1,168,051	1,237,542	1,300,013	1,277,039	1,318,362	1,372,693	1,403,294	1,193,391	1,282,774	1,453,489
School Sponsored Activities And Athletics	984,790	1,073,480	1,085,021	1,027,640	1,015,024	1,106,851	969,750	927,884	1,013,945	974,473
Support Services:										
Student and Instruction Related Services	2,789,561	3,343,503	3,413,413	3,175,159	2,946,316	3,458,920	3,046,721	2,956,824	3,303,132	3,297,987
School Administration Services	844,888	922,209	916,547	773,645	586,207	663,932	637,592	658,705	613,410	602,438
General Administration	636,459	633,905	671,486	677,874	889,001	1,018,762	906,969	853,699	822,119	839,845
Plant Operations And Maintenance	2,411,845	2,420,406	2,528,632	2,856,407	2,579,901	2,973,696	3,717,456	3,208,879	3,457,428	3,784,806
Pupil Transportation	534,510	643,374	675,383	615,476	727,500	564,185	786,217	819,451	975,233	665,303
Central Services/Administrative Information Technology	747,760	839,619	868,726	804,906	800,233	880,610	732,878	680,425	732,224	1,009,432
Interest On Long-Term Debt	123,546	110,672	106,116	98,468	90,581	82,455	74,064	68,347	217,828	310,621
Total Governmental Activities Expenses	24,323,621	26,874,862	27,544,274	26,393,499	26,214,139	28,850,582	27,493,616	26,719,596	28,202,600	28,780,174
Business-Type Activities:										
Food Service	150,177	139,702	156,679	143,368	110,099	114,331	269,602	231,153	269,308	330,817
Total Business-Type Activities Expense	150,177	139,702	156,679	143,368	110,099	114,331	269,602	231,153	269,308	330,817
Total District Expenses	\$ 24,473,798	\$ 27,014,564	\$ 27,700,953	\$ 26,536,867	\$ 26,324,238	\$ 28,964,913	\$ 27,763,218	\$ 26,950,749	\$ 28,471,908	\$ 29,110,991
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 180,005	\$ 180,725	\$ 171,984	\$ 186,635	\$ 175,973	\$ 101,667	\$ 29,677	\$ 25,352	\$ 12,450	\$ 12,093
Operating Grants And Contributions	5,722,288	7,316,348	7,979,825	6,912,898	6,326,882	8,992,235	7,528,501	6,436,673	5,901,913	5,645,851
Capital Grants And Contributions	381,801	253,590	-	-	-	-	567,071	315,803	52,760	-
Total Governmental Activities Program Revenues	6,284,094	7,750,663	8,151,809	7,099,533	6,502,855	9,093,902	8,125,249	6,777,828	5,967,123	5,657,944
Business-Type Activities:										
Charges For Services										
Food Service	22,210	20,455	28,637	26,318	21,406	-	-	19,944	21,952	18,757
