

**WALL TOWNSHIP BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Township of Wall, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Wall Township Board of Education

Township of Wall, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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INTRODUCTORY SECTION

WALL TOWNSHIP PUBLIC SCHOOLS

OFFICE OF THE BUSINESS ADMINISTRATOR
P.O. BOX 1199 • 18TH AVENUE
WALL, N.J. 07719-1199

BRIAN J. SMYTH, P.E.
BUSINESS ADMINISTRATOR/BOARD SECRETARY

Voice: 732.556.2016
Fax: 732.556.2102
Email: bsmyth@wall.k12.nj.us

December 2, 2015

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

Dear Board Members and Constituents of Wall Township:

The Comprehensive Annual Financial Report of the Wall Township School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position, governmental activities, the business-type activities and the aggregate remaining fund information at June 30, 2015 and the respective changes in financial position and cash flows. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter designed to complement Management's Discussion and Analysis and should be read in conjunction with it, the District's organizational chart and a list of principal officials and consultants and advisors. The financial section includes the management's discussion and analysis (immediately following the report of independent auditors), basic financial statements, required supplementary information and other supplementary information, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control and compliance with applicable major programs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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



1. REPORTING ENTITY AND ITS SERVICES: (Continued)

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education students. In addition, services are also provided for pre-school handicapped special needs students. The District completed the 2014/2015 fiscal year with an enrollment of 3,648 students which is 68 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014/15	3,648	(1.83%)
2013/14	3,716	(3.10%)
2012/13	3,834	(3.50%)
2011/12	3,971	(2.80%)
2010/11	4,087	(3.70%)
2009/10	4,246	(1.50%)
2008/09	4,313	(0.19%)
2007/08	4,315	(1.50%)
2006/07	4,381	(0.80%)
2005/06	4,415	(0.30%)
2004/05	4,427	1.90%
2003/04	4,344	1.70%

2. ECONOMIC CONDITIONS:

The Wall Township area continues to experience limited residential development and turnover which results in enrollment declining on a consistent basis. Re-evaluation of developments has continued to reduce the tax base from which the District is funded.

3. MAJOR INITIATIVES:

The 2014-2015 budget supported curricular initiatives including: Full-day kindergarten; pilot programs for STEM, Spanish, and G&T at the elementary level; additional electives in grades 6-8; additional advanced placement courses and elective offerings at the high school.

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

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

The budget included capital project funds for and completed the following Capital Project: Security Camera Installation at all seven schools; Roof Replacement at Allenwood Elementary, Central Elementary, West Belmar Elementary, and Primary School; Technology Infrastructure Upgrade.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine whether the District has complied with applicable laws and regulations relating to its major programs.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and these funds are explained in "Notes to the Basic Financial Statements"; Note 1.

7. DEBT ADMINISTRATION:

Under the provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. At June 30, 2015 the District's outstanding debt issues are below the legal debt margin and are summarized in the "Notes to the Basic Financial Statements"; Note 4.

It is noted that the Wall Township Public School District continued to maintain its Moody's Investors Services Aa3 rating. Moody's most recent rating report states "The affirmation incorporates the District's improved financial condition following three years of structurally balanced operations despite a statutory two percent tax levy cap and state aid reductions." Moody's believes the District will maintain its satisfactory financial position given the trend of structurally balanced operations that improved liquidity and reserves due to conservative budgeting practices.

The district refunded 2005, 2006, and 2007 Series Bonds in March of 2015. The 2015 Refunding Bonds were priced on March 25, 2015. The par amount of the bonds is \$17,515,000 and the net interest rate of the bonds is 1.98%. The total debt service savings will be approximately \$1,838,000 translating to an average savings of \$200,000 annually through June 30, 2024. Standard & Poor's Ratings Service assigned its 'AA' long-term rating and stable outlook to the 2015 bonds and affirmed its 'AA' rating and stable outlook on the district's existing debt.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute, as detailed in "Notes to the Basic Financial Statements"; Note 3. The District utilizes a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect government units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

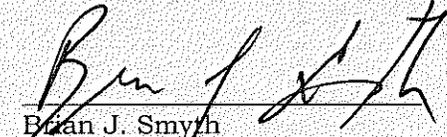
A. Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey OMB Circular 15-08,. The auditor's report on the basic financial statements required supplementary information and other supplementary information are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

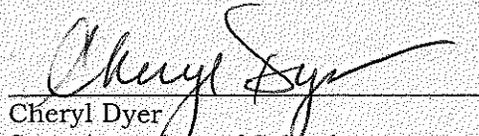
The 2% cap and additional anticipated legislative reforms will continue to have a significant impact on development of future budgets. The culmination of stagnant state aid increases; reduced Township tax base; and restrictions on tax levy increases will impact the District's ability to enhance programs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

12. ACKNOWLEDGEMENTS:

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



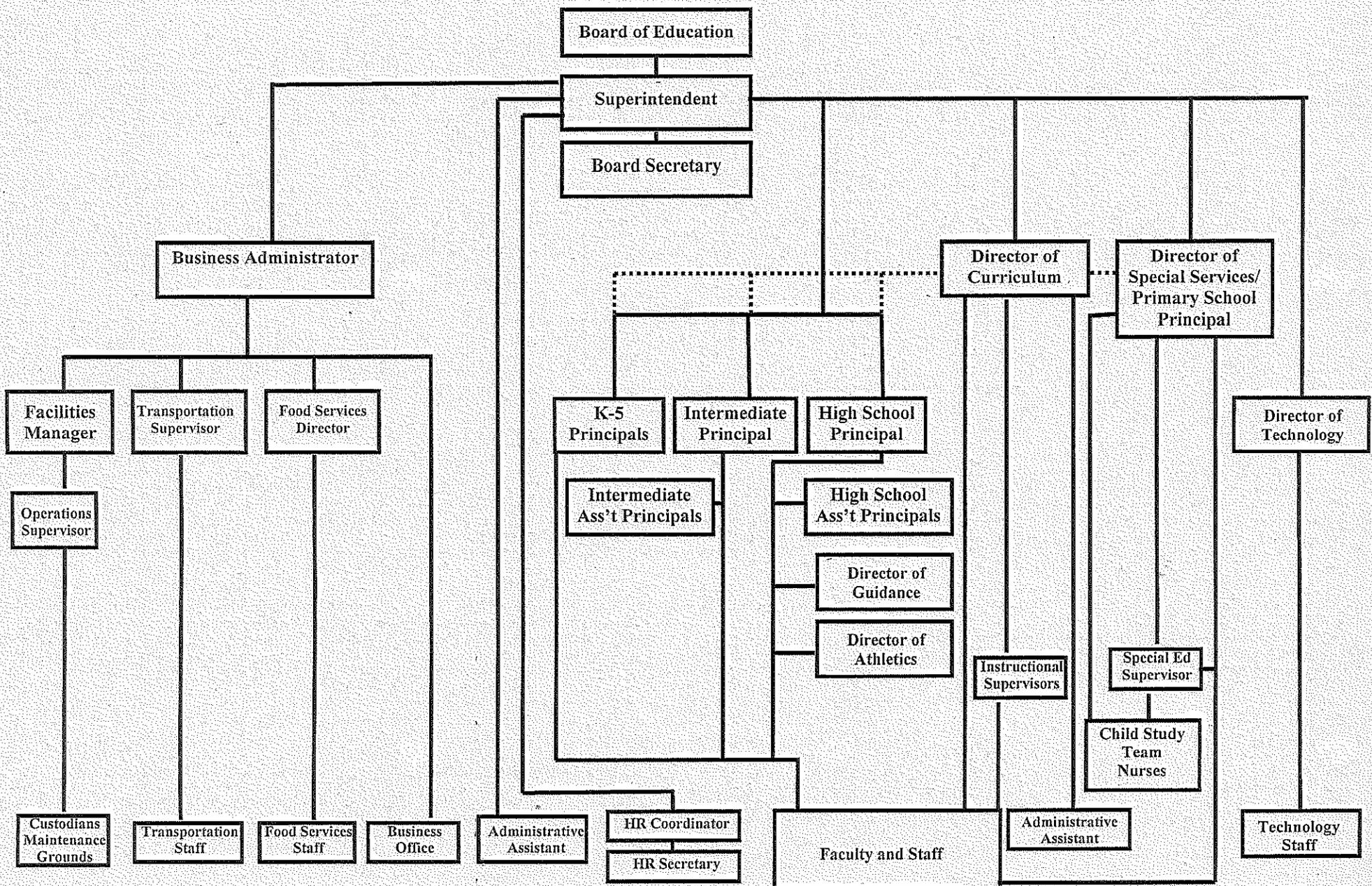
Brian J. Smyth
Business Administrator



Cheryl Dyer
Superintendent of Schools

Wall Township Public Schools

Organizational Chart



REVISED: July 15, 2014

As defined by job descriptions

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

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

**ROSTER OF OFFICIALS
June 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eric Brophy - President	January 2017
Colin Nash – Vice President	January 2016
Ralph Addonizio	January 2017
Allison Connolly	January 2018
Kenneth Dioguardi	January 2016
Timothy Farrell	January 2017
James Johnson	January 2018
Robin Lynch	January 2018
Robin Zawodniak	January 2016

Other Officials

Cheryl Dyer, Superintendent of Schools

Brian J. Smyth, Business Administrator/Board Secretary

Mr. Pablo Canela, Treasurer

Michael J. Gross, Board Attorney

WALL TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Architect

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

Attorney

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

Audit Firm

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

Financial Advisor

Phoenix Advisors
4 West Park Street
Bordentown, NJ 08505

Health Benefit Insurance Broker

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

Official Depository

TD Bank
1840 Old Mill Road
Wall, NJ 07719

Property & Casualty Insurance Broker

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wall Township Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wall Township Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Wall Township Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

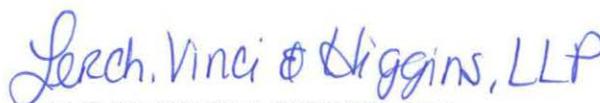
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wall Township Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Wall Township Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

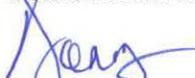
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2015 on our consideration of the Wall Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wall Township Board of Education's internal control over financial reporting and compliance.



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



Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 2, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

This section of the Wall Township Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year include the following:

- The liabilities and deferred inflows of resources of the Wall Township Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$3,924,684 (deficit net position).
- Overall revenues were \$82,958,524. General revenues accounted for \$62,728,986 or 76% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$20,229,538 or 24% of total revenues.
- The school district had \$79,473,746 in expenses for governmental activities; only \$18,766,292 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$62,728,986 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$6,144,859.
- The General Fund fund balance at June 30, 2015 was \$5,914,238 a decrease of \$925,777 when compared with the beginning balance at July 1, 2014.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

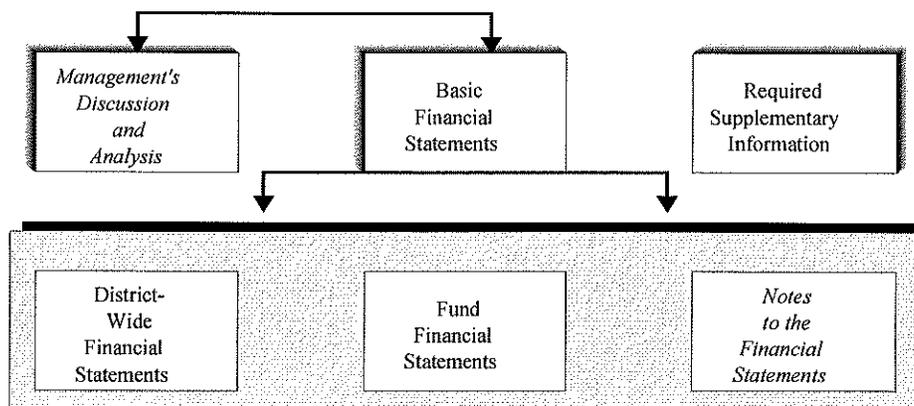
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Figure A-1



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Financial Statements

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

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

District-Wide Financial Statements (continued)

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Fund Financial Statements (Continued)

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

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

Notes to the Financial Statements

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

Other Information

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

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$3,924,684 (deficit net position) as of June 30, 2015.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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

**Net Position
As of June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current Assets	\$ 9,375,412	\$ 10,579,363	\$ 71,488	\$ 79,072	\$ 9,446,900	\$ 10,658,435
Capital Assets, Net	<u>37,891,422</u>	<u>36,564,810</u>	<u>110,091</u>	<u>124,473</u>	<u>38,001,513</u>	<u>36,689,283</u>
Total Assets	<u>47,266,834</u>	<u>47,144,173</u>	<u>181,579</u>	<u>203,545</u>	<u>47,448,413</u>	<u>47,347,718</u>
Deferred Outflows of Resources						
Deferred Amount on Refunding of Debt	789,208	445,421	-	-	789,208	445,421
Deferred Amounts on Net Pension Liability	<u>1,661,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,661,923</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,451,131</u>	<u>445,421</u>	<u>-</u>	<u>-</u>	<u>2,451,131</u>	<u>445,421</u>
Total Assets and Deferred Outflows of Resources	<u>49,717,965</u>	<u>47,589,594</u>	<u>181,579</u>	<u>203,545</u>	<u>49,899,544</u>	<u>47,793,139</u>
Liabilities						
Long-Term Liabilities	49,050,929	28,629,532			49,050,929	28,629,532
Other Liabilities	<u>3,406,285</u>	<u>3,608,407</u>	<u>49,094</u>	<u>50,529</u>	<u>3,455,379</u>	<u>3,658,936</u>
Total Liabilities	<u>52,457,214</u>	<u>32,237,939</u>	<u>49,094</u>	<u>50,529</u>	<u>52,506,308</u>	<u>32,288,468</u>
Deferred Inflows of Resources						
Deferred Amounts of Net Pension Liability	<u>1,317,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,317,920</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,317,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,317,920</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,775,134</u>	<u>32,237,939</u>	<u>49,094</u>	<u>50,529</u>	<u>53,824,228</u>	<u>32,288,468</u>
Net Position						
Net Investment in Capital Assets	16,176,888	13,242,009	110,091	124,473	16,286,979	13,366,482
Restricted	4,409,297	4,312,842			4,409,297	4,312,842
Unrestricted	<u>(24,643,354)</u>	<u>(23,633,552)</u>	<u>22,394</u>	<u>28,543</u>	<u>(24,620,960)</u>	<u>(23,605,009)</u>
Total Net Position	<u>\$ (4,057,169)</u>	<u>\$ (6,078,701)</u>	<u>\$ 132,485</u>	<u>\$ 153,016</u>	<u>\$ (3,924,684)</u>	<u>\$ (5,925,685)</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

**Change in Net Position
For The Fiscal Years Ended June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 436,855	\$ 368,655	\$ 1,232,084	\$ 1,192,074	\$ 1,668,939	\$ 1,560,729
Operating Grants and Contributions	17,563,405	10,619,298	231,162	243,042	17,794,567	10,862,340
Capital Grants and Contributions	766,032				766,032	
General Revenues						
Property Taxes	62,157,010	61,029,474			62,157,010	61,029,474
State Aid	496,096	491,611			496,096	491,611
Other	75,880	163,987	-	-	75,880	163,987
Total Revenues	<u>81,495,278</u>	<u>72,673,025</u>	<u>1,463,246</u>	<u>1,435,116</u>	<u>82,958,524</u>	<u>74,108,141</u>
Expenses						
Instruction						
Regular	31,427,530	26,886,838			31,427,530	26,886,838
Special Education	13,806,763	11,694,226			13,806,763	11,694,226
Vocational Education	600,106	654,740			600,106	654,740
Other Instruction	1,393,728	1,141,619			1,393,728	1,141,619
School Sponsored Cocurricular/Athletics	1,601,878	1,279,499			1,601,878	1,279,499
Support Services						
Student and Instruction Related Services	9,205,306	8,809,469			9,205,306	8,809,469
School Administrative Services	4,530,340	3,913,365			4,530,340	3,913,365
General Administrative Services	2,368,038	2,045,764			2,368,038	2,045,764
Plant Operations and Maintenance	7,079,295	7,207,497			7,079,295	7,207,497
Pupil Transportation	4,904,733	4,999,220			4,904,733	4,999,220
Business/Central and Other Support Services	1,642,036	1,620,047			1,642,036	1,620,047
Interest on Long-Term Debt	913,993	1,075,778			913,993	1,075,778
Food Service	-		1,469,775	1,483,915	1,469,775	1,483,915
After School Prep Programs	-	-	14,002	8,636	14,002	8,636
Total Expenses	<u>79,473,746</u>	<u>71,328,062</u>	<u>1,483,777</u>	<u>1,492,551</u>	<u>80,957,523</u>	<u>72,820,613</u>
Change in Net Position	2,021,532	1,344,963	(20,531)	(57,435)	2,001,001	1,287,528
Net Position, Beginning of Year	(6,078,701)	14,006,692	153,016	210,451	(5,925,685)	14,217,143
Prior Period Adjustment-Net Pension Liability	-	(21,430,356)	-	-	-	(21,430,356)
Net Position, End of Year	<u>\$ (4,057,169)</u>	<u>\$ (6,078,701)</u>	<u>\$ 132,485</u>	<u>\$ 153,016</u>	<u>\$ (3,924,684)</u>	<u>\$ (5,925,685)</u>

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

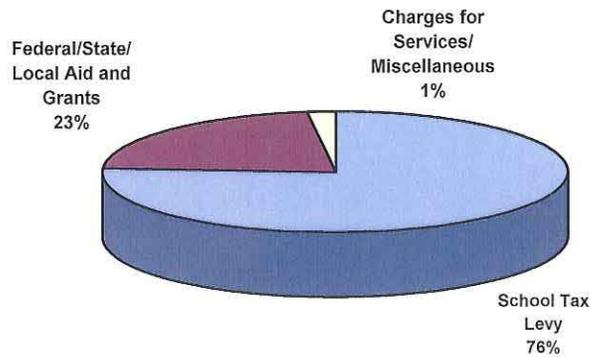
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$81,495,278 for the year ended June 30, 2015, an increase of \$8,822,253 or 12 percent increase from the previous year. A large portion of this increase is attributable to the adjustment to the on-behalf TPAF contribution to recognize the actuarially determined amount that should have been contributed on behalf of the District. This adjustment which impacts both the revenues and expenses of the governmental activities was \$6,074,433. Property taxes of \$62,157,010 represented 76% of revenues. Another portion of revenues came from State, Federal and Local aid; total State, Federal and local aid was \$18,825,533. Charges for services such as tuition and rentals were \$436,855. The balance of revenues is miscellaneous income which includes items such as e-rate reimbursements, prior year refunds, etc.

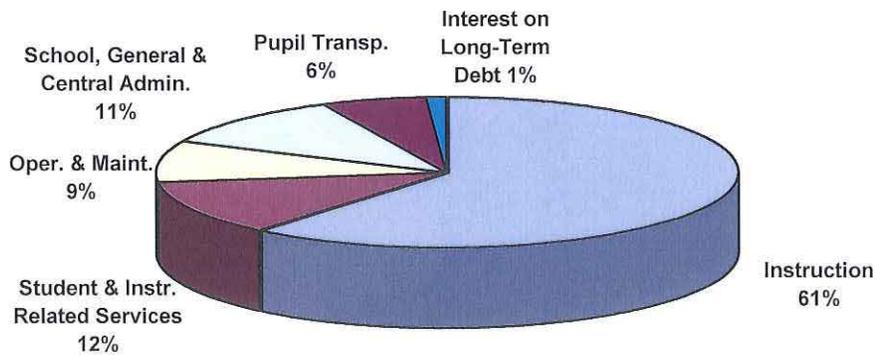
The total cost of all governmental activities programs and services was \$79,473,746. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$48,830,005 (61%) of total expenses. Student and instruction related and other support services (exclusive of interest on long-term debt) total \$29,729,748 or (37%) of total expenses.

Total governmental activities revenues exceed expenses, increasing net position \$2,021,532 from the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2015



Expenses by Type-Governmental Activities
For Fiscal Year 2015



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$79,473,746. After applying program revenues, derived from charges for services of \$436,855 and operating and capital grants and contributions of \$18,329,437, the net cost of services of the District is \$60,707,454.

**Total and Net Cost of Services of Governmental Activities
For The Fiscal Years Ended June 30, 2015 and 2014**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	\$ 31,427,530	\$ 26,886,838	\$ 23,280,748	\$ 23,352,487
Special Education	13,806,763	11,694,226	7,204,986	6,884,665
Vocational Education	600,106	654,740	600,106	654,740
Other Instruction	1,393,728	1,141,619	1,034,265	991,810
School Sponsored Cocurricular/Athletics	1,601,878	1,279,499	1,257,085	1,145,456
Support Services				
Student and Instruction Related Services	9,205,306	8,809,469	8,800,466	8,152,397
School Administrative Services	4,530,340	3,913,365	3,844,288	3,649,129
General Administrative Services	2,368,038	2,045,764	2,368,038	2,045,764
Plant Operations and Maintenance	7,079,295	7,207,497	5,944,415	6,845,211
Pupil Transportation	4,904,733	4,999,220	4,137,255	4,240,923
Business and Other Support Services	1,642,036	1,620,047	1,642,036	1,620,047
Interest on Long-Term Debt	913,993	1,075,778	593,766	757,480
Total	<u>\$ 79,473,746</u>	<u>\$ 71,328,062</u>	<u>\$ 60,707,454</u>	<u>\$ 60,340,109</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,463,246 for the year ended June 30, 2015. Charges for services of \$1,232,084 accounted for 84% of total revenues. Operating grants and contributions of \$231,162 accounted for 16% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,483,777. The District's expenses are related to Food Service programs provided to all students, teachers and administrators as well as expenses related to the After School Prep programs.

Total business-type activities expenses exceeded revenues decreasing net position by \$20,531 from the last year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$6,144,859. At June 30, 2014, the fund balance was \$7,454,044.

Revenues and other financing sources for the District's governmental funds were \$95,537,105, while total expenses and other financing uses were \$96,846,290, thereby decreasing fund balance by \$1,309,185.

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

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

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 59,750,104	\$ 58,578,533	\$ 1,171,571	2%
Tuition	411,303	348,355	62,948	18%
Miscellaneous	101,432	184,287	(82,855)	-45%
State/Federal Sources	<u>9,900,666</u>	<u>8,847,367</u>	<u>1,053,299</u>	12%
Total General Fund Revenues	<u>\$ 70,163,505</u>	<u>\$ 67,958,542</u>	<u>\$ 2,204,963</u>	3%

Total General Fund Revenues increased by \$2,204,963 or 3% from the previous year.

Local property taxes increased by 2 percent over the previous year. State and federal aid revenues increased \$1,053,299 or 12%. This increase is predominantly attributed to an increase in State On-Behalf TPAF pension costs contributed by the State.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Tuition revenue increased by \$62,948 due to an increase in students sent from other LEAS.

Miscellaneous income revenues decreased by \$82,855 compared to the prior year due to non recurring reimbursements of prior year expenditures.

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

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase <u>(Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 42,103,403	\$ 40,621,871	\$ 1,481,532	4%
Support Services	27,152,767	26,641,599	511,168	2%
Capital Outlay	1,076,265	913,464	162,801	18%
Debt Service	<u>135,411</u>	<u>126,827</u>	<u>8,584</u>	<u>7%</u>
Total Expenditures	<u>\$ 70,467,846</u>	<u>\$ 68,303,761</u>	<u>\$ 2,164,085</u>	3%

Total General Fund expenditures increased \$2,164,085 or 3% from the previous year. The District experienced increases in areas of instruction and support services expenditures, capital outlay and debt service.

In 2014-2015 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$925,777. As a result, total fund balance decreased to \$5,914,238 at June 30, 2015. After deducting restrictions and assignments, the unassigned fund balance decreased from \$777,632 at June 30, 2014 to \$756,726 at June 30, 2015.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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

Revenues of the Special Revenue Fund were \$1,283,835, for the year ended June 30, 2015. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 94% of the total revenue for the year.

Total Special Revenue Fund revenues decreased by \$183,962 from the previous year. State sources increased \$1,850, Federal sources decreased \$204,595 and local sources increased by \$18,783.

Expenditures of the Special Revenue Fund were also \$1,283,835. Instructional expenditures were \$1,147,741 or 89%. Expenditures for the student and instructional related support services were \$118,863 or 9% of total expended for the year ended June 30, 2015. The remaining 2% of expenditures were for pupil transportation amounting to \$6,300 and capital outlay amounting to \$10,931.

Capital Projects – The Capital Projects expenditures exceeded revenues and other financing sources by \$326,312 decreasing fund balance to \$230,621 at June 30, 2015. The District is undertaking various improvements throughout the entire district, which began in 2013/14 and will continue into the 2015/16 year.

Proprietary Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

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

- Transfer \$826,800 of capital outlay appropriations to the capital projects fund to fund the local share of certain approved state facilities projects.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$38,001,513 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2014-15 amounted to \$1,567,716 for governmental activities and \$14,382 for business-type activities.

Capital Assets at June 30, 2015 and 2014
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 534,652	\$ 534,652			\$ 534,652	\$ 534,652
Building and Building Improvements	35,029,172	33,590,277			35,029,172	33,590,277
Improvements other than Buildings	621,506	702,670			621,506	702,670
Machinery and Equipment	<u>1,706,092</u>	<u>1,737,211</u>	<u>\$ 110,091</u>	<u>\$ 124,473</u>	<u>1,816,183</u>	<u>1,861,684</u>
Total Capital Assets, Net	<u>\$ 37,891,422</u>	<u>\$ 36,564,810</u>	<u>\$ 110,091</u>	<u>\$ 124,473</u>	<u>\$ 38,001,513</u>	<u>\$ 36,689,283</u>

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

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$1,367,420, capital leases payable of \$427,978, bonds payable of \$22,575,000 and net pension liability of \$22,114,767.

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

For the 2014/2015 school year, the School Board was able to sustain its general fund budget through the local tax levy, State education aid, federal aid, tuition and local revenue sources. Approximately 6% of the School Board's general fund revenue is from State and Federal Aid, 90% of total revenue is from local tax levy, and 4% is from other local sources, including interest, tuition, transportation fees, miscellaneous and the appropriation of prior year fund balance.

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid increased during 2014/2015 compared to 2013/2014, the District may experience growth in student population and there is uncertainty regarding future funding levels of state aid. The tax levy will be the area that will need to absorb any increase in budget obligations.

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2015/2016 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing special education costs, liability insurance and employee related benefit costs.

In conclusion, the Wall Township Public School District has committed itself to financial excellence for the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,241,724	\$ 49,601	\$ 6,291,325
Cash with Fiscal Agents	1,430,263		1,430,263
Receivables, net	1,703,425	17,548	1,720,973
Inventory		4,339	4,339
Capital Assets			
Not Being Depreciated	534,652		534,652
Being Depreciated, Net	<u>37,356,770</u>	<u>110,091</u>	<u>37,466,861</u>
Total Assets	<u>47,266,834</u>	<u>181,579</u>	<u>47,448,413</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	789,208	-	789,208
Deferred Amounts on Net Pension Liability	<u>1,661,923</u>	<u>-</u>	<u>1,661,923</u>
Total Deferred Outflows of Resources	<u>2,451,131</u>	<u>-</u>	<u>2,451,131</u>
Total Assets and Deferred Outflows of Resources	<u>49,717,965</u>	<u>181,579</u>	<u>49,899,544</u>
LIABILITIES			
Accounts Payable	1,587,397		1,587,397
Accrued Interest Payable	175,732		175,732
Payable to Government	9,811		9,811
Unearned Revenue	203,082	49,094	252,176
Accrued Liability for Insurance Claims	1,430,263		1,430,263
Noncurrent Liabilities			
Due Within One Year	3,850,125		3,850,125
Due Beyond One Year	<u>45,200,804</u>	<u>-</u>	<u>45,200,804</u>
Total Liabilities	<u>52,457,214</u>	<u>49,094</u>	<u>52,506,308</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,317,920</u>	<u>-</u>	<u>1,317,920</u>
Total Deferred Inflows of Resources	<u>1,317,920</u>	<u>-</u>	<u>1,317,920</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,775,134</u>	<u>49,094</u>	<u>53,824,228</u>
NET POSITION			
Net Investment in Capital Assets	16,176,888	110,091	16,286,979
Restricted for			
Capital Projects	3,684,297		3,684,297
Other - Maintenance	725,000		725,000
Unrestricted	<u>(24,643,354)</u>	<u>22,394</u>	<u>(24,620,960)</u>
Total Net Position	<u>\$ (4,057,169)</u>	<u>\$ 132,485</u>	<u>\$ (3,924,684)</u>

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

WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 31,427,530	\$ 385,778	\$ 7,761,004		\$ (23,280,748)		\$ (23,280,748)
Special Education	13,806,763	25,525	6,576,252		(7,204,986)		(7,204,986)
Vocational Education	600,106				(600,106)		(600,106)
Other Instruction	1,393,728		359,463		(1,034,265)		(1,034,265)
School Sponsored Cocurricular/Athletic	1,601,878		344,793		(1,257,085)		(1,257,085)
Support Services							
Student and Instruction Related Services	9,205,306		404,840		(8,800,466)		(8,800,466)
School Administrative Services	4,530,340		686,052		(3,844,288)		(3,844,288)
General Administrative Services	2,368,038				(2,368,038)		(2,368,038)
Plant Operations and Maintenance	7,079,295	25,552	343,296	\$ 766,032	(5,944,415)		(5,944,415)
Pupil Transportation	4,904,733		767,478		(4,137,255)		(4,137,255)
Business/Central and Other Support Services	1,642,036				(1,642,036)		(1,642,036)
Interest on Long-Term Debt	913,993	-	320,227	-	(593,766)	-	(593,766)
Total Governmental Activities	<u>79,473,746</u>	<u>436,855</u>	<u>17,563,405</u>	<u>766,032</u>	<u>(60,707,454)</u>	<u>-</u>	<u>(60,707,454)</u>
Business-Type Activities							
Food Service	1,469,775	1,213,004	231,162	-	-	\$ (25,609)	(25,609)
After School Prep Programs	14,002	19,080	-	-	-	5,078	5,078
Total Business-Type Activities	<u>1,483,777</u>	<u>1,232,084</u>	<u>231,162</u>	<u>-</u>	<u>-</u>	<u>(20,531)</u>	<u>(20,531)</u>
Total Primary Government	<u>\$ 80,957,523</u>	<u>\$ 1,668,939</u>	<u>\$ 17,794,567</u>	<u>\$ 766,032</u>	<u>(60,707,454)</u>	<u>(20,531)</u>	<u>(60,727,985)</u>

(Continued)

WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Carried Forward	\$ (60,707,454)	\$ (20,531)	\$ (60,727,985)
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	59,750,104		59,750,104
Property Taxes Levied for Debt Service	2,406,906		2,406,906
State Aid Restricted for Debt Service Principal	480,340		480,340
State & Federal Aid- Unrestricted	15,756		15,756
Miscellaneous Income	75,880	-	75,880
Total General Revenues	62,728,986	-	62,728,986
Change in Net Position	2,021,532	(20,531)	2,001,001
Net Position, Beginning of Year (Restated)	(6,078,701)	153,016	(5,925,685)
Net Position, End of Year	\$ (4,057,169)	\$ 132,485	\$ (3,924,684)

FUND FINANCIAL STATEMENTS

**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,241,724				\$ 6,241,724
Cash with Fiscal Agent	1,430,263				1,430,263
Receivables From Other Governments	146,547	\$ 193,619	\$ 946,378		1,286,544
Other Receivables	407,070	9,811			416,881
Due from Other Funds	<u>698,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,553</u>
Total Assets	<u>\$ 8,924,157</u>	<u>\$ 203,430</u>	<u>\$ 946,378</u>	<u>\$ -</u>	<u>\$ 10,073,965</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,573,996	\$ 13,401			\$ 1,587,397
Due to Other Funds		163,142	\$ 535,411		698,553
Intergovernmental Payable		9,811			9,811
State		9,811			9,811
Unearned Revenue	5,660	17,076	180,346		203,082
Accrued Liability for Insurance Claims	<u>1,430,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,430,263</u>
Total Liabilities	<u>3,009,919</u>	<u>203,430</u>	<u>715,757</u>	<u>-</u>	<u>3,929,106</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	2,028,838				2,028,838
Capital Reserve - Designated for Subsequent Year's Expenditures	1,424,838				1,424,838
Maintenance Reserve	200,000				200,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	525,000				525,000
Emergency Reserve	223,500				223,500
Emergency Reserve- Designated for Subsequent Year's Expenditures	375,000				375,000
Capital Projects			230,621		230,621
Assigned Fund Balance					
Year-End Incumbrances	112,588		-		112,588
Designated for Subsequent Year's Expenditures	250,000				250,000
ARRA-SEMI - Designated for Subsequent Year's Expenditures	17,748				17,748
Unassigned Fund Balance					
General Fund	<u>756,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,726</u>
Total Fund Balances	<u>5,914,238</u>	<u>-</u>	<u>230,621</u>	<u>-</u>	<u>6,144,859</u>
Total Liabilities and Fund Balances	<u>\$ 8,924,157</u>	<u>\$ 203,430</u>	<u>\$ 946,378</u>	<u>\$ -</u>	