Operating Grants And Contributions	117,848	118,559	128,041	119,440	86,258	109,449	343,956	237,927	210,525	248,690
Total Business Type Activities Program Revenues	140,058	139,014	156,678	145,758	107,664	109,449	343,956	257,871	232,477	267,447
Total District Program Revenues	\$ 6,424,152	\$ 7,889,677	\$ 8,308,487	\$ 7,245,291	\$ 6,610,519	\$ 9,203,351	\$ 8,469,205	\$ 7,035,699	\$ 6,199,600	\$ 5,925,391
Net (Expense)/Revenue										
Governmental Activities	\$ (18,039,527)	\$ (19,124,199)	\$ (19,392,465)	\$ (19,293,966)	\$ (19,711,284)	\$ (19,756,680)	\$ (19,368,367)	\$ (19,941,768)	\$ (22,235,477)	\$ (23,122,230)
Business-Type Activities	(10,119)	(688)	(1)	2,390	(2,435)	(4,882)	74,354	26,718	(36,831)	(63,370)
Total District-Wide Net Expense	\$ (18,049,646)	\$ (19,124,887)	\$ (19,392,466)	\$ (19,291,576)	\$ (19,713,719)	\$ (19,761,562)	\$ (19,294,013)	\$ (19,915,050)	\$ (22,272,308)	\$ (23,185,600)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 15,247,472	\$ 15,691,413	\$ 16,005,241	\$ 16,005,241	\$ 16,280,347	\$ 16,605,353	\$ 16,760,360	\$ 17,016,378	\$ 17,084,445	\$ 17,152,783
Taxes Levied For Debt Service	352,220	456,249	458,046	462,700	187,594	460,847	459,345	457,154	650,435	660,949
State and Federal Sources	2,284,887	2,298,274	2,726,276	3,303,972	3,624,760	3,779,208	4,332,462	4,955,456	5,873,141	7,252,469
State Restricted										
Interest Earned	25	388	5,403	25,897	25,877	5,750	93	119,763	373,077	405,265
Miscellaneous Income	40,724	85,147	149,657	89,367	106,518	415,864	175,053	218,626	449,016	356,102
Transfers	(7,636)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	17,917,692	18,531,471	19,344,623	19,887,177	20,225,096	21,267,022	21,727,313	22,767,377	24,430,114	25,827,568
Business-Type Activities:										
Transfers	7,636	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	7,636	-	-	-	-	-	-	-	-	-
Total District-Wide	\$ 17,925,328	\$ 18,531,471	\$ 19,344,623	\$ 19,887,177	\$ 20,225,096	\$ 21,267,022	\$ 21,727,313	\$ 22,767,377	\$ 24,430,114	\$ 25,827,568
Change in Net Position										
Governmental Activities	\$ (121,835)	\$ (592,728)	\$ (47,842)	\$ 593,211	\$ 513,812	\$ 1,510,342	\$ 2,358,946	\$ 2,825,609	\$ 2,194,637	\$ 2,705,338
Business-Type Activities	(2,483)	(688)	(1)	2,390	(2,435)	(4,882)	74,354	26,718	(36,831)	(63,370)
Total District	\$ (124,318)	\$ (593,416)	\$ (47,843)	\$ 595,601	\$ 511,377	\$ 1,505,460	\$ 2,433,300	\$ 2,852,327	\$ 2,157,806	\$ 2,641,968