**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

Total Fund Balance (Exhibit B-1) \$ 6,144,859

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 \$61,778,805 and the accumulated depreciation is \$23,887,383. 37,891,422

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (175,732)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 789,208

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

Deferred Outflows of Resources	\$ 1,661,923	
Deferred Inflows of Resources	<u>(1,317,920)</u>	344,003

Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 2) (49,050,929)

Deficit Net Position of Governmental Activities \$ (4,057,169)

**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 59,750,104			\$ 2,406,906	\$ 62,157,010
Tuition	385,778				385,778
Preschool Tuition	25,525				25,525
Rental Fees	25,552				25,552
Miscellaneous	75,880	\$ 19,247	-	-	95,127
Total - Local Sources	60,262,839	19,247	-	2,406,906	62,688,992
State Sources	9,808,065	62,391	\$ 766,032	800,567	11,437,055
Federal Sources	92,601	1,202,197	-	-	1,294,798
Total Revenues	70,163,505	1,283,835	766,032	3,207,473	75,420,845
EXPENDITURES					
Current					
Regular Instruction	27,544,817	66,570			27,611,387
Special Education Instruction	11,312,670	1,081,171			12,393,841
Vocational Education	600,106				600,106
Other Instruction	1,215,187				1,215,187
School Sponsored Cocurricular/Athletics	1,430,623				1,430,623
Support Services					
Student & Instruction Related Services	8,661,179	118,863			8,780,042
School Administrative Services	4,158,822				4,158,822
General Administrative Services	1,117,559		112,012		1,229,571
Plant Operations and Maintenance	6,985,188				6,985,188
Pupil Transportation	4,610,272	6,300			4,616,572
Business and Other Support Services	1,619,747				1,619,747
Debt Service					
Principal	126,273			2,265,000	2,391,273
Interest and other charges	9,138			999,569	1,008,707
Cost of Issuance				188,580	188,580
Capital Outlay	1,076,265	10,931	1,807,132	-	2,894,328
Payments to Escrow Agent	-	-	-	387,316	387,316
Total Expenditures	70,467,846	1,283,835	1,919,144	3,840,465	77,511,290
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(304,341)	-	(1,153,112)	(632,992)	(2,090,445)
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued				17,515,000	17,515,000
Premium on Refunding				2,395,896	2,395,896
Bonds Refunded				(19,335,000)	(19,335,000)
Capital Lease Proceeds	205,364	-	-	-	205,364
Transfer In			826,800		826,800
Transfer Out	(826,800)	-	-	-	(826,800)
Total Other Financing Sources and Uses	(621,436)	-	826,800	575,896	781,260
Net Change in Fund Balances	(925,777)	-	(326,312)	(57,096)	(1,309,185)
Fund Balance, Beginning of Year	6,840,015	-	556,933	57,096	7,454,044
Fund Balance, End of Year	\$ 5,914,238	\$ -	\$ 230,621	\$ -	\$ 6,144,859

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

**WALL TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (1,309,185)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the period.

Depreciation expense	\$ (1,567,716)	
Capital outlays	<u>2,894,328</u>	1,326,612

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Decrease in accrued interest		307,356
------------------------------	--	---------

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, governmental funds report the effect of premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the net effect of these activities: (See Note 2)

1,997,329

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

Amortization of Original Issue Premium	19,467	
Amortization of Deferred Amount on Refunding of Debt	<u>(43,529)</u>	(24,062)

In the statement of activities, certain operating expenses, e.g., compensated absences and claims and Judgements for self insurance claims are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

Compensated Absences, Net	63,890	
Pension Expense, Net	<u>(340,408)</u>	<u>(276,518)</u>

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 2,021,532

**WALL TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

	Business-Type Activities-Enterprise Funds		
	Food Services	Other Non-Major Enterprise Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 23,558	\$ 26,043	\$ 49,601
Intergovernmental Accounts Receivable			
State	862		862
Federal	16,686		16,686
Inventories	4,339	-	4,339
Total Current Assets	<u>45,445</u>	<u>26,043</u>	<u>71,488</u>
Capital Assets			
Machinery & Equipment	562,903		562,903
Less: Accumulated Depreciation	<u>(452,812)</u>	<u>-</u>	<u>(452,812)</u>
Total Capital Assets, Net	<u>110,091</u>	<u>-</u>	<u>110,091</u>
Total Assets	<u>155,536</u>	<u>26,043</u>	<u>181,579</u>
LIABILITIES			
Current Liabilities			
Unearned Revenue	<u>48,019</u>	<u>1,075</u>	<u>49,094</u>
Total Current Liabilities	<u>48,019</u>	<u>1,075</u>	<u>49,094</u>
NET POSITION			
Investment in Capital Assets	110,091		110,091
Unrestricted	<u>(2,574)</u>	<u>24,968</u>	<u>22,394</u>
Total Net Position	<u>\$ 107,517</u>	<u>\$ 24,968</u>	<u>\$ 132,485</u>

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

**WALL TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities-Enterprise Funds		
	Food Services	Other Non-Major Enterprise Fund	Total
OPERATING REVENUES			
Charges for Services			
Daily Sales	\$ 1,212,889		\$ 1,212,889
Miscellaneous	115		115
Program Fees	-	\$ 19,080	19,080
Total Operating Revenues	<u>1,213,004</u>	<u>19,080</u>	<u>1,232,084</u>
OPERATING EXPENSES			
Cost of Sales	641,754		641,754
Salaries and Employee Benefits	746,888	13,752	760,640
Supplies and Materials	52,187	250	52,437
Repairs & Maintenance	6,106		6,106
Other Purchased Services	4,941		4,941
Travel	247		247
Miscellaneous Expenditures	3,270	-	3,270
Depreciation	14,382	-	14,382
Total Operating Expenses	<u>1,469,775</u>	<u>14,002</u>	<u>1,483,777</u>
Operating Income/(Loss)	<u>(256,771)</u>	<u>5,078</u>	<u>(251,693)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	7,716		7,716
Federal Sources			
School Breakfast Program	11,991		11,991
National School Lunch Program	211,455	-	211,455
Total Nonoperating Revenues	<u>231,162</u>	<u>-</u>	<u>231,162</u>
Change in Net Position	(25,609)	5,078	(20,531)
Total Net Position, Beginning of Year	<u>133,126</u>	<u>19,890</u>	<u>153,016</u>
Total Net Position, End of Year	<u>\$ 107,517</u>	<u>\$ 24,968</u>	<u>\$ 132,485</u>

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

**WALL TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities-Enterprise Funds		
	Food Services	Other Non-Major Enterprise Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,146,556	\$ 20,155	\$ 1,166,711
Payments to Employees' Salaries and Benefits	(746,888)	(13,752)	(760,640)
Payments to Suppliers for Goods and Services	(619,702)	(250)	(619,952)
Net Cash Provided/(Used) by Operating Activities	(220,034)	6,153	(213,881)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State and Federal Sources	201,610	-	201,610
Net Cash Provided by Noncapital Financing Activities	201,610	-	201,610
Net Increase/(Decrease) in Cash and Cash Equivalents	(18,424)	6,153	(12,271)
Cash and Cash Equivalents, Beginning of Year	41,982	19,890	61,872
Cash and Cash Equivalents, End of Year	\$ 23,558	\$ 26,043	\$ 49,601
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) by Operating Activities			
Operating Income/ (Loss)	\$ (256,771)	\$ 5,078	\$ (251,693)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Depreciation	14,382		14,382
Food Distribution (USDA Commodities) National School Lunch	24,448		24,448
Change in Assets and Liabilities			
Increase/(Decrease) in Accounts Payable	(2,918)		(2,918)
Increase/(Decrease) in Unearned Revenue	408	1,075	1,483
(Increase)/Decrease in Inventories	417	-	417
Total Adjustments	36,737	1,075	37,812
Net Cash Provided/(Used) by Operating Activities	\$ (220,034)	\$ 6,153	\$ (213,881)
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	\$ 24,448		

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

**WALL TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose <u>Scholarships Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 211,659	\$ 54,103	\$ 358,295
Cash Held by Trustee			1,423
Due from Other Funds	<u>23,603</u>	<u>-</u>	<u>-</u>
Total Assets	<u>235,262</u>	<u>54,103</u>	<u>\$ 359,718</u>
LIABILITIES			
Intergovernmental Payable	21,375		
Payroll Deductions and Withholdings			\$ 80,084
Flexible Spending (Sect. 125) Plan			1,423
Due to Student Groups			254,608
Due to Other Funds	<u>-</u>	<u>-</u>	<u>23,603</u>
Total Liabilities	<u>21,375</u>	<u>-</u>	<u>\$ 359,718</u>
NET POSITION			
Held in Trust for Unemployment Claims	<u>\$ 213,887</u>		
Restricted for Scholarships		<u>\$ 54,103</u>	

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

**WALL TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose Scholarships <u>Fund</u>
ADDITIONS		
Contributions		
Donations		\$ 5,682
Employee Contributions	\$ 74,178	-
	<hr/>	<hr/>
Total Contributions	74,178	5,682
	<hr/>	<hr/>
Investment Earnings		
Interest	-	29
	<hr/>	<hr/>
Net Investment Earnings	-	29
	<hr/>	<hr/>
Total Additions	74,178	5,711
	<hr/>	<hr/>
DEDUCTIONS		
Unemployment Claims and Contributions	62,509	
Scholarships Awarded	-	7,695
	<hr/>	<hr/>
Total Deductions	62,509	7,695
	<hr/>	<hr/>
Change in Net Position	11,669	(1,984)
Net Position, Beginning of Year	202,218	56,087
	<hr/>	<hr/>
Net Position, End of Year	\$ 213,887	\$ 54,103
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

The *after school prep program fund* accounts for the activities of the District's after school prep program which provides summer classes to students in preparation for the upcoming school year and other after school programs.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

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

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

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

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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)

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

6. Compensated Absences

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

7. Pensions

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

8. Long-Term Obligations

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

WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations (Continued)*

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance* (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

ARRA/SEMI – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

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

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.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2013-2014 and 2014-2015 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 Non-Operating Revenues and Expenses*

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$49,050,929 difference are as follows:

Bonds Payable	\$ (22,575,000)
Add: Issuance of Premium (to be amortized over life of debt)	(2,565,764)
Capital Leases	(427,978)
Compensated Absences	(1,367,420)
Net Pension Liability	<u>(22,114,767)</u>
 Net Adjustment to Reduce Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities	 <u>\$ (49,050,929)</u>

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,997,329 difference are as follows:

Debt issued or incurred:	
Capital Lease	\$ (205,364)
Issuance of General Obligation Refunding Bonds	(17,515,000)
Issuance Premium	(2,395,896)
 Principal repayments:	
General Obligation Bonds	2,265,000
Payment on Capital Lease	126,273
General Obligation Bonds Refunded	19,335,000
Payment to Escrow Agent for Refunding	<u>387,316</u>
 Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	 <u>\$ 1,997,329</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original general fund budget by \$481,259 and the original special revenue budget by \$412,357. The increases were funded by the reappropriation of prior year general fund encumbrances and additional grant awards, respectively.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Tuition to CSSD & Regional Day Schools	\$99,771	\$165,264	(\$65,493)

The above variances were offset with other available resources.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The Food Service Enterprise Fund has a deficit in unrestricted net position of \$2,574 as of June 30, 2015. The District expects to eliminate this deficit through normal operations in the 2015/2016 fiscal year.

D. 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, 2015 is as follows:

Balance, July 1, 2014	\$ 3,268,784
Increased by:	
Deposits Approved by Board Resolution	<u>1,134,892</u>
	4,403,676
Decreased by:	
Withdrawals Approved in District Budget	<u>950,000</u>
Balance, June 30, 2015	<u>\$ 3,453,676</u>

E. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 430,029
Increased by:	
Deposits Approved in District Budget	<u>525,000</u>
	955,029
Decreased by:	
Withdrawals Approved in District Budget	<u>230,029</u>
Balance, June 30, 2015	<u>\$ 725,000</u>

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,975,487. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

F. Emergency Reserve

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

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	<u>\$ 598,500</u>
Balance, June 30, 2015	<u><u>\$ 598,500</u></u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$8,347,068 and bank and brokerage firm balances of the Board's deposits amounted to \$10,013,461. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with fiscal agent trustee" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured:	
Cash and Cash Equivalents	\$ 8,581,775
Uninsured and Collateralized	
Cash with Fiscal Agent/Trustee	<u>1,431,686</u>
	<u>\$ 10,013,461</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, 2015 the Board's bank balance of \$1,431,686 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department or agent not in the Board's name	<u>\$ 1,431,686</u>
	<u>\$ 1,431,686</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 407,070	\$ 9,811			\$ 416,881
Intergovernmental-					
Federal	14,643	193,619		\$ 16,686	224,948
State	<u>131,904</u>	<u>-</u>	<u>\$ 946,378</u>	<u>862</u>	<u>1,079,144</u>
Total Receivables	<u>\$ 553,617</u>	<u>\$ 203,430</u>	<u>\$ 946,378</u>	<u>\$ 17,548</u>	<u>\$ 1,720,973</u>

C. Unearned Revenue

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

General Fund	
Fiscal Year 2016 Health Benefit Contributions	\$ 5,660
Special Revenue Fund	
Unencumbered Grant Draw Downs	9,247
Grant Draw Downs Reserved for Encumbrances	7,829
Capital Projects Fund	
Unrealized School Facilities Grants	<u>180,346</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 203,082</u>

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, July 1, 2014	Increases	Decreases	Balance, June 30, 2015
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 534,652	-	-	\$ 534,652
Total Capital Assets, Not Being Depreciated	<u>534,652</u>	<u>-</u>	<u>-</u>	<u>534,652</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	49,003,151	\$ 2,499,129		51,502,280
Improvements Other Than Buildings	2,231,528			2,231,528
Machinery and Equipment	7,115,146	395,199	-	7,510,345
Total Capital Assets Being Depreciated	<u>58,349,825</u>	<u>2,894,328</u>	<u>-</u>	<u>61,244,153</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(15,412,874)	(1,060,234)		(16,473,108)
Improvements Other Than Buildings	(1,528,858)	(81,164)		(1,610,022)
Machinery and Equipment	(5,377,935)	(426,318)	-	(5,804,253)
Total Accumulated Depreciation	<u>(22,319,667)</u>	<u>(1,567,716)</u>	<u>-</u>	<u>(23,887,383)</u>
Total Capital Assets, Being Depreciated, Net	<u>36,030,158</u>	<u>1,326,612</u>	<u>-</u>	<u>37,356,770</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,564,810</u>	<u>\$ 1,326,612</u>	<u>\$ -</u>	<u>\$ 37,891,422</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2014	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2015
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 562,903	-	-	\$ 562,903
Total Capital Assets Being Depreciated	<u>562,903</u>	<u>-</u>	<u>-</u>	<u>562,903</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(438,430)	\$ (14,382)	-	(452,812)
Total Accumulated Depreciation	<u>(438,430)</u>	<u>(14,382)</u>	<u>-</u>	<u>(452,812)</u>
Total Capital Assets, Being Depreciated, Net	<u>124,473</u>	<u>(14,382)</u>	<u>-</u>	<u>110,091</u>
Business-Type Activities Capital Assets, Net	<u>\$ 124,473</u>	<u>\$ (14,382)</u>	<u>\$ -</u>	<u>\$ 110,091</u>

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

Governmental Activities:	
Regular Instruction	\$ 31,354
Total Instruction	<u>31,354</u>
Support Services	
Student & Instruction Related Services	156,772
General Administrative Services	1,128,755
Operations and Maintenance of Plant	15,677
Pupil Transportation	235,158
Total Support Services	<u>1,536,362</u>
Total Governmental Funds	<u>1,567,716</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,567,716</u>
Business-Type Activities:	
Food Service Fund	\$ 14,382
Total Depreciation Expense-Business-Type Activities	<u>\$ 14,382</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction Commitments

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Remaining Commitment</u>
Security Camera Upgrades (All Schools)	\$ 37,535
Roof Replacement (All Schools)	42,930
Front Entrance Modification (All Schools)	<u>26,575</u>
Total	<u>\$ 107,040</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 163,142
General Fund	Capital Projects Fund	535,411
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>23,603</u>
Total		<u>\$ 722,156</u>

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	<u>Transfer In:</u>	
	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:		
General Fund	\$ 826,800	\$ 826,800
Total Transfers Out	<u>\$ 826,800</u>	<u>\$ 826,800</u>

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

F. Leases

Operating Leases

The District leases computer equipment under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$41,560. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2016	\$ 41,560
Total	<u>\$ 41,560</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases/Lease Purchase Agreements

The District is leasing school buses totaling \$645,992 under capital leases/lease purchase agreements. The leases are for terms of 5 years.