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020 Restated	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 1,679,272	\$ 1,444,588	\$ 1,754,366	\$ 2,337,549	\$ 3,055,255	\$ 3,698,196	\$ 5,436,961	\$ 7,862,970	\$ 9,680,032	\$ 12,150,382
Committed		85,727		509,850	151,390	578,069				
Assigned	85,926	152,039	297,667	172,697	483,876	331,900	480,632	391,772	197,230	503,491
Unassigned	<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>	<u>52,229</u>	<u>33,383</u>
Total General Fund	<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>	<u>\$ 9,929,491</u>	<u>\$ 12,687,256</u>
All Other Governmental Funds										
Restricted	\$ 567,104	\$ 269,306	\$ 269,304	\$ 269,307	\$ 152,624	\$ 150,355	\$ 144,985	\$ 136,205	\$ 2,846,494	\$ 1,236,446
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,028)</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<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>	<u>\$ 2,846,494</u>	<u>\$ 1,236,446</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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 15,599,692	\$ 16,147,662	\$ 16,463,287	\$ 16,467,941	\$ 16,467,941	\$ 17,066,200	\$ 17,219,705	\$ 17,473,532	\$ 17,734,880	\$ 17,813,732
Tuition From Other LEAs Within State					16,138	32,104	29,677	25,352	12,450	12,093
Interest Earned On Capital Reserve	25	388	5,403	25,897	721	140	93	5,122	24,988	35,222
Miscellaneous	228,847	267,872	324,508	278,002	293,359	524,899	347,792	515,018	1,002,812	913,840
State Sources	5,465,733	5,761,965	6,156,977	7,834,642	8,341,033	9,197,138	11,177,248	11,531,565	12,554,790	14,412,570
Federal Sources	606,096	598,691	649,448	611,078	605,673	1,102,660	1,657,065	1,686,604	1,114,210	1,046,229
Total Revenue	21,900,393	22,776,578	23,599,623	25,217,560	25,724,865	27,923,141	30,431,580	31,237,193	32,444,130	34,233,686
Expenditures										
Instruction										
Regular Instruction	7,629,447	7,790,176	8,006,276	8,286,910	8,591,862	9,416,264	10,083,973	10,820,135	10,663,673	10,944,318
Special Education Instruction	4,841,427	5,350,793	5,431,831	5,689,058	6,036,043	5,767,281	5,775,958	5,803,604	6,485,224	6,689,361
Other Instruction	1,020,660	1,021,447	1,067,537	1,168,555	1,249,025	1,230,582	1,479,317	1,312,060	1,428,841	1,668,323
School Sponsored Activities and Athletics	863,188	892,026	897,091	944,737	965,198	998,876	1,014,520	1,013,063	1,113,062	1,111,340
Support Services:										
Student and Inst. Related Services	2,467,282	2,755,958	2,783,359	2,924,022	2,840,704	3,109,205	3,206,591	3,281,537	3,613,326	3,629,316
General Administration	586,870	549,699	572,524	639,216	569,513	609,160	665,327	714,899	662,749	662,071
School Administration Services	750,658	760,075	749,551	706,077	846,273	901,471	960,677	956,766	918,209	964,624
Plant Operations And Maintenance	1,807,805	1,649,333	1,753,945	2,117,380	1,869,559	2,177,500	778,633	761,973	814,528	4,321,297
Pupil Transportation	534,510	643,374	675,383	615,476	727,500	564,185	2,506,165	2,054,958	2,274,252	1,009,432
Central Services	669,775	698,434	719,306	748,207	780,407	795,077	786,217	819,451	975,233	771,477
Capital Outlay	990,449	585,131	176,503	38,737	534,215	599,446	747,732	1,073,867	5,443,814	2,110,921
Debt Service:										
Principal	190,246	315,000	325,000	340,000	345,000	360,000	734,981	765,278	772,420	742,555
Interest and Other Charges	182,708	141,248	133,048	122,697	111,897	100,848	89,348	80,547	144,433	316,864
Total Expenditures	22,535,025	23,152,694	23,291,354	24,341,072	25,467,196	26,629,895	28,829,439	29,458,138	35,309,764	34,941,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	(634,632)	(376,116)	308,269	876,488	257,669	1,293,246	1,602,141	1,779,055	(2,865,634)	(708,213)
Other Financing Sources (Uses)										
Bond Proceeds									7,278,000	
Payments of Refunding Escrow Agent										
Refunding Bond Proceeds										
Premium on Issuance of Refunding										
Insurance Recovery Related to Capital Assets	30,000									
Lease Proceeds								107,075		1,855,930
Transfers In	3,711			269,304					984	
Transfers Out	(11,347)	-	-	(269,304)	-	-	-	-	(984)	-
Total Other Financing Sources (Uses)	22,364	-	-	-	-	-	-	107,075	7,278,000	1,855,930
Net Change in Fund Balances	\$ (612,268)	\$ (376,116)	\$ 308,269	\$ 876,488	\$ 257,669	\$ 1,293,246	\$ 1,602,141	\$ 1,886,130	\$ 4,412,366	\$ 1,147,717
Debt Service as a Percentage of Noncapital Expenditures	1.73%	2.02%	1.98%	1.90%	1.83%	1.77%	2.94%	2.98%	3.07%	3.23%