The capital assets acquired through capital leases/lease purchase agreements are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	<u>\$ 645,992</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 135,410
2017	135,410
2018	135,410
2019	<u>43,374</u>
Total minimum lease payments	449,604
Less: amount representing interest	<u>(21,626)</u>
Present value of minimum lease payments	<u>\$ 427,978</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2015 are comprised of the following issues:

\$9,880,000, 2005 School Refunding Bonds, due in an annual installment of \$620,000 through July 15, 2015, interest at 4.00%	\$ 620,000
\$9,950,000, 2006 School Refunding Bonds, due in an annual installment of \$625,000 through July 15, 2015, interest at 4.75%	625,000
\$10,000,000, 2007 School Refunding Bonds, due in an annual installment of \$750,000 through July 15, 2015, interest at 4.25%	750,000
\$3,790,000, 2012 Pension Refunding Bonds, due in annual installments of \$85,000 to \$430,000 through July 15, 2027, interest at 1.216-4.202%	3,065,000
\$17,515,000, 2015 School Refunding Bonds, due in annual installments of \$225,000 to \$2,410,000 through July 15, 2023, interest at 2.000-5.000%	<u>17,515,000</u>
	<u>\$ 22,575,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 2,590,000	\$ 682,855	\$ 3,272,855
2017	2,245,000	814,976	3,059,976
2018	2,320,000	750,055	3,070,055
2019	2,415,000	662,110	3,077,110
2020	2,525,000	565,977	3,090,977
2021-2025	10,160,000	1,073,958	11,233,958
2026-2028	<u>320,000</u>	<u>20,380</u>	<u>340,380</u>
Total	<u>\$ 22,575,000</u>	<u>\$ 4,570,311</u>	<u>\$ 27,145,311</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 223,407,044
Less: Net Debt	<u>19,510,000</u>
Remaining Borrowing Power	<u>\$ 203,897,044</u>

Outstanding Pension Refunding Bonds of \$3,065,000 are excluded from net debt amount for determining borrowing power.

Current Refunding of Debt

On April 22, 2015 the District issued \$17,515,000 in School District Refunding bonds having an interest rate of 2% to 5%. These Bonds were issued in order to currently refund certain principal maturities of various school district bonds. The total principal currently refunded was \$19,335,000. The reacquisition price exceeded the net carrying amount of the old debt by \$387,316. This amount has been reported as Deferred Outflows of Resources on the financial statements and will be amortized over the new debt's life, which is shorter than the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next nine years by \$1,838,399 and resulted in an economic gain of \$1,698,985.

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 (Restated)	Additions	Reductions	Balance, June 30, 2015	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 26,660,000	\$ 17,515,000	\$ (21,600,000)	\$ 22,575,000	\$ 2,590,000
Add:					
Unamortized Premium	<u>189,335</u>	<u>2,395,896</u>	<u>(19,467)</u>	<u>2,565,764</u>	<u>-</u>
Bonds Payable, Net	26,849,335		(21,619,467)	25,140,764	2,590,000
Capital Leases/Lease Purchase Agreements	348,887	205,364	(126,273)	427,978	125,669
Compensated Absences	1,431,310	-	(63,890)	1,367,420	100,000
Net Pension Liability	<u>21,430,356</u>	<u>-</u>	<u>684,411</u>	<u>22,114,767</u>	<u>1,034,456</u>
Governmental Activities Long-Term Liabilities	<u>\$ 50,059,888</u>	<u>\$ 205,364</u>	<u>\$ (21,125,219)</u>	<u>\$ 49,050,929</u>	<u>\$ 3,850,125</u>

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2015, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$1,430,263 reported at June 30, 2015 is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the health and prescription benefit plan for the fiscal years ended June 30, 2015 and 2014 are as follows:

Governmental Activities:	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>
Unpaid Claims, Beginning of Year	\$ 1,459,944	\$ 1,760,327
Incurred claims (including IBNR's)	6,718,636	6,758,395
Claim payments	<u>6,748,317</u>	<u>7,058,778</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 1,430,263</u>	<u>\$ 1,459,944</u>
General Fund		
Other Current Liabilities	<u>\$ 1,430,263</u>	<u>\$ 1,459,944</u>
	<u>\$ 1,430,263</u>	<u>\$ 1,459,944</u>

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the insurance funds are governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

The Funds provide their members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 74,178	\$ 62,509	\$ 213,887
2014	69,309	37,694	202,218
2013	67,618	90,793	170,603

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. During the fiscal year-ended June 30, 2015 the State of New Jersey Department of Education conducted an on-site visit to monitor the district's use of federal funds and the related program plans, where applicable, to determine whether the district's programs are meeting the intended purposes and objectives and to determine whether the funds were spent in accordance with the program requirements, federal and state laws, and applicable regulations. The following programs were reviewed, Title I Part A, Title II Part A, Title III, IDEA Basic and Preschool; and Race to the Top for the period July 1, 2013 through January 22, 2015. As a result of this review a Consolidated Monitoring Report was issued dated April 2015. The potential disallowed expenditures identified in the report were not significant and would not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

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, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

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

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

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 993,194	\$ 1,516,090	\$ 29,660
2014	845,865	1,116,541	22,752
2013	908,593	1,764,325	20,764

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,516,090 and \$1,764,325, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,116,541 for normal cost pension and NCGI premium.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

Annual Pension Costs (APC) (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,143,687 during the fiscal year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$22,114,767 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was .11812 percent, which was an increase of .00599 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,314,149 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 695,407	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 1,317,920
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>966,516</u>	<u>-</u>
Total	<u>\$ 1,661,923</u>	<u>\$ 1,317,920</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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

Fiscal Year Ending June 30,	Total
2016	\$ (23,979)
2017	(23,979)
2018	(23,979)
2019	(23,979)
2020	305,501
Thereafter	<u>134,418</u>
	<u>\$ 344,003</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

<u>PERS</u>	
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,590,523 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$141,063,164. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

TPAF

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$2,406,795, \$1,830,708 and \$1,995,005, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 6 RESTATEMENT

On July 1, 2014, the Wall Township Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Wall Township Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$21,430,356. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$15,351,655 as originally reported to a deficit net position of \$6,078,701 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 59,750,104		\$ 59,750,104	\$ 59,750,104	
Tuition from Other LEAs	170,000		170,000	348,485	\$ 178,485
Tuition from Individuals	30,000		30,000	37,293	7,293
Preschool Tuition (Spec Ed)				25,525	25,525
Rental Fees	25,000		25,000	25,552	552
Miscellaneous	35,000	-	35,000	75,880	40,880
Total Local Sources	<u>60,010,104</u>	<u>-</u>	<u>60,010,104</u>	<u>60,262,839</u>	<u>252,735</u>
State Sources					
Special Education Categorical Aid	2,404,489		2,404,489	2,404,489	-
Security Aid	342,358		342,358	342,358	-
Transportation Aid	733,177		733,177	733,177	-
Adjustment Aid	15,712		15,712	15,712	-
PARCC Readiness Aid	35,095		35,095	35,095	-
Per Pupil Growth Aid	35,095		35,095	35,095	-
Extraordinary Aid	250,000		250,000	203,396	(46,604)
Additional Nonpublic Transportation Aid	24,764		24,764	25,992	1,228
On-behalf TPAF Pension System Contributions- Normal Cost and Accrued Liabilities (Non-Budget)				1,414,335	1,414,335
On-behalf TPAF Pension System Contributions- Noncontributory Insurance (Non-Budget)				101,755	101,755
On-behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budget)				2,406,795	2,406,795
Reimbursed TPAF Social Security Contributions (Non-Budget)	-	-	-	2,143,687	2,143,687
Total State Sources	<u>3,840,690</u>	<u>-</u>	<u>3,840,690</u>	<u>9,861,886</u>	<u>6,021,196</u>
Federal Sources					
Medical Assistance Program	31,366	-	31,366	92,601	61,235
Total Federal Sources	<u>31,366</u>	<u>-</u>	<u>31,366</u>	<u>92,601</u>	<u>61,235</u>
Total Revenues	<u>63,882,160</u>	<u>-</u>	<u>63,882,160</u>	<u>70,217,326</u>	<u>6,335,166</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	806,144	\$ (59,918)	746,226	746,226	-
Grades 1-5	6,485,645	(116,908)	6,368,737	6,368,737	-
Grades 6-8	4,636,851	(72,027)	4,564,824	4,564,824	-
Grades 9-12	6,553,968	(32,104)	6,521,864	6,495,143	26,721
Regular Programs - Home Instruction					
Salaries of Teachers	80,000	53,614	133,614	133,614	-
Purchased Professional-Educational Services	20,000	22,677	42,677	42,677	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	61,600	14,408	76,008	76,008	-
Purchased Professional-Educational Services	178,400	(37,895)	140,505	139,763	742
Other Purchased Services	224,000	2,694	226,694	210,833	15,861
General Supplies	1,137,606	99,620	1,237,226	1,137,191	100,035
Textbooks	515,678	25,851	541,529	447,866	93,663
Other Objects	1,700	-	1,700	1,407	293
Total Regular Programs	<u>20,701,592</u>	<u>(99,988)</u>	<u>20,601,604</u>	<u>20,364,289</u>	<u>237,315</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	188,750		188,750	188,750	
Other Salaries for Instruction	116,773	6,883	123,656	123,656	
General Supplies	51,000	(34,179)	16,821	16,821	-
Total Learning and/or Language Disabilities	<u>356,523</u>	<u>(27,296)</u>	<u>329,227</u>	<u>329,227</u>	<u>-</u>

WALL TOWNSHIP BOARD OF EDUCATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 188,670	\$ 58,900	\$ 247,570	\$ 247,570	
Other Salaries for Instruction	16,989	(4,198)	12,791	12,791	
General Supplies	21,000	(8,969)	12,031	12,031	-
Total Behavioral Disabilities	226,659	45,733	272,392	272,392	-
Multiple Disabilities					
Salaries of Teachers	367,560	(1,843)	365,717	365,717	
Other Salaries for Instruction	228,796	(6,290)	222,506	222,506	
General Supplies	27,000	(2,774)	24,226	24,226	-
Total Multiple Disabilities	623,356	(10,907)	612,449	612,449	-
Resource Room/ Resource Center					
Salaries of Teachers	4,754,330	(45,115)	4,709,215	4,709,215	
Other Salaries for Instruction	645,912	45,861	691,773	691,773	
General Supplies	57,618	(25,993)	31,625	31,625	
Other Objects	2,500	(2,500)	-	-	-
Total Resource Room/ Resource Center	5,460,360	(27,747)	5,432,613	5,432,613	-
Preschool Disabilities - Part - Time					
Salaries of Teachers	236,600	(35,157)	201,443	201,443	
Other Salaries for Instruction	108,465	(8,636)	99,829	99,829	
General Supplies	3,000	678	3,678	3,520	\$ 158
Total Preschool Disabilities - Part - Time	348,065	(43,115)	304,950	304,792	158
Total Special Education	7,014,963	(63,332)	6,951,631	6,951,473	158
Basic Skills/Remedial					
Salaries of Teachers	703,940	15,400	719,340	719,340	
General Supplies	11,000	(899)	10,101	9,141	960
Total Basic Skills/Remedial	714,940	14,501	729,441	728,481	960
Bilingual Education					
Salaries of Teachers	147,920	-	147,920	147,920	
General Supplies	2,000	-	2,000	55	1,945
Total Bilingual Education	149,920	-	149,920	147,975	1,945
School Sponsored Co-Curricular Activities					
Salaries	244,617	1,329	245,946	245,946	-
Total School Sponsored Co-Curricular Activities	244,617	1,329	245,946	245,946	-
School Sponsored Athletics - Instruction					
Salaries	612,770	(8,920)	603,850	585,922	17,928
Purchased Services	175,120	117	175,237	163,748	11,489
Supplies and Materials	118,990	(6,128)	112,862	110,099	2,763
Total School Sponsored Athletics - Instruction	906,880	(14,931)	891,949	859,769	32,180
Total - Instruction	29,732,912	(162,421)	29,570,491	29,297,933	272,558

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	\$ 141,953	\$ 60,034	\$ 201,987	\$ 197,623	\$ 4,364
Tuition to County Voc. School Dist.-Regular	517,670	(3,960)	513,710	477,286	36,424
Tuition to County Voc. School Dist.-Special	178,160	(13,721)	164,439	122,820	41,619
Tuition to CSSD & Regional Day Schools	4,256	95,515	99,771	165,264	(65,493)
Tuition to Private Schools - Disabled Within State	1,476,863	(137,868)	1,338,995	1,317,644	21,351
Tuition - Other	5,460	-	5,460	-	5,460
Total Undistributed Expenditures - Instruction	2,324,362	-	2,324,362	2,280,637	43,725
Attendance and Social Work Services					
Salaries	31,500		31,500	31,500	
Salaries of Family Liaisons/Comm Parent Inv. Spec.	410,720	100	410,820	410,820	-
Total Attendance and Social Work Services	442,220	100	442,320	442,320	-
Health Services					
Salaries	502,055	1,656	503,711	503,711	
Purchased Professional and Technical Services	12,500	100	12,600	12,595	5
Other Purchased Services	10,000	4,101	14,101	14,101	
Supplies and Materials	28,000	(4,953)	23,047	23,047	-
Total Health Services	552,555	904	553,459	553,454	5
Speech, OT, PT & Related Services					
Salaries	839,670	(36,431)	803,239	803,239	
Purchased Professional - Educational Services	201,645	(32,964)	168,681	162,229	6,452
Supplies and Materials	4,500	-	4,500	4,419	81
Total Speech, OT, PT & Related Services	1,045,815	(69,395)	976,420	969,887	6,533
Other Support Services-Students-Extra Serv.					
Salaries	709,532	39,471	749,003	749,003	
Purchased Professional-Educational Services	152,500	63,894	216,394	216,394	
Supplies and Materials	26,000	(18,961)	7,039	7,039	-
Total Other Support Services-Students-Extra Serv.	888,032	84,404	972,436	972,436	-
Guidance					
Salaries of Other Professional Staff	749,822	(30,745)	719,077	719,077	
Salaries of Secretarial and Clerical Assistants	192,100	(18,463)	173,637	173,637	
Supplies and Materials	27,490	-	27,490	14,954	12,536
Total Guidance	969,412	(49,208)	920,204	907,668	12,536
Child Study Teams					
Salaries of Other Professional Staff	1,252,742	22,209	1,274,951	1,274,951	
Salaries of Secretarial and Clerical Assistants	203,445	(545)	202,900	202,900	
Other Purchased Prof. and Tech. Services	62,500	14,520	77,020	77,020	
Misc. Purchased Services	8,500	(179)	8,321	8,310	11
Supplies and Materials	41,800	(11,668)	30,132	30,081	51
Total Child Study Teams	1,568,987	24,337	1,593,324	1,593,262	62
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	702,107	(12,142)	689,965	689,965	
Purchased Professional-Educ. Svcs.	43,100		43,100	42,201	899
Supplies and Materials	3,500	237	3,737	3,711	26
Other Objects	2,500	(237)	2,263	2,078	185
Total Improvement of Instructional Services	751,207	(12,142)	739,065	737,955	1,110
Educational Media Services/School Library					
Salaries	341,817	(38,215)	303,602	303,602	
Other Purchased Services	12,000		12,000	8,905	3,095
Supplies and Materials	59,234	489	59,723	48,459	11,264
Total Educational Media Services/School Library	413,051	(37,726)	375,325	360,966	14,359