* 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	Prior Year Payables Adjustment	Miscellaneous
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
2024	833,559	373,077		12,450	118,076	329,956
2025	773,460	405,265		12,093	90,654	265,448

WALLINGTON BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property
LAST TEN FISCAL 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
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
2024	25,796,600	692,301,900	117,225,400	43,285,100	83,227,900	961,836,900	1,700,368	963,537,268	1,496,789,449	1.846
2025	66,886,100	1,270,706,800	182,132,400	100,922,600	147,101,100	1,767,749,000	1,693,768	1,769,442,768	1,706,715,680	1.011

Source: County Abstract of Ratables

^a Tax rates are per \$100

Note - The Borough of Wallington undertook a revaluation of real property which was effective for the 2025 calendar year.

**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	Wallington Borough	(A)	Bergen County
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
2024	3.401	1.846	1.191		0.364
2025	1.928	1.011	0.714		0.203

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

Source: Tax Duplicate

**WALLINGTON BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	<u>2025</u>		Taxpayer	<u>2016</u>	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation		Taxable Assessed Valuation	% of Total District Net Assessed Valuation
520 Main Avenue Wallington LLC NJ	\$ 52,740,000	2.98%	INFORMATION NOT AVAILABLE		
Mt. Pleasant Village Investments LLC	44,704,300	2.53%			
Jasontown Apartments LLC	40,539,000	2.29%			
Jasontown II Associates	36,991,500	2.09%			
Wallington Plaza, LLC C/O Ryan LLC	27,478,300	1.55%			
460 Main Avenue Wallington LLC	20,339,000	1.15%			
PS Atlantic Coast LLC	16,809,300	0.95%			
480 Main Ave Associates LLC	11,956,100	0.68%			
Jersey Development Street LLC	11,445,400	0.65%			
Syr Group LLC	6,676,400	0.38%			
	<u>\$ 269,679,300</u>	<u>15.24%</u>		<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

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

Collected Within The Fiscal Year Of The Levy

Fiscal Year Ended June 30	Local School District Taxes Levied for the Fiscal Year	Amount	Percentage Of Levy	Collections In Subsequent Years
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
2024	17,734,880	17,734,880	100%	N/A
2025	17,813,732	17,813,732	100%	N/A

**WALLINGTON BOARD OF EDUCATION
RATIOS OF OUSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Total District	Population	Per Capita
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	11,825	175
2024	8,960,000	8,960,000	12,060	743
2025	8,570,000	8,570,000	12,060	E 711

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			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions				
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
2024	8,960,000	125,100		8,834,900	0.92%	733
2025	8,570,000	125,100		8,444,900	0.48%	700

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, 2024
(Unaudited)**

	Gross Debt	Deductions	Net Debt
Direct Debt: (1)			
Wallington Borough Public Schools	\$ 8,790,000	\$ 8,790,000	
Borough of Wallington	19,705,430	4,413,430	\$ 15,292,000
	\$ 28,495,430	\$ 13,203,430	15,292,000
 Overlapping Debt Apportioned to the Municipality:			
County of Bergen Borough's Share (A)			6,903,082
Passaic Valley Sewerage Commission (B)			2,707,761
			9,610,843
 Total Direct and Overlapping Debt			\$ 24,902,843

Source:

(1) Borough's 2024 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Wallington by dividing the municipality's 2024 equalized value by the total 2024 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2024 Billing by the total 2024 billings of the Commission.