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Other Purchased Services	\$ 179,250	\$ (67,699)	\$ 111,551	\$ 57,158	\$ 54,393
Supplies and Materials	10,000	-	10,000	5,391	4,609
Total Instructional Staff Training Services	<u>189,250</u>	<u>(67,699)</u>	<u>121,551</u>	<u>62,549</u>	<u>59,002</u>
Support Services General Administration					
Salaries	378,999	18,278	397,277	397,277	
Legal Services	130,000	15,000	145,000	145,000	
Audit Fees	42,000		42,000	41,115	885
Architectural/Engineering Services	10,000	14,360	24,360	6,246	18,114
Other Purchased Professional Services	28,500	157,300	185,800	167,503	18,297
Communications/Telephone	119,800	(114,800)	5,000	1,671	3,329
BOE Other Purchased Services	5,000	87,183	92,183	81,851	10,332
Misc. Purchased Services	86,100	(86,100)			
General Supplies	35,000	(1,205)	33,795	21,748	12,047
Judgments Against the School District	25,000	5,456	30,456	29,081	1,375
Miscellaneous Expenditures	10,000		10,000	7,779	2,221
BOE Membership Dues and Fees	28,341	-	28,341	28,097	244
Total Support Services General Administration	<u>898,740</u>	<u>95,472</u>	<u>994,212</u>	<u>927,368</u>	<u>66,844</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,455,023	200,187	1,655,210	1,655,210	
Salaries of Other Professional Staff	558,827	14,791	573,618	573,618	
Salaries of Secretarial and Clerical Assistants	699,627	(14,841)	684,786	684,786	
Other Purchased Services	54,975	(364)	54,611	46,814	7,797
Supplies and Materials	60,918	3,009	63,927	47,464	16,463
Other Objects	1,275	-	1,275	795	480
Total Support Services School Administration	<u>2,830,645</u>	<u>202,782</u>	<u>3,033,427</u>	<u>3,008,687</u>	<u>24,740</u>
Central Services					
Salaries	525,553	9,954	535,507	535,507	
Purchased Professional Services	91,700	22,186	113,886	104,988	8,898
Misc. Purchased Services	34,500	11,482	45,982	40,476	5,506
Supplies and Materials	35,000	(8,288)	26,712	18,899	7,813
Other Objects	1,500	206	1,706	1,390	316
Total Central Services	<u>688,253</u>	<u>35,540</u>	<u>723,793</u>	<u>701,260</u>	<u>22,533</u>
Admin. Info. Tech					
Salaries	376,039	135	376,174	376,174	
Purchased Technical Services	233,400	(4,602)	228,798	204,556	24,242
Other Purchased Services	6,900	810	7,710	7,273	437
Supplies and Materials	20,600	3,657	24,257	24,257	
Total Admin. Info. Tech.	<u>636,939</u>	<u>-</u>	<u>636,939</u>	<u>612,260</u>	<u>24,679</u>
Required Maintenance for School Facilities					
Cleaning, Repair & Maintenance Services	337,500	(28,608)	308,892	150,260	158,632
General Supplies	250,000	17,375	267,375	208,029	59,346
Total Required Maintenance for School Facilities	<u>587,500</u>	<u>(11,233)</u>	<u>576,267</u>	<u>358,289</u>	<u>217,978</u>
Custodial Services					
Salaries	2,570,384	(68,490)	2,501,894	2,501,894	
Salaries of Non-Instructional Aides	477,923	(16,788)	461,135	461,135	
Purchased Professional & Technical Services	36,000	5,091	41,091	12,128	28,963
Cleaning, Repair and Maintenance Services	180,100	293	180,393	135,263	45,130
Rental of Land & Buildings Other Than Lease Purch. Agrec.	50,500		50,500	46,911	3,589
Other Purchased Property Services	208,160		208,160	198,765	9,395
Insurance	498,200	(50,000)	448,200	413,821	34,379
Miscellaneous Purchased Services	2,200		2,200	2,064	136
General Supplies	250,000	(11,847)	238,153	221,825	16,328
Energy (Natural Gas)	500,000	(45,000)	455,000	450,468	4,532
Energy (Electricity)	700,000	45,000	745,000	744,410	590
Other Objects	5,000	-	5,000	887	4,113
Total Custodial Services	<u>5,478,467</u>	<u>(141,741)</u>	<u>5,336,726</u>	<u>5,189,571</u>	<u>147,155</u>

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care & Upkeep of Grounds					
Salaries	\$ 67,368	\$ (55,907)	\$ 11,461	\$ 11,461	
Cleaning, Repair and Maintenance Services	158,000	24,855	182,855	176,882	\$ 5,973
General Supplies	45,000	25,508	70,508	64,795	5,713
Total Care & Upkeep of Grounds	<u>270,368</u>	<u>(5,544)</u>	<u>264,824</u>	<u>253,138</u>	<u>11,686</u>
Security					
Salaries	205,771	27,912	233,683	233,683	
Purchased Professional and Technical Services	3,000	(550)	2,450	2,450	
General Supplies	11,750	(2,321)	9,429	5,218	4,211
Total Security	<u>220,521</u>	<u>25,041</u>	<u>245,562</u>	<u>241,351</u>	<u>4,211</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	188,803	28,242	217,045	217,045	
Salaries for Pupil Transportation (Between Home and School) - Regular	1,356,609	25,379	1,381,988	1,381,988	
Salaries for Pupil Transportation (Between Home and School) - Special Ed	485,481	(28,436)	457,045	457,045	
Salaries for Pupil Transportation (Other Than Between Home & School)	70,000	(13,075)	56,925	56,925	
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	96,491	(41,414)	55,077	55,077	
Other Purchased Prof. and Technical Services	15,000	24,885	39,885	8,700	31,185
Cleaning, Repair & Maintenance Svc	170,519	1,185	171,704	123,939	47,765
Lease Purchase Payments- School Buses	137,036		137,036	135,410	1,626
Contracted Services (Other Than Between Home and School) - Vendors	20,000	(1,255)	18,745	13,839	4,906
Contracted Services (Between Home and School)- Joint Agreements	929		929		929
Contracted Services (Special Ed Students) - Vendors	31,830	(28,350)	3,480	3,480	
Contracted Services (Special Ed Students)- Joint Agreements		36,803	36,803	30,705	6,098
Contracted Services (Reg. Students)-ESC& CTSA	523,812	(15,480)	508,332	408,574	99,758
Contracted Services (Spl. Ed. Students)-ESC& CTSA	655,325	(4,973)	650,352	561,187	89,165
Contracted Services - Aid in Lieu of Payments- NonPublic	78,676	7,244	85,920	83,429	2,491
Miscellaneous Purchased Services- Transportation	57,500		57,500	55,177	2,323
General Supplies	9,000	3,000	12,000	9,655	2,345
Transportation Supplies	510,000	21,957	531,957	414,263	117,694
Other Objects	2,500	-	2,500	1,000	1,500
Total Student Transportation Services	<u>4,409,511</u>	<u>15,712</u>	<u>4,425,223</u>	<u>4,017,438</u>	<u>407,785</u>
Unallocated Benefits					
Group Insurance	39,953	(16,202)	23,751	23,751	
Social Security Contributions	928,000	63,885	991,885	991,885	
Other Retirement Contributions - PERS	1,065,000	(71,806)	993,194	993,194	
Other Retirement Contributions-Regular	31,000	(1,340)	29,660	29,660	
Workmen's Compensation	562,000	(29,662)	532,338	498,972	33,366
Health Benefits	6,750,026	281,215	7,031,241	6,718,636	312,605
Tuition Reimbursement	38,000	(3,288)	34,712	34,712	
Other Employee Benefits	487,274	1,748	489,022	489,022	
Total Unallocated Benefits	<u>9,901,253</u>	<u>224,550</u>	<u>10,125,803</u>	<u>9,779,832</u>	<u>345,971</u>

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
On Behalf TPAF Pension System Contributions- Noncontributory Insurance (Non Budgeted)				\$ 101,755	\$ (101,755)
On Behalf TPAF Pension System Contributions-Normal Cost and Accrued Liabilities				1,414,335	(1,414,335)
On Behalf TPAF Pension System Contributions- Post- Retirement Medical -(Non Budgeted)				2,406,795	(2,406,795)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	2,143,687	(2,143,687)
Total On-Behalf Contributions	-	-	-	6,066,572	(6,066,572)
Total Undistributed Expenditures	\$ 35,067,088	\$ 314,154	\$ 35,381,242	40,036,900	(4,655,658)
Total Expenditures - Current Expenditures	64,800,000	151,733	64,951,733	69,334,833	(4,383,100)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 1-5		4,195	4,195		4,195
Grades 6-8		2,685	2,685	2,685	
Grades 9-12	4,000	20,968	24,968	24,559	409
Undistributed Expenditures					
School-Sponsored and Other Instructional Programs Non- Instructional	202,440	(41,142)	161,298	146,595	14,703
Total Equipment	206,440	(8,229)	198,211	178,904	19,307
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	261,568	(137,068)	124,500	48,968	75,532
Construction Services	1,070,212	(351,977)	718,235	691,997	26,238
Assessment for Debt Service on SDA Funding	7,780	-	7,780	7,780	-
Total Facilities Acquisition and Construction Services	1,339,560	(489,045)	850,515	748,745	101,770
Assets Acquired Under Capital Leases (Non-Budgeted)	-	-	-	205,364	(205,364)
Total Capital Outlay	1,546,000	(497,274)	1,048,726	1,133,013	(84,287)
Total Expenditures	66,346,000	(345,541)	66,000,459	70,467,846	(4,467,387)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,463,840)	345,541	(2,118,299)	(250,520)	1,867,779
Other Financing Sources (Uses)					
Transfers Out	-	(826,800)	(826,800)	(826,800)	-
Capital Leases (Non-Budget)	-	-	-	205,364	205,364
Total Other Financing Sources	-	(826,800)	(826,800)	(621,436)	205,364
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	-	(481,259)	(2,945,099)	(871,956)	2,073,143
Fund Balances, Beginning of Year	7,331,150	-	7,331,150	7,331,150	-
Fund Balances, End of Year	\$ 4,867,310	\$ (481,259)	\$ 4,386,051	\$ 6,459,194	\$ 2,073,143
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 2,028,838	
Maintenance Reserve				200,000	
Emergency Reserve				223,500	
Designated for Subsequent Year's Expenditures - 2015/2016 Budget					
Capital Reserve				1,424,838	
Maintenance Reserve				525,000	
Emergency Reserve				375,000	
Assigned Fund Balance					
Year End Encumbrances				112,588	
Designated for Subsequent Year's Expenditures				250,000	
ARRA-SEMI- Designated for Subsequent Year's Expenditures				17,748	
Unassigned Fund Balance				1,301,682	
				6,459,194	
Reconciliation to Governmental Funds Statements (GAAP)					
2014/2015 State Aid Payments Not Recognized on GAAP Basis				(341,560)	
2014/2015 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(203,396)	
Fund Balance Per Governmental Funds (GAAP)				\$ 5,914,238	

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 136,666	\$ (64,875)	\$ 71,791	\$ 61,980	\$ (9,811)
Federal	816,000	448,845	1,264,845	1,173,266	(91,579)
Local Sources					
Miscellaneous	-	28,387	28,387	26,966	(1,421)
Total Revenues	<u>952,666</u>	<u>412,357</u>	<u>1,365,023</u>	<u>1,262,212</u>	<u>(102,811)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	96,000	(23,392)	72,608	66,570	6,038
Tuition - Other Purchased Services	720,000	80,000	800,000	800,000	-
Purchased Professional and Technical Services		123,822	123,822	122,431	1,391
General Supplies		210,003	210,003	139,210	70,793
Textbooks	15,299	(2,965)	12,334	11,141	1,193
Other Objects	-	600	600	600	-
Total Instruction	<u>831,299</u>	<u>388,068</u>	<u>1,219,367</u>	<u>1,139,952</u>	<u>79,415</u>
Support Services					
Salaries of Teachers		5,884	5,884	5,545	339
Personal Services-Employee Benefits		6,004	6,004	5,681	323
Purchased Professional/Technical Svc	-	38,532	38,532	29,279	9,253
Contracted Services-Transportation		6,300	6,300	6,300	-
Other Purchased Professional and Technical Services	105,327	(58,794)	46,533	37,993	8,540
Other Purchased Services	16,040	4,379	20,419	19,205	1,214
Supplies and Materials	-	10,000	10,000	6,273	3,727
Total Support Services	<u>121,367</u>	<u>12,305</u>	<u>133,672</u>	<u>110,276</u>	<u>23,396</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	11,984	11,984	11,984	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>11,984</u>	<u>11,984</u>	<u>11,984</u>	<u>-</u>
Total Expenditures	<u>952,666</u>	<u>412,357</u>	<u>1,365,023</u>	<u>1,262,212</u>	<u>102,811</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 70,217,326	(C-2)	\$ 1,262,212
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, June 30, 2014, net of cancellation				29,452
Encumbrances, June 30, 2015				(7,829)
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2013/2014 State Aid)		491,135		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2014/2015 State Aid)		<u>(544,956)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	<u>\$ 70,163,505</u>		<u>\$ 1,283,835</u>
Uses/Outflows of Resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 70,467,846	(C-2)	\$ 1,262,212
Differences - Budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2014, net of cancellation				29,452
Encumbrances, June 30, 2015		<u>-</u>		<u>(7,829)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	<u>\$ 70,467,846</u>		<u>\$ 1,283,835</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Public Employees Retirement System

**Last Two Fiscal Years*
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.11812%	0.11213%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 22,114,767	\$ 21,430,356
District's Covered-Employee Payroll	\$ 8,019,520	\$ 8,070,828
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	276%	266%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

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

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

Public Employees Retirement System

**Last Two Fiscal Years
(Dollar amounts in thousands)**

	2015	2014
Contractually Required Contribution	\$ 973,741	\$ 845,865
Contributions in Relation to the Contractually Required Contribution	973,741	845,865
Contribution Deficiency (Excess)	\$ -	\$ -
District's Covered-Employee Payroll	\$ 8,019,520	\$ 8,070,828
Contributions as a Percentage of Covered-Employee Payroll	12%	10%

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

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

Teachers Pension and Annuity Fund

**Last Two Fiscal Years*
(Dollar amounts in thousands)**

	2015	2014
District's Proportion of the Net Position Liability (Asset)	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>\$ 141,063,164</u>	<u>\$ 137,997,158</u>
Total	<u>\$ 141,063,164</u>	<u>\$ 137,997,158</u>
District's Covered-Employee Payroll	\$ 28,637,933	\$ 27,789,670
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NCLB Title I	NCLB Title II A	IDEA Part B-Basic	Title III	IDEA Part B Preschool	Race to the Top	Total Exhibit E-1a	Totals
REVENUES								
Intergovernmental								
State							\$ 61,980	\$ 61,980
Federal	\$ 188,265	\$ 45,217	\$ 878,875	\$ 9,083	\$ 51,000	\$ 826		1,173,266
Other	-	-	-	-	-	-	26,966	26,966
	<u>\$ 188,265</u>	<u>\$ 45,217</u>	<u>\$ 878,875</u>	<u>\$ 9,083</u>	<u>\$ 51,000</u>	<u>\$ 826</u>	<u>\$ 88,946</u>	<u>\$ 1,262,212</u>
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 60,210			\$ 6,360				\$ 66,570
Tuition - Other Purchased Services			\$ 800,000					800,000
Purchased Prof & Tech Svcs			73,522		\$ 48,909			122,431
General Supplies	122,590		1,389	835	14		\$ 14,382	139,210
Textbooks							11,141	11,141
Other Objects	-	-	-	-	-	-	600	600
	<u>182,800</u>	<u>-</u>	<u>874,911</u>	<u>7,195</u>	<u>48,923</u>	<u>-</u>	<u>26,123</u>	<u>1,139,952</u>
Support Services								
Salaries of Teachers	496	\$ 3,900		1,302				5,698
Personal Svcs. -Emp. Benefits	4,644	298		586				5,528
Purchased Prof & Tech Svcs		23,600	3,602		2,077			29,279
Contracted Svcs. -Transportation							6,300	6,300
Other Purchased Professional and Technical Services							37,993	37,993
Other Purchased Services		12,659					6,546	19,205
Supplies and Materials	325	4,760	362	-	-	\$ 826	-	6,273
	<u>5,465</u>	<u>45,217</u>	<u>3,964</u>	<u>1,888</u>	<u>2,077</u>	<u>826</u>	<u>50,839</u>	<u>110,276</u>
Facilities Acquisition and Construction Services								
Instructional Equipment	-	-	-	-	-	-	11,984	11,984
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,984</u>	<u>11,984</u>
Total Expenditures	<u>\$ 188,265</u>	<u>\$ 45,217</u>	<u>\$ 878,875</u>	<u>\$ 9,083</u>	<u>\$ 51,000</u>	<u>\$ 826</u>	<u>\$ 88,946</u>	<u>\$ 1,262,212</u>