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

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis	
2024	\$ 1,638,563,714
2023	1,502,424,525
2022	<u>1,394,475,680</u>
	<u>\$ 4,535,463,919</u>
Average equalized valuation of taxable property	<u>\$ 1,511,821,306</u>
Debt limit (4% of average equalization value)	\$ 60,472,852 ^a
Total Net Debt	<u>8,570,530</u>
Legal debt margin	<u>\$ 51,902,322</u>

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt limit	\$ 38,657,519	\$ 38,743,522	\$ 39,908,722	\$ 41,612,264	\$ 43,813,751	\$ 46,013,062	\$ 49,048,140	\$ 52,315,878	\$ 56,169,620	\$ 60,472,852
Total net debt applicable to limit	<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>	<u>8,960,530</u>	<u>8,570,530</u>
Legal debt margin	<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>	<u>\$ 47,209,090</u>	<u>\$ 51,902,322</u>
Total net debt applicable to the limit as a percentage of debt limit	11.65%	10.81%	9.68%	8.46%	7.25%	6.12%	4.99%	17.86%	15.95%	14.17%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types

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

Year	Unemployment Rate	Per Capita Income	School District Population	
2016	6.00%	76,367	11,554	
2017	5.40%	78,611	11,582	
2018	4.80%	82,731	11,544	
2019	4.40%	86,871	11,495	
2020	12.40%	88,256	11,574	
2021	8.70%	94,342	11,804	
2022	4.60%	96,434	11,786	
2023	4.90%	102,229	11,825	
2024	5.20%	Not Available	12,060	
2025	Not Available	Not Available	12,060	E

E - Estimate

Note - Per capita income is for the County of Bergen

WALLINGTON BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>2025</u>			<u>2016</u>	
<u>Employers</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>

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>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular	95	96	95	101	98	99	101	94	95	96
Special Education	5	6	7	8	8	10	11	15	15	16
Other Special Education	6	6	6	7	8	7	8	15	15	15
Other instruction	10	10	10	10	10	10	10	4	6	7
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	8
Other Administrative Services	4	4	4	5	5	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	6	5	5	6	6	6	6	6	7	7
Total	142	143	143	153	151	153	157	155	159	163

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
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%
2024	1,264.0	28,949,097	22,903	4.46%	131	1:13.9	1:12	1,202.2	1,132.0	1.20%	94.16%
2025	1,178.0	31,771,559	26,971	17.76%	134	1:14.2	1:13.1	1,184.4	1,118.7	-1.48%	94.45%

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>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Jefferson Elementary										
Square Feet	24,493	24,493	24,493	24,493	24,493	24,493	24,493	24,493	24,493	24,493
Capacity (students)	241	241	241	241	241	241	241	241	241	241
Enrollment	306	289	248	274	274	284	274	315	269	302
Gavlak Elementary School										
Square Feet	36,350	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	436	437	448	422	422	418	396	389	355	403
High School										
Square Feet	76,500	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	538	554	557	572	573	609	603	648	620	605

Number of Schools at June 30, 2025

- Elementary = 2
- High Schools = 1

Source: District records, ASSA

Note: Increases in square footage and capacity are the result of additions.

**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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Jefferson - Elementary	\$ 25,595	\$ 30,861	\$ 52,594	\$ 41,341	\$ 21,581	\$ 15,755	\$ 26,568	\$ 18,009	\$ 43,423	\$ 42,693
Frank W. Gavlak - Middle School	87,540	63,433	43,093	61,354	60,850	44,422	59,437	62,783	37,066	48,760
Wallington High School	165,989	154,842	164,371	133,609	101,149	73,843	93,230	86,373	69,487	95,749
District Total	<u>\$ 279,124</u>	<u>\$ 249,136</u>	<u>\$ 260,058</u>	<u>\$ 236,304</u>	<u>\$ 183,580</u>	<u>\$ 134,020</u>	<u>\$ 179,235</u>	<u>\$ 167,165</u>	<u>\$ 149,976</u>	<u>\$ 187,202</u>

Source: District records.

**Wallington Board of Education
Insurance Schedule
June 30, 2025
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 100,000 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, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 25, 2025.

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

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.

Compliance 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
November 25, 2025



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
New Jersey OMB Circular 15-08**

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 "Board") 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 Board's major federal and state programs for the year ended June 30, 2025. The Board'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 Board 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, 2025.

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*"), 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.

We are required to be independent of the Board 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 Board'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 Board'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 Board'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 Board'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 Board'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 Board'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 Board'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
November 25, 2025



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

Wallington Board of Education
Schedule of Expenditures of Federal Awards
Year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance, June 30, 2024		Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2025			Amounts Provided to Subrecipients
					Unearned Revenue	(Accounts Receivable)				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													
Medicaid Cluster:													
Medical Assistance Program- SEMI	93.778	2005NJ5MAP	7/1/24 - 6/30/25	\$ 43,867			\$ 43,867	\$ (43,867)					
Subtotal Medicaid Cluster							43,867	(43,867)					
Total U.S. Health and Human Services--Passed-Through State Department of Education							43,867	(43,867)					
Total General Fund							43,867	(43,867)					
U.S. Department of Education--Passed-Through State Department of Education													
Special Revenue Fund:													
Title I, Part A	84.010	S010A220030	7/1/22 - 9/30/23	240,848	\$ 54				\$ (54)				
Title I, Part A	84.010	S010A230030	7/1/23 - 9/30/24	265,595			90,400	(90,400)					
Title I, Part A	84.010	S010A240030	7/1/24 - 9/30/25	269,795			130,063	(252,915)		\$ (122,852)			
Subtotal Title I Grants to Local Education Agencies					54		220,463	(343,315)		(54)			
Special Education Cluster:													
IDEA Part B	84.027	H027A240100	7/1/24 - 9/30/25	296,297			296,297	(296,297)					
COVID-19 ARP IDEA Basic	84.027X	H027X210100	7/1/21-9/30/22	58,662	\$ (11,098)				11,098				
IDEA Preschool	84.173	H173A240114	7/1/24 - 9/30/25	7,707			7,707	(7,707)					
Subtotal of Special Education Cluster							304,004	(304,004)	11,098				
Title II, Part A	84.367A	S367A230029	7/1/23 - 9/30/24	40,806		(10,817)	10,817						
Title II, Part A	84.367A	S367A240029	7/1/24 - 9/30/25	40,165			33,718	(66,660)		(32,942)			
Subtotal Title II Grants to Local Education Agencies						(10,817)	44,535	(66,660)		(32,942)			
Title IV	84.424	S424A230031	7/1/23 - 9/30/24	18,041		(2,295)	2,295						
Title IV	84.424	S424A240031	7/1/24 - 9/30/25	19,077			10,587	(17,632)		(7,045)			
Subtotal Title IV Grants to Local Education Agencies						(2,295)	12,882	(17,632)		(7,045)			
Language Instruction for English Learners and Immigrant Students													
Title III	84.365	S365A230030	7/1/23 - 9/30/24	23,709		(807)	807		3,826	\$ 3,826			
Title III	84.365	S365A240030	7/1/24 - 9/30/25	26,059			17,736	(30,035)		(12,299)			