WALL TOWNSHIP BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonpublic Chap. 193			Nonpublic Nursing	Nonpublic Textbook Aid	Chap. 192 Nonpublic Transportation	Chap. 192 Nonpublic Compensatory Education Services	Nonpublic Technology	Local Grants	Total Exhibit E-1a
	Exam. & Class.	Speech	Supp. Instr.							
REVENUES										
Intergovernmental										
State	\$ 5,224	\$ 6,185	\$ 3,139	\$ 16,279	\$ 11,141	\$ 6,300	\$ 7,166	\$ 6,546		\$ 61,980
Federal										
Other	-	-	-	-	-	-	-	-	\$ 26,966	26,966
Total Revenues	\$ 5,224	\$ 6,185	\$ 3,139	\$ 16,279	\$ 11,141	\$ 6,300	\$ 7,166	\$ 6,546	\$ 26,966	\$ 88,946
EXPENDITURES										
Instruction										
Salaries of Teachers										
Other Purchased Services									\$ 14,382	\$ 14,382
General Supplies									600	600
Other Objects										
Textbooks	-	-	-	-	\$ 11,141	-	-	-	-	11,141
Total Instruction	-	-	-	-	11,141	-	-	-	14,982	26,123
Support Services										
Personal Svcs. -Emp. Benefits										
Purchased Prof & Educ Svcs.										
Purchased Prof & Technical Svcs										
Contracted Services-Transportation						\$ 6,300				\$ 6,300
Other Purchased Professional and Technical Services	\$ 5,224	\$ 6,185	\$ 3,139	\$ 16,279			\$ 7,166			37,993
Other Purchased Services								\$ 6,546		6,546
Supplies and Materials										-
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Support Services	5,224	6,185	3,139	16,279	-	6,300	7,166	6,546	-	50,839
Facilities Acquisition and Construction										
Services										
Instructional Equipment									11,984	11,984
Total Facilities Acquisition and Construction									11,984	11,984
Total Expenditures	\$ 5,224	\$ 6,185	\$ 3,139	\$ 16,279	\$ 11,141	\$ 6,300	\$ 7,166	\$ 6,546	\$ 26,966	\$ 88,946

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Year</u>	<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance</u>
			<u>Prior Year</u>	<u>Current Year</u>	<u>June 30, 2015</u>
2014	HVAC- West Belmar	\$ 144,606		\$ 141,606	\$ 3,000
2014	Emergency Generators-Various Schools	408,649		386,150	22,499
2014	Front Entrance Modification-Various Schools	434,712	\$ 35,856	343,888	54,968
2015	Security Upgrades- Various Schools	644,000		593,504	50,496
2015	Roof Replacement- Various Schools	734,000	-	453,996	280,004
		<u>\$ 2,365,967</u>	<u>\$ 35,856</u>	<u>\$ 1,919,144</u>	<u>\$ 410,967</u>
	Fund Balance, Budgetary Basis				\$ 410,967
	Less: Unrealized SDA Grants				<u>(180,346)</u>
	Fund Balance, GAAP Basis				<u>\$ 230,621</u>
	<u>Reconciliation of Fund Balance</u>				
	Restricted				
	Year-End Encumbrances				\$ 109,800
	Available for Capital Projects				<u>120,821</u>
	Total Fund Balance- Restricted for Capital Projects				<u>\$ 230,621</u>

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

Revenues

State - Regular Operating District (SDA) Grants	\$	551,200
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Other Financing Sources

Local Share - Transfer from Capital Outlay		<u>826,800</u>
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Total Revenues and Other Financing Sources		<u>1,378,000</u>
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Expenditures and Other Financing Uses

Expenditures

Purchased Professional and Technical Services		112,012
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Construction Services		<u>1,807,132</u>
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Total Expenditures		<u>1,919,144</u>
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Excess Expenditures and Other Financing Uses Over Revenues and Other Financing Sources		(541,144)
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Fund Balance, Beginning of Year		<u>952,111</u>
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Fund Balance, End of Year	\$	<u>410,967</u>
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Reconciliation to Governmental Fund Statements (GAAP):

Fund Balance per Governmental Funds (Budgetary)	\$	410,967
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Less: Unearned SDA Grant Revenue Not Recognized on GAAP Basis		<u>(180,346)</u>
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Fund Balance per Governmental Funds (GAAP)	\$	<u>230,621</u>
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**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
HVAC- WEST BELMAR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State - Regular Operating District Grant	\$ 57,842		\$ 57,842	\$ 57,842
Local Sources - Transfer from Capital Outlay	<u>86,764</u>	<u>-</u>	<u>86,764</u>	<u>86,764</u>
Total Revenues and Other Financing Sources	<u>144,606</u>	<u>-</u>	<u>144,606</u>	<u>144,606</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services				
Construction Services	<u>-</u>	<u>\$ 141,606</u>	<u>141,606</u>	<u>144,606</u>
Total Expenditures	<u>-</u>	<u>141,606</u>	<u>141,606</u>	<u>144,606</u>
Excess Revenues Over Expenditures	<u>144,606</u>	<u>\$ (141,606)</u>	<u>\$ 3,000</u>	<u>\$ -</u>
Additional Project Information:				
Project Number		5420-080-14-1006-G04		
Grant Date		1/6/2014		
Bond Authorization Date		N/A		
Proceeds Issued		N/A		
Original Authorized Cost		\$ 234,000		
Revised Authorized Cost		144,606		
Percentage Increase Over Original				
Authorized Cost		0%		
Percentage Completion		98%		
Original Target Completion Date		2014/15		

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
EMERGENCY GENERATORS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	<u>Original Authorized Cost</u>	<u>Revised Authorized Cost</u>
Additional Project Information:		
Project Number		
Primary School	5420-078-14-1004-G04	\$ 204,800
Allenwood Elementary School	5420-060-14-1001-G04	204,800
Central Elementary School	5420-070-14-1002-G04	204,800
Old Mill Elementary School	5420-077-14-1003-G04	204,800
West Belmar Elementary School	5420-080-14-1005-G04	<u>204,800</u>
	<u>\$ 1,024,000</u>	<u>\$ 408,649</u>

Grant Date	1/6/2014
Bond Authorization Date	N/A
Proceeds Issued	N/A
Original Authorized Cost	\$ 1,024,000
Revised Authorized Cost	408,649
Percentage Increase Over Original	
Authorized Cost	0%
Percentage Completion	94%
Original Target Completion Date	2014/15

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
FRONT DOOR MODIFICATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State - Regular Operating District Grants	\$ 173,878		\$ 173,878	\$ 173,878
Local Sources - Transfer from Capital Outlay	<u>260,834</u>	<u>-</u>	<u>260,834</u>	<u>260,834</u>
Total Revenues and Other Financing Sources	<u>434,712</u>	<u>-</u>	<u>434,712</u>	<u>434,712</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	35,856	\$ 6,099	41,955	58,168
Construction Services	<u>-</u>	<u>337,789</u>	<u>337,789</u>	<u>376,544</u>
Total Expenditures	<u>35,856</u>	<u>343,888</u>	<u>379,744</u>	<u>434,712</u>
Excess Revenues Over Expenditures	<u>\$ 398,856</u>	<u>\$ (343,888)</u>	<u>\$ 54,968</u>	<u>\$ -</u>
		<u>Original Authorized Cost</u>	<u>Revised Authorized Cost</u>	
Additional Project Information:				
Project Number				
Wall Intermediate School	5420-075-14-1021-G04	\$ 94,000	\$ 83,365	
West Belmar Elementary School	5420-080-14-1038-G04	37,500	37,085	
Old Mill Elementary School	5420-077-14-1029-G04	75,000	67,169	
Central Elementary School	5420-070-14-1020-G04	75,000	67,836	
Allenwood Elementary School	5420-060-14-1014-G04	103,750	90,234	
Primary School	5420-078-14-1030-G04	15,000	14,187	
Wall Township High School	5420-050-14-1009-G04	<u>75,000</u>	<u>74,836</u>	
		<u>\$ 475,250</u>	<u>\$ 434,712</u>	
Grant Date	Various			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 475,250			
Revised Authorized Cost	434,712			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	87%			
Original Target Completion Date	2014/15			

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
SECURITY UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources			
State - Regular Operating District Grants	\$ 257,600	\$ 257,600	\$ 257,600
Local Sources - Transfer from Capital Outlay	386,400	386,400	386,400
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	644,000	644,000	644,000
Expenditures and Other Financing Uses			
Expenditures			
Purchased Professional and Technical Services	50,067	50,067	54,500
Construction Services	543,437	543,437	589,500
	<hr/>	<hr/>	<hr/>
Total Expenditures	593,504	593,504	644,000
Excess Revenues Over Expenditures	<u>\$ 50,496</u>	<u>\$ 50,496</u>	<u>\$ -</u>
		<u>Original Authorized Cost</u>	
Additional Project Information:			
Project Number	Wall Intermediate School	\$ 126,000	
	West Belmar Elementary School	87,000	
	Old Mill Elementary School	71,000	
	Central Elementary School	88,000	
	Allenwood Elementary School	78,000	
	Primary School	34,000	
	Wall Township High School	<hr/>	
		160,000	
		<hr/>	
		\$ 644,000	
Grant Date	Various		
Bond Authorization Date	N/A		
Proceeds Issued	N/A		
Original Authorized Cost	\$ 644,000		
Revised Authorized Cost	644,000		
Percentage Increase Over Original Authorized Cost	0%		
Percentage Completion	92%		
Original Target Completion Date	2014/15		

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
ROOF REPLACEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources			
State - Regular Operating District Grants	\$ 293,600	\$ 293,600	\$ 293,600
Local Sources - Transfer from Capital Outlay	440,400	440,400	440,400
Total Revenues and Other Financing Sources	<u>734,000</u>	<u>734,000</u>	<u>734,000</u>
Expenditures and Other Financing Uses			
Expenditures			
Purchased Professional and Technical Services	55,846	55,846	147,214
Construction Services	398,150	398,150	586,786
Total Expenditures	<u>453,996</u>	<u>453,996</u>	<u>734,000</u>
Excess Revenues Over Expenditures	<u>\$ 280,004</u>	<u>\$ 280,004</u>	<u>\$ -</u>
		<u>Original Authorized Cost</u>	
Additional Project Information:			
Project Number			
West Belmar Elementary School		\$ 69,000	
Central Elementary School		390,000	
Allenwood Elementary School		75,000	
Primary School		<u>200,000</u>	
		<u>\$ 734,000</u>	
Grant Date	Various		
Bond Authorization Date	N/A		
Proceeds Issued	N/A		
Original Authorized Cost	\$ 734,000		
Revised Authorized Cost	734,000		
Percentage Increase Over Original Authorized Cost	0%		
Percentage Completion	70		
Original Target Completion Date	2014/15		

PROPRIETARY FUNDS

**WALL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUNDS - NON MAJOR
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>After School Prep Programs</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 26,043
Total Current Assets	<u>26,043</u>
Total Assets	<u>26,043</u>
LIABILITIES	
Unearned Revenue	<u>1,075</u>
Total Liabilities	<u>1,075</u>
NET POSITION	
Unrestricted	<u>24,968</u>
Total Net Position	<u>\$ 24,968</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 ENTERPRISE FUNDS - NON-MAJOR
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	After School Prep Programs
OPERATING REVENUES	
Charges for Services	
Program Fees	\$ 19,080
Total Operating Revenues	19,080
OPERATING EXPENSES	
Salaries and Employee Benefits	13,752
Supplies and Materials	250
Total Operating Expenses	14,002
Operating Income/Change in Net Position	5,078
Total Net Position, Beginning of Year	19,890
Total Net Position, End of Year	\$ 24,968

**WALL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUNDS - NON MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>After School Prep Programs</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 20,155
Payments to Employees' Salaries and Benefits	(13,752)
Payments to Customers for Refunded Program Fees	<u>(250)</u>
Net Cash Provided by Operating Activities	<u>6,153</u>
Net Increase in Cash and Cash Equivalents	6,153
Cash and Cash Equivalents, Beginning of Year	<u>19,890</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 26,043</u></u>
Reconciliation of Operating Income to Net Provided Used by by Operating Activities	
Operating Income	<u>\$ 5,078</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
Increase/(Decrease) in Unearned Revenue	<u>1,075</u>
Total Adjustments	<u>1,075</u>
Net Cash Provided by Operating Activities	<u><u>\$ 6,153</u></u>

FIDUCIARY FUNDS

**WALL TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 254,608	\$ 103,687	\$ 358,295
Cash Held by Trustee	-	1,423	1,423
	<u>254,608</u>	<u>105,110</u>	<u>359,718</u>
Total Assets	<u>\$ 254,608</u>	<u>\$ 105,110</u>	<u>\$ 359,718</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 80,084	\$ 80,084
Flexible Spending (Sect. 125) Plan		1,423	1,423
Due to Other Funds		23,603	23,603
Due to Student Groups	\$ 254,608	-	254,608
	<u>254,608</u>	<u>105,110</u>	<u>359,718</u>
Total Liabilities	<u>\$ 254,608</u>	<u>\$ 105,110</u>	<u>\$ 359,718</u>

**WALL TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**WALL TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
ELEMENTARY SCHOOL				
Wall Central	\$ 3,620	\$ 730	\$ 494	\$ 3,856
Total Elementary School	<u>3,620</u>	<u>730</u>	<u>494</u>	<u>3,856</u>
MIDDLE SCHOOL				
Wall Intermediate School	59,749	250,358	266,307	43,800
Athletic Account	<u>4,275</u>	<u>20,661</u>	<u>20,965</u>	<u>3,971</u>
Total Middle School	<u>64,024</u>	<u>271,019</u>	<u>287,272</u>	<u>47,771</u>
HIGH SCHOOL				
Wall High School	191,011	504,822	507,675	188,158
Athletic Account	3,081	118,275	115,146	6,210
Driver Education	<u>4,871</u>	<u>22,725</u>	<u>18,983</u>	<u>8,613</u>
Total High School	<u>198,963</u>	<u>645,822</u>	<u>641,804</u>	<u>202,981</u>
Total All Schools	<u>\$ 266,607</u>	<u>\$ 917,571</u>	<u>\$ 929,570</u>	<u>\$ 254,608</u>

**WALL TOWNSHIP BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, 2014	Cash Receipts	Cash Disbursements	Balance, June 30, 2015
ASSETS				
Cash	\$ 96,177	\$ 47,811,081	\$ 47,803,571	\$ 103,687
Cash Held by Trustee	<u>400</u>	<u>16,199</u>	<u>15,176</u>	<u>1,423</u>
 Total Assets	 <u>\$ 96,577</u>	 <u>\$ 47,827,280</u>	 <u>\$ 47,818,747</u>	 <u>\$ 105,110</u>
 LIABILITIES				
Payroll Deductions and Withholdings	\$ 72,526	\$ 20,887,660	\$ 20,880,102	\$ 80,084
Accrued Salaries and Wages		26,899,818	26,899,818	
Flexible Spending (Sect. 125) Account	400	16,199	15,176	1,423
Due to Other Funds	<u>23,651</u>	<u>23,603</u>	<u>23,651</u>	<u>23,603</u>
 Total Liabilities	 <u>\$ 96,577</u>	 <u>\$ 47,827,280</u>	 <u>\$ 47,818,747</u>	 <u>\$ 105,110</u>

LONG-TERM DEBT

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2015</u>				
			<u>Date</u>	<u>Amount</u>									
School Refunding Bonds	12/7/2005	\$ 9,880,000	7/15/2015	\$ 620,000	4.00 %	\$ 7,215,000	\$ 6,595,000	\$ 620,000					
School Refunding Bonds	1/4/2006	9,950,000	7/15/2015	625,000	4.75 %	7,270,000	6,645,000	625,000					
School Refunding Bonds	1/31/2007	10,000,000	7/15/2015	750,000	4.25	8,745,000	7,995,000	750,000					
Pension Refunding Bonds	7/3/2012	3,790,000	7/15/2015	370,000	1.612								
			7/15/2016	380,000	1.866								
			7/15/2017	390,000	2.116								
			7/15/2018	395,000	2.440								
			7/15/2019	410,000	4.202								
			7/15/2020	430,000	4.202								
			7/15/2021	85,000	4.202								
			7/15/2022	90,000	4.202								
			7/15/2023	95,000	4.202								
			7/15/2024	100,000	4.202								
			7/15/2025	105,000	4.202								
			7/15/2026	105,000	4.202								
			7/15/2027	110,000	4.202					3,430,000	365,000	3,065,000	
School Refunding Bonds	4/22/2015	17,515,000	7/15/2015	225,000	2.000								
			7/15/2016	1,865,000	2.000								
			7/15/2017	1,930,000	4.000								
			7/15/2018	2,020,000	4.000								
			7/15/2019	2,115,000	4.000								
			7/15/2020	2,230,000	5.000								
			7/15/2021	2,350,000	5.000								
			7/15/2022	2,370,000	5.000								
			7/15/2023	2,410,000	5.000					-	\$ 17,515,000	-	17,515,000
			Totals							\$ 26,660,000	\$ 17,515,000	\$ 21,600,000	\$ 22,575,000
							Paid by Budget	\$ 2,265,000					
							Refunded	19,335,000					
								\$ 21,600,000					

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Issue</u>	<u>Amount of Lease</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
2015 School Buses (3)	\$ 266,760	2.35%	\$ 210,901		\$ 50,903	\$ 159,998
2014 School Buses (3)	173,868	2.00%	137,986		33,652	104,334
2016 School Buses (2)	120,698	2.38%		\$ 120,698	24,519	96,179
2015 School Bus	<u>84,666</u>	2.38%	<u>-</u>	<u>84,666</u>	<u>17,199</u>	<u>67,467</u>
	<u>\$ 645,992</u>		<u>\$ 348,887</u>	<u>\$ 205,364</u>	<u>\$ 126,273</u>	<u>\$ 427,978</u>
			Paid by Budget Appropriation		<u>\$ 126,273</u>	

**WALL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,406,906		\$ 2,406,906	\$ 2,406,906	
State Sources					
Debt Service Aid- Type II	<u>800,567</u>	<u>-</u>	<u>800,567</u>	<u>800,567</u>	<u>-</u>
Total Revenues	<u>3,207,473</u>	<u>-</u>	<u>3,207,473</u>	<u>3,207,473</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	2,265,000		2,265,000	2,265,000	
Interest	999,569	-	999,569	999,569	
Cost of Issuance	-	-	-	188,580	\$ (188,580)
Payment to Escrow Agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>387,316</u>	<u>(387,316)</u>
Total Expenditures	<u>3,264,569</u>	<u>-</u>	<u>3,264,569</u>	<u>3,840,465</u>	<u>(575,896)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,096)</u>	<u>-</u>	<u>(57,096)</u>	<u>(632,992)</u>	<u>(575,896)</u>
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued				17,515,000	17,515,000
Premium on Refunding				2,395,896	2,395,896
Payment to Refunding Agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,335,000)</u>	<u>(19,335,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,896</u>	<u>575,896</u>
Net Changes in Fund Balance	(57,096)		(57,096)	(57,096)	-
Fund Balance, Beginning of Year	<u>57,096</u>	<u>-</u>	<u>57,096</u>	<u>57,096</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						(Restated)	(Restated)		(Restated)	
Governmental Activities										
Net Investment in Capital Assets	\$ 2,764,542	\$ 3,874,278	\$ 4,231,177	\$ 4,636,074	\$ 4,692,837	\$ 5,020,977	\$ 10,479,420	\$ 12,332,608	\$ 13,242,009	\$ 16,176,888
Restricted	155,925	145,165	46,036	36,034	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297
Unrestricted	(2,536,298)	(3,632,787)	(5,058,281)	(5,774,026)	(3,773,176)	(4,124,667)	(3,817,074)	(2,778,148)	(23,633,552)	(24,643,554)
Total Governmental Activities Net Position	<u>\$ 384,169</u>	<u>\$ 386,656</u>	<u>\$ (781,068)</u>	<u>\$ (1,101,918)</u>	<u>\$ 919,662</u>	<u>\$ 1,796,311</u>	<u>\$ 10,205,982</u>	<u>\$ 14,006,692</u>	<u>\$ (6,078,701)</u>	<u>\$ (4,057,169)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 99,319	\$ 142,118	\$ 166,329	\$ 161,364	\$ 137,373	\$ 115,315	\$ 144,719	\$ 136,138	\$ 124,473	\$ 110,091
Restricted										
Unrestricted	438,911	360,122	191,336	125,316	300,982	343,426	190,941	74,313	28,543	22,394
Total Business-Type Activities Net Position	<u>\$ 538,230</u>	<u>\$ 502,240</u>	<u>\$ 357,665</u>	<u>\$ 286,680</u>	<u>\$ 438,355</u>	<u>\$ 458,741</u>	<u>\$ 335,660</u>	<u>\$ 210,451</u>	<u>\$ 153,016</u>	<u>\$ 132,485</u>
District-Wide										
Net Investment in Capital Assets	\$ 2,863,861	\$ 4,016,396	\$ 4,397,506	\$ 4,797,438	\$ 4,830,210	\$ 5,136,292	\$ 10,624,139	\$ 12,468,746	\$ 13,366,482	\$ 16,286,979
Restricted	155,925	145,165	46,036	36,034	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297
Unrestricted	(2,097,387)	(3,272,665)	(4,866,945)	(5,648,710)	(3,472,194)	(3,781,241)	(3,626,133)	(2,703,835)	(23,605,009)	(24,620,960)
Total District Net Position	<u>\$ 922,399</u>	<u>\$ 888,896</u>	<u>\$ (423,403)</u>	<u>\$ (815,238)</u>	<u>\$ 1,358,017</u>	<u>\$ 2,255,052</u>	<u>\$ 10,541,642</u>	<u>\$ 14,217,143</u>	<u>\$ (5,925,685)</u>	<u>\$ (3,924,684)</u>

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

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

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 24,661,742	\$ 27,041,320	\$ 26,137,360	\$ 24,916,852	\$ 25,585,769	\$ 24,533,774	\$ 23,679,968	\$ 26,404,404	\$ 26,886,838	\$ 31,427,530
Special Education	7,304,673	8,620,877	9,875,680	9,974,490	10,707,746	10,187,341	10,601,160	11,222,939	11,694,226	13,806,763
Vocational - Tuition	490,425	556,092	666,453	567,760	461,999	559,918	527,268	647,315	654,740	600,106
Other Instruction	827,304	954,631	1,053,869	962,885	1,089,638	1,045,098	941,861	1,196,910	1,141,619	1,393,728
School Sponsored Activities And Athletics	1,085,828	1,304,281	1,433,062	1,354,983	1,501,331	1,257,907	1,203,233	1,300,140	1,279,499	1,601,878
Support Services:										
Tuition										
Student and Instruction Related Services	6,257,288	6,500,858	7,906,218	7,677,886	7,089,360	7,461,253	7,976,619	8,303,915	8,809,469	9,205,306
Attendance And Social Work										
Health Services										
Other Support Services										
Improvement of Instruction										
School Library										
General Administration	1,372,975	1,499,840	1,654,961	1,759,045	1,626,202	1,898,407	2,407,858	2,326,711	2,045,764	2,368,038
School Administration	3,391,959	3,455,215	3,659,138	3,406,781	3,735,812	4,218,653	3,911,563	3,725,116	3,913,365	4,530,340
Plant Operations and Maintenance	6,293,501	6,577,524	6,842,040	7,198,339	7,241,122	6,958,237	6,812,914	6,380,777	7,207,497	7,079,295
Student Transportation	3,898,744	4,255,796	4,529,972	4,589,563	4,814,104	4,572,641	4,357,476	5,074,791	4,999,220	4,904,733
Business/Central and Other Support Services	1,830,144	1,761,773	1,711,943	1,826,970	1,720,850	1,735,668	2,068,366	1,485,789	1,620,047	1,642,036
Unallocated Health Benefits										
Charter Schools	16,610	24,676	9,939		22,291	24,208	35,105	-	-	
Capital Outlay										
Interest On Long-Term Debt	1,377,611	1,962,869	1,704,444	1,462,363	1,588,257	1,485,207	1,390,293	1,188,740	1,075,778	913,993
Unallocated Depreciation										
Total Governmental Activities Expenses	58,808,804	64,515,752	67,185,079	65,697,917	67,184,481	65,938,312	65,913,684	69,257,547	71,328,062	79,473,746
Business-Type Activities:										
Food Service	1,449,077	1,546,810	1,745,112	1,736,234	1,624,853	1,662,029	1,643,042	1,554,034	1,483,915	1,469,775
After School Prep Enterprise Fund						8,128	4,923	3,525	8,636	14,002
Total Business-Type Activities Expense	1,449,077	1,546,810	1,745,112	1,736,234	1,624,853	1,670,157	1,647,965	1,557,559	1,492,551	1,483,777
Total District Expenses	\$ 60,257,881	\$ 66,062,562	\$ 68,930,191	\$ 67,434,151	\$ 68,809,334	\$ 67,608,469	\$ 67,561,649	\$ 70,815,106	\$ 72,820,613	\$ 80,957,523
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 164,807	\$ 143,093	\$ 60,200	\$ 41,026	\$ 95,669	\$ 133,908	\$ 113,705	\$ 247,878	\$ 348,355	\$ 411,303
Pupil Transportation	25,405	12,942	3,478		400					
Rentals	34,367	20,833	17,227	12,245	12,190	19,695	12,153	16,005	20,300	25,552
Operating Grants And Contributions	9,162,840	11,052,595	11,108,603	9,542,944	11,387,092	7,705,274	10,183,257	11,336,418	10,619,298	17,563,405
Capital Grants And Contributions	-	-	-	-	-	462,141	618,546	-	-	766,032
Total Governmental Activities Program Revenues	9,387,419	11,229,463	11,189,508	9,596,215	11,495,351	8,321,018	10,927,661	11,600,301	10,987,953	18,766,292

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Charges For Services										
Food Service	\$ 1,293,919	\$ 1,371,810	\$ 1,463,200	\$ 1,472,706	\$ 1,560,057	\$ 1,476,526	\$ 1,286,694	\$ 1,193,478	\$ 1,176,974	\$ 1,213,004
After School Prep Programs							10,775	4,475	15,100	19,080
Operating Grants And Contributions	126,877	131,890	126,751	190,468	215,632	213,031	228,166	234,397	243,042	231,162
Capital Grants And Contributions										
Total Business Type Activities Program Revenues	<u>1,420,796</u>	<u>1,503,700</u>	<u>1,589,951</u>	<u>1,663,174</u>	<u>1,775,689</u>	<u>1,689,557</u>	<u>1,525,635</u>	<u>1,432,350</u>	<u>1,435,116</u>	<u>1,463,246</u>
Total District Program Revenues	<u>\$ 10,808,215</u>	<u>\$ 12,733,163</u>	<u>\$ 12,779,459</u>	<u>\$ 11,259,389</u>	<u>\$ 13,271,040</u>	<u>\$ 10,010,575</u>	<u>\$ 12,453,296</u>	<u>\$ 13,032,651</u>	<u>\$ 12,423,069</u>	<u>\$ 20,229,538</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (49,421,385)	\$ (53,286,289)	\$ (55,995,571)	\$ (56,101,702)	\$ (55,689,130)	\$ (57,617,294)	\$ (54,986,023)	\$ (57,657,246)	\$ (60,340,109)	\$ (60,707,454)
Business-Type Activities	(28,281)	(43,110)	(155,161)	(73,060)	150,836	19,400	(122,330)	(125,209)	(57,435)	(20,531)
Total District-Wide Net Expense	<u>\$ (49,449,666)</u>	<u>\$ (53,329,399)</u>	<u>\$ (56,150,732)</u>	<u>\$ (56,174,762)</u>	<u>\$ (55,538,294)</u>	<u>\$ (57,597,894)</u>	<u>\$ (55,108,353)</u>	<u>\$ (57,782,455)</u>	<u>\$ (60,397,544)</u>	<u>\$ (60,727,985)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 44,136,830	\$ 48,971,356	\$ 50,214,120	\$ 52,222,685	\$ 54,311,592	\$ 55,717,349	\$ 57,154,069	\$ 58,296,691	\$ 58,578,533	\$ 59,750,104
Taxes Levied For Debt Service	2,410,539	2,262,837	2,286,017	2,291,353	2,269,044	2,452,623	2,465,751	2,476,947	2,450,941	2,406,906
State Sources	1,757,201	1,653,762	1,780,288	1,073,795	981,529	480,933	457,961	475,930	491,611	496,096
Investment Earnings	286,588	237,007	145,213	26,700	10,293	12,160	461	845	-	-
Rental Fees										
Miscellaneous Income	180,694	80,839	125,798	57,208	138,252	71,500	230,558	207,543	163,987	75,880
Transfers & Special Items	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>48,771,852</u>	<u>53,205,801</u>	<u>54,551,436</u>	<u>55,671,741</u>	<u>57,710,710</u>	<u>58,734,565</u>	<u>60,308,800</u>	<u>61,457,956</u>	<u>61,685,072</u>	<u>62,728,986</u>
Business-Type Activities:										
Investment Earnings	\$ 1,651	\$ 7,120	\$ 10,586	\$ 2,075	\$ 839	\$ 986	\$ 33	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>1,651</u>	<u>7,120</u>	<u>10,586</u>	<u>2,075</u>	<u>839</u>	<u>986</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 48,773,503</u>	<u>\$ 53,212,921</u>	<u>\$ 54,562,022</u>	<u>\$ 55,673,816</u>	<u>\$ 57,711,549</u>	<u>\$ 58,735,551</u>	<u>\$ 60,308,833</u>	<u>\$ 61,457,956</u>	<u>\$ 61,685,072</u>	<u>\$ 62,728,986</u>
Change in Net Position										
Governmental Activities	(649,533)	(80,488)	(1,444,135)	(429,961)	2,021,580	1,117,271	5,322,777	3,800,710	1,344,963	2,021,532
Business-Type Activities	(26,630)	(35,990)	(144,575)	(70,985)	151,675	20,386	(122,297)	(125,209)	(57,435)	(20,531)
Total District	<u>\$ (676,163)</u>	<u>\$ (116,478)</u>	<u>\$ (1,588,710)</u>	<u>\$ (500,946)</u>	<u>\$ 2,173,255</u>	<u>\$ 1,137,657</u>	<u>\$ 5,200,480</u>	<u>\$ 3,675,501</u>	<u>\$ 1,287,528</u>	<u>\$ 2,001,001</u>

Source: District's financial statements

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

	2006		2007		2008		2009		Fiscal Year Ended June 30,		2012		2013		2014		2015			
									2010		2011									
General Fund																				
Reserved	\$	4,184,144	\$	2,621,663	\$	983,531	\$	151,629	\$	715,926										
Unreserved		1,222,148		1,672,302		1,701,119		1,214,179		2,324,203										
Nonspendable											\$	5,047	\$	69,903						
Restricted												1,498,501		3,743,636	\$	6,277,447	\$	5,581,124		
Committed												522,240						\$ 4,777,176		
Assigned												1,547,986		1,735,441		420,888		481,259		
Unassigned												965,959		742,020		639,060		777,632		
Total General Fund	\$	5,406,292	\$	4,293,965	\$	2,684,650	\$	1,365,808	\$	3,040,129	\$	4,539,733	\$	6,291,000	\$	7,337,395	\$	6,840,015	\$	5,914,238
All Other Governmental Funds																				
Reserved	\$	10,000	\$	10,000	\$	431,880	\$	31,876												
Unreserved		145,924		135,586		36,485		36,033		-		-		-		-		-		
Restricted														\$ 57,096		\$ 614,029		\$ 230,621		
Assigned														-		-		-		
Total All Other Governmental Funds	\$	155,924	\$	145,586	\$	468,365	\$	67,909	\$	-	\$	-	\$	-	\$	57,096	\$	614,029	\$	230,621