Title III Immigrant	84.365	S365A230030	7/1/23 - 9/30/24	9,953		(5,457)	5,438		57	38			
Title III Immigrant	84.365	S365A240030	7/1/24 - 9/30/25	7,211				(10,544)		(10,544)			
Subtotal Language Instruction for English Learners and Immigrant Students						(6,264)	23,981	(40,579)	3,883	3,864	(22,843)		
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 - Mental Health	84.425D	S425D210027	3/13/20 - 9/30/23	45,000				(828)		828			
COVID-19 ARP-ESSER - Homeless Children and Youth	84.425W	S425W210027	4/23/21-9/30/24	7,580			394	(394)					
COVID 19 - ARP - Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	3/13/20-9/30/24	117,713		(6,027)	6,027	(6,027)		6,027			
COVID-19 ARP-ESSER	84.425U	S425U210027	3/13/20-9/30/24	1,615,083		(6,780)	169,775	(169,779)		6,784			
COVID 19 - ARP - Evidenced Based Beyond the School Day Activities Grant	84.425U	S425U210027	3/13/20-9/30/24	40,000		(1,725)	6,096	(5,233)		862			
COVID 19 - ARP - Evidence Based Summer Learning and Enrichment Activities	84.425U	S425U210027	3/13/20-9/30/24	40,000			33,016	(33,016)					
NJTSS Mental Health Support Staffing Grant	84.425U	S425U210027	3/13/20-9/30/24	45,000			15,723	(15,723)					
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)						95	(15,720)	231,031	(230,172)	14,766			
Total U.S. Department of Education--Passed-Through State Department of Education						149	(46,194)	836,896	(1,002,362)	29,693	3,864	(185,682)	
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	325,124		161,347				161,347			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	7/1/23 - 9/30/24	78,029		23,170	39,014			62,184			
Total U.S. Department of the Treasury Passed-Through State Department of Education						184,517	39,014			223,531			
Total Special Revenue Fund						184,666	(46,194)	875,910	(1,002,362)	29,693	227,395	(185,682)	
U.S. Department of Agriculture--Passed-Through State Department of Agriculture													
Enterprise Fund:													
Child Nutrition Cluster													
School Breakfast Program	10.553	241NJ304N1099	7/1/23 - 6/30/24	17,013		(1,445)	1,445						
School Breakfast Program	10.553	241NJ304N1099	7/1/24 - 6/30/25	26,832			25,057	(26,832)		(1,775)			
National School Lunch Program	10.555	241NJ304N1099	7/1/23 - 6/30/24	150,849		(9,782)	9,782						
National School Lunch Program	10.555	241NJ304N1099	7/1/24 - 6/30/25	207,474			194,423	(207,474)		(13,051)			
Total Child Nutrition Cluster						(11,227)	230,707	(234,306)		(14,826)			
Summer - EBT Administrative Cost	10.646	202424N180341	7/1/23 - 6/30/24	322		(322)	322						
Total Summer - EBT Administrative Cost							(322)	322					
Total U.S. Department of the Agriculture Passed-Through State Department of Agriculture							(11,549)	231,029	(234,306)			(14,826)	
Total Enterprise Fund							(11,549)	231,029	(234,306)			(14,826)	
Total Expenditures of Federal Awards						\$ 184,666	\$ (57,743)	\$ 1,150,806	\$ (1,280,535)	\$ 29,693	\$ 227,395	\$ (200,508)	\$ -

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
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2024			Budgetary Expenditures	Adjustments	Balance, June 30, 2025			Memo	
				Unearned Revenue	(Accounts Receivable)	Cash Received			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	7/1/23 - 6/30/24	\$ 1,179,528	\$ (110,997)	\$ 110,997								
Special Education Categorical Aid	495-034-5120-089	7/1/24 - 6/30/25	1,472,628		1,332,626	\$ (1,472,628)		\$ (140,002)				\$ (1,472,628)	
Equalization Aid	495-034-5120-078	7/1/23 - 6/30/24	5,952,252	(560,123)	560,123								
Equalization Aid	495-034-5120-078	7/1/24 - 6/30/25	7,395,424		6,692,345	(7,395,424)		(703,079)				(7,395,424)	
Transportation Aid	495-034-5120-014	7/1/23 - 6/30/24	166,028	(15,624)	15,624								
Transportation Aid	495-034-5120-014	7/1/24 - 6/30/25	167,987		152,016	(167,987)		(15,971)				(167,987)	
Security Aid	495-034-5120-084	7/1/23 - 6/30/24	258,918	(24,365)	24,365								
Security Aid	495-034-5120-084	7/1/24 - 6/30/25	389,603		352,564	(389,603)		(37,039)				(389,603)	
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/24 - 6/30/25	3,138,837		3,138,837	(3,138,837)						(3,138,837)	
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/24 - 6/30/25	917,171		917,171	(917,171)						(917,171)	
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/24 - 6/30/25	1,557		1,557	(1,557)						(1,557)	
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/23 - 6/30/24	684,936	(68,095)	68,095								
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/24 - 6/30/25	682,567		617,401	(682,567)		(65,166)		\$ (65,166)		(682,567)	
Extraordinary Special Education Aid	495-034-5120-044	7/1/23 - 6/30/24	280,317		280,317								
Extraordinary Special Education Aid	495-034-5120-044	7/1/24 - 6/30/25	431,778			(431,778)		(431,778)			(431,778)	(431,778)	
Total General Fund			-	(1,059,521)	14,264,038	(14,597,552)		-	-	(1,393,035)	-	(496,944)	(14,597,552)
Special Revenue Fund:													
SDA Emergent Needs and Capital Maintenance	20-492-200-500-20-000	7/1/23 - 6/30/24	29,253	\$ 1,422				\$ (1,422)					
Total Special Revenue Fund				1,422	-	-		(1,422)		-	-	-	
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program (State share)	100-010-3350-023	7/1/23 - 6/30/24	9,386	(719)	719								
State School Lunch Program (State share)	100-010-3350-023	7/1/24 - 6/30/25	13,219		12,321	(13,219)		(898)			(898)	(13,219)	
State School Breakfast Program (State share)	100-010-3350-023	7/1/23 - 6/30/24	956	(60)	60								
State School Breakfast Program (State share)	100-010-3350-023	7/1/24 - 6/30/25	1,165		1,068	(1,165)		(97)			(97)	(1,165)	
State Summer - EBT Administrative Cost	N/A	7/1/23 - 6/30/24	322		322								
Total Enterprise Fund			-	(1,101)	14,490	(14,384)		-	-	(995)	-	(995)	(14,384)
Total expenditures of State Financial Assistance			\$ 1,422	\$ (1,060,622)	\$ 14,278,528	\$ (14,611,936)	\$ (1,422)	\$ -	\$ (1,394,030)	\$ -	\$ (497,939)	\$ (14,611,936)	
State Financial Assistance Not Subject to Single Audit Determination:													
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/24 - 6/30/25	3,138,837		3,138,837	(3,138,837)						(3,138,837)	
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/24 - 6/30/25	917,171		917,171	(917,171)						(917,171)	
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/24 - 6/30/25	1,557		1,557	(1,557)						(1,557)	
Total On-Behalf State Financial Assistance			-	-	4,057,565	(4,057,565)		-	-	-	-	(4,057,565)	
Total State Financial Assistance Subject to Single Audit Determination			\$ 1,422	\$ (1,060,622)	\$ 10,220,963	\$ (10,554,371)	\$ (1,422)	\$ -	\$ (1,394,030)	\$ -	\$ (497,939)	\$ (10,554,371)	

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, 2025**

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) 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 \$184,982 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	\$ 43,867	\$ 14,412,570	\$ 14,456,437
Special Revenue Fund	1,002,362		1,002,362
Food Service Fund	<u>234,306</u>	<u>14,384</u>	<u>248,690</u>
Total Financial Assistance	<u>\$ 1,280,535</u>	<u>\$ 14,426,954</u>	<u>\$ 15,707,489</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, 2025**

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

TPAF Social Security contributions in the amount of \$682,567 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, 2025. The amount reported as TPAF Pension System Contributions in the amount of \$3,138,837, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$917,171 and TPAF Long-Term Disability Insurance in the amount of \$1,557 represents the amount paid by the State on behalf of the District for the Fiscal year ended 30, 2025.

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, 2025

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, 2025

Part I - Summary of Auditors' Results (continued)

Identification of major federal programs:

Assistance Listing Number(s) FAIN Numbers	Name of Federal Program or Cluster
84.027 H027A240100 84.173 H173A240114	Special Education Cluster IDEA IDEA – Part B IDEA - Preschool

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, 2025

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	Special Education Categorical Aid
495-034-5120-084	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, 2025

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, 2025

Part III – Schedule of Federal 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 Awards 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.