Beginning with Fiscal Year 2012, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 46,547,369	\$ 51,234,193	\$ 52,500,137	\$ 54,514,038	\$ 56,580,636	\$ 58,169,972	\$ 59,619,820	\$ 60,773,638	\$ 61,029,474	\$ 62,157,010
Tuition Charges	164,807	143,093	60,200	41,026	95,669	133,908	113,705	247,878	348,355	411,303
Interest Earnings	286,588	237,007	145,213	26,700	10,293	12,160	461	845	-	-
Transportation	25,405	12,942	3,478	-	400	-	-	-	-	-
Rental Fees	34,367	20,833	17,227	12,245	12,190	19,695	12,153	16,005	20,300	25,552
Miscellaneous	206,307	97,328	125,798	57,208	138,252	542,601	236,891	236,497	164,451	95,127
State Sources	9,888,486	11,651,037	11,828,797	9,413,655	10,301,744	7,200,310	9,387,851	10,547,280	9,658,196	11,437,055
Federal Sources	1,005,942	1,038,831	1,060,094	1,203,083	2,066,877	976,937	1,865,580	1,236,114	1,452,249	1,294,798
Total Revenue	58,159,271	64,435,264	65,740,944	65,267,955	69,206,061	67,055,583	71,236,461	73,058,257	72,673,025	75,420,845
Expenditures										
Instruction										
Regular Instruction	23,206,346	25,742,786	24,763,900	23,470,744	24,164,327	22,643,230	24,046,276	26,636,286	26,785,953	27,611,387
Special Education Instruction	7,261,434	8,620,877	9,875,680	9,974,490	10,707,746	10,000,663	10,735,197	11,314,962	11,689,276	12,393,841
Vocational Education - Tuition	490,425	556,092	666,453	567,760	461,999	559,918	527,268	647,315	654,740	600,106
Other Instruction	826,273	954,631	1,053,869	962,885	1,089,638	1,019,174	958,176	1,209,783	1,140,986	1,215,187
School Sponsored Activities and Athletics	1,085,828	1,304,281	1,433,062	1,354,983	1,501,331	1,231,551	1,220,598	1,311,222	1,278,933	1,430,623
Support Services:										
Student and Instruction Related Services	6,210,675	6,473,073	7,879,127	7,651,206	7,070,492	7,259,672	7,960,582	8,220,607	8,666,001	8,780,042
General Administration	1,364,871	1,488,145	1,642,535	1,746,013	1,612,823	1,867,390	1,396,685	1,190,212	1,041,049	1,229,571
School Administration	3,427,489	3,422,397	3,589,982	3,548,513	3,689,329	4,149,223	3,976,702	3,764,603	3,911,335	4,158,822
Plant Operations and Maintenance	6,321,111	6,466,276	6,732,435	7,089,301	7,125,476	6,755,201	6,871,107	6,408,965	7,191,146	6,985,188
Student Transportation	4,247,388	4,342,910	4,533,412	4,588,496	4,596,486	4,478,553	4,180,808	4,871,035	4,788,364	4,616,572
Business/Central and Other Support Services	1,887,806	1,834,035	1,708,837	1,823,712	1,717,505	1,700,434	2,091,182	1,498,608	1,619,340	1,619,747
Charter Schools	16,610	24,676	9,939	-	22,291	24,208	35,105	-	-	-
Capital Outlay	624,337	927,138	1,149,524	974,519	268,419	146,712	1,776,062	1,299,310	913,464	2,894,328
Debt Service:										
Principal	1,715,000	1,624,003	1,746,307	2,078,532	2,148,256	2,231,750	2,314,307	2,425,617	2,289,989	2,391,273
Interest and Other Charges	1,495,529	1,776,609	1,652,418	1,633,354	1,582,727	1,488,300	1,395,139	1,241,559	1,083,524	1,008,707
Bond Issuance Costs	244,263	125,011	-	-	-	-	-	-	-	188,580
Payments to Escrow Agent	714,919	99,775	-	-	-	-	-	-	-	387,316
Total Expenditures	61,140,304	65,782,715	68,437,480	67,464,508	67,758,845	65,555,979	69,485,194	72,040,084	73,054,100	77,511,290
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(2,981,033)	(1,347,451)	(2,696,536)	(2,196,553)	1,447,216	1,499,604	1,751,267	1,018,173	(381,075)	(2,090,445)

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	\$ 188,789			\$ 487,752	\$ 159,196				\$ 440,628	\$ 205,364
Proceeds From Refunding	19,830,000	\$ 10,000,000						\$ 3,790,000	-	17,515,000
Payments To Escrow Agent	(19,135,000)	(9,840,000)						(3,704,682)	-	(19,335,000)
Original Issue Premiums	264,182	64,786								2,395,896
Lease Purchase Proceeds			\$ 1,410,000							
Transfers In			13,503	1,633	31,876		\$ 834,347	-	592,789	826,800
Transfers Out			(13,503)	(1,633)	(31,876)		(834,347)	-	(592,789)	(826,800)
Total Other Financing Sources (Uses)	<u>1,147,971</u>	<u>224,786</u>	<u>1,410,000</u>	<u>487,752</u>	<u>159,196</u>	<u>-</u>	<u>-</u>	<u>85,318</u>	<u>440,628</u>	<u>781,260</u>
Net Change in Fund Balances	<u>\$ (1,833,062)</u>	<u>\$ (1,122,665)</u>	<u>\$ (1,286,536)</u>	<u>\$ (1,708,801)</u>	<u>\$ 1,606,412</u>	<u>\$ 1,499,604</u>	<u>\$ 1,751,267</u>	<u>\$ 1,103,491</u>	<u>\$ 59,553</u>	<u>\$ (1,309,185)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.31%	5.24%	5.05%	5.58%	5.53%	5.69%	5.48%	5.18%	4.68%	4.56%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District's financial statements

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Transportation</u>	<u>Rentals</u>	<u>Insurance Proceeds</u>	<u>Grant Proceeds for Prior Year Capital Projects</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 164,807	\$ 286,507	\$ 25,405	\$ 34,367			\$ 180,694	\$ 691,780
2007	143,093	237,007	12,942	20,833			97,328	511,203
2008	60,200	131,682	3,478	17,227			86,613	299,200
2009	41,026	25,020		12,245			37,578	115,869
2010	95,669	10,293	400	12,190			127,943	246,495
2011	133,908	12,160		19,695	\$ 462,141		71,500	699,404
2012	113,705	461		12,153	69,634		160,924	356,877
2013	247,878	845		16,005	-	\$ 153,536	54,007	472,271
2014	348,355	-		20,300	-	-	163,987	532,642
2015	411,303			25,552			75,880	512,735

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Source: District's financial statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 126,948,600	\$ 2,845,973,000	\$ 28,213,000	\$ 949,600	\$ 599,211,400	\$ 147,442,100	\$ 27,656,100	\$ 3,776,393,800	\$ 5,049,659	\$ 3,776,393,800	\$ 5,478,866,383	\$ 1.293
2007	115,329,600	2,886,261,800	32,326,300	956,400	611,685,500	149,710,800	27,390,400	3,823,660,800	4,728,814	3,828,389,614	6,171,155,753	1.355
2008	101,487,000	2,916,601,400	31,881,200	956,400	656,360,100	124,595,000	23,878,700	3,855,759,800	4,506,468	3,860,266,268	6,847,724,754	1.386
2009	89,393,400	2,938,583,000	32,679,300	956,400	662,787,500	135,949,000	23,177,800	3,883,526,400	5,583,269	3,889,109,669	6,677,126,189	1.428
2010	85,801,600	2,876,681,100	32,461,900		649,955,000	136,093,000	23,177,800	3,804,170,400	5,846,022	3,810,016,422	6,247,611,102	1.506
2011	80,704,900	2,866,808,600	30,777,100		627,511,000	134,160,200	22,877,800	3,762,839,600	6,012,493	3,768,852,093	6,199,670,684	1.564
2012	71,263,300	2,845,399,400	32,001,000		618,225,600	144,209,000	22,877,000	3,733,975,300	5,942,434	3,739,919,334	6,107,506,199	1.610
2013	68,210,500	2,830,109,100	30,958,400	854,600	611,628,500	141,333,200	22,142,800	3,705,237,100	5,864,768	3,711,101,868	5,684,897,675	1.641
2014	67,764,300	2,819,263,000	31,125,700	859,900	609,691,300	141,331,000	21,839,600	3,691,874,800	5,325,309	3,697,200,108	5,614,372,406	1.666
2015	65,185,400	2,817,681,600	32,138,900	806,500	607,903,100	139,006,100	24,981,100	3,687,702,700	5,150,110	3,692,852,810	5,602,708,447	1.700

Source: County Abstract of Ratables

^a Tax rates are per \$100

N/A - Not Available

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

<u>Calendar Year</u>	<u>Total</u>	<u>School District</u>	<u>Municipal</u>	<u>County</u>	<u>Other</u>
2006	\$ 2.239	\$ 1.293	\$ 0.465	\$ 0.436	\$ 0.045
2007	2.335	1.355	0.489	0.440	0.051
2008	2.473	1.386	0.459	0.568	0.060
2009	2.522	1.428	0.584	0.450	0.060
2010	2.664	1.506	0.632	0.466	0.060
2011	2.752	1.564	0.655	0.455	0.078
2012	2.819	1.610	0.672	0.470	0.067
2013	2.793	1.641	0.691	0.411	0.050
2014	2.825	1.666	0.708	0.403	0.048
2015	2.888	1.700	0.722	0.416	0.050

Source: Township Finance Office

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

Taxpayer	2015		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Wall Herald Corporation	\$ 23,299,600	0.624%	Wall Herald Corporation	\$ 37,123,500	1.005%
State St. Bank C/O NJNG	17,581,300	0.471%	Commerical Realty & Resources Corp.	29,540,200	0.799%
Horizon Blue Cross	17,021,600	0.456%	Horizon Blue Cross	19,621,700	0.531%
What's Your Racquet	15,693,500	0.420%	Levcom Wall Plaza	18,304,400	0.495%
Sea Girt Partnership/Terranomics	12,348,800	0.331%	State St. Bank C/O NJNG	17,600,000	0.476%
TATA Telecommunications	11,469,400	0.307%	What's your racquet	15,923,400	0.431%
NP Wall Towne Center	10,127,600	0.271%	Oakshire Group	14,976,600	0.405%
ANDROSE Assoc. of Allaire, LLC	9,896,900	0.265%	TKG Management	14,650,700	0.397%
1330 Campus Parkway, LLC	8,987,300	0.241%	Resident	13,923,300	0.377%
Victor AOP, Inc.	8,533,300	0.229%	NJ NI Industrial LLC	13,900,000	0.376%
	<u>\$ 134,959,300</u>	<u>3.614%</u>		<u>\$ 195,563,800</u>	<u>5.292%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 46,547,369	\$ 43,668,422	93.82%	\$ 2,878,947
2007	51,234,193	51,234,193	100.00%	
2008	52,500,137	51,000,137	97.14%	1,500,000
2009	54,514,038	54,514,038	100.00%	
2010	56,580,636	56,580,636	100.00%	
2011	58,169,972	55,822,475	95.96%	2,347,497
2012	59,619,820	59,619,820	100.00%	
2013	60,773,638	58,909,170	96.93%	1,864,468
2014	61,029,474	61,029,474	100.00%	
2015	62,157,010	62,157,010	100.00%	

Source: District financial records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases/Lease Purchase Agreements</u>			
2007	\$ 39,305,000	\$ 341,069	\$ 39,646,069	26,254	\$ 1,510
2008	37,745,000	1,564,762	39,309,762	26,274	1,496
2009	36,125,000	1,593,982	37,718,982	26,168	1,441
2010	34,410,000	1,319,922	35,729,922	26,142	1,367
2011	32,610,000	888,172	33,498,172	26,187	1,279
2012	30,715,000	468,865	31,183,865	26,190	1,191
2013	28,825,000	33,248	28,858,248	26,084	1,106
2014	26,660,000	348,887	27,008,887	26,095	1,035
2015	22,575,000	427,978	23,002,978	26,032	884

Source: District records

WALL TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST NINE 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			
2007	\$ 39,305,000		\$ 39,305,000	0.64%	\$ 1,497
2008	37,745,000		37,745,000	0.55%	1,437
2009	36,125,000		36,125,000	0.54%	1,381
2010	34,410,000		34,410,000	0.55%	1,316
2011	32,610,000		32,610,000	0.53%	1,245
2012	30,715,000		30,715,000	0.50%	1,173
2013	28,825,000		28,825,000	0.51%	1,105
2014	26,660,000		26,660,000	0.47%	1,022
2015	22,575,000		22,575,000	0.40%	867

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**WALL TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(Unaudited)**

	<u>Net Debt</u>
Municipal Debt: (1)	
Wall Township Board of Education (as of June 30, 2015)	\$ 22,575,000
Township of Wall	<u>35,438,090</u>
	<u>58,013,090</u>
Overlapping Debt Apportioned to the Municipality:	
Monmouth County:	
County of Monmouth(A)	<u>21,188,459</u>
	<u>21,188,459</u>
Total Direct and Overlapping Debt	<u>\$ 79,201,549</u>

Source:

(1) Township's 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2014 equalized value by the total 2014 equalized value for Monmouth County.

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

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis

2014	\$ 5,609,047,098
2013	5,435,289,864
2012	5,711,191,343
	<u>\$ 16,755,528,305</u>

Average Equalized Valuation Of Taxable Property

\$ 5,585,176,102

Debt Limit (4 % of Average Equalization Value)

223,407,044

Total Net Debt Applicable to Limit

19,510,000

Legal Debt Margin

\$ 203,897,044

	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 242,459,320	\$ 259,449,192	\$ 267,480,885	\$ 260,484,556	\$ 254,181,622	\$ 223,407,044	\$ 230,438,397	\$ 223,407,044
Total Net Debt Applicable To Limit	<u>27,965,000</u>	<u>31,450,000</u>	<u>29,965,000</u>	<u>28,405,000</u>	<u>26,760,000</u>	<u>25,035,000</u>	<u>23,230,000</u>	<u>19,510,000</u>
Legal Debt Margin	<u>\$ 214,494,320</u>	<u>\$ 227,999,192</u>	<u>\$ 237,515,885</u>	<u>\$ 232,079,556</u>	<u>\$ 227,421,622</u>	<u>\$ 198,372,044</u>	<u>\$ 207,208,397</u>	<u>\$ 203,897,044</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.53%	12.12%	11.20%	10.90%	10.53%	11.21%	10.08%	8.73%

Source: Annual Debt Statements

Note:
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	26,336	\$ 48,528	3.00%
2007	26,253	50,501	2.70%
2008	26,242	54,698	3.50%
2009	26,135	58,370	8.00%
2010	26,142	59,079	8.00%
2011	26,168	56,827	8.10%
2012	26,110	57,251	8.00%
2013	26,063	59,669	8.40%
2014	26,066	61,426	7.00%
2015	26,032	62,901 (E)	5.37%

Source: New Jersey State Department of Education

(E) - Estimated

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Wall Township Board of Education				
NJ Natural Gas Co.		NOT AVAILABLE		NOT AVAILABLE
Horizon/Blue Shield				
Wedgewood				
Air Cruisers				
Cablevision of Monmouth				
Township of Wall				
Adam Spence Company				
		<u>0.00%</u>		<u>0.00%</u>

N/A - Not Available

Source: Township of Wall

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	434	446	446	453	453	394	258	256.5	260.0	275.0
Special Education						1	73	90.0	145.5	161.0
Other Special Education							52	53.0	-	
Vocational										
Other Instruction							158	158.0	157.0	155.0
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	118	129	129	128	75	76	87	90.0	91.5	104.5
General Administration	7	7	7	7	7	6	4	4.0	4.0	6.0
School Administrative Services	12	12	12	11	11	10	31	31.0	30.0	30.0
Other Administrative Services	18	18	18	19	19	9				
Central Services	10	12	12	9	9	9	9	8.0	8.0	7.0
Administrative Information Technology	6	7	7	6	6	5	5	6.0	5.0	6.0
Plant Operations And Maintenance	59	60	60	60	113	87	87	86.5	88.0	99.0
Pupil Transportation	61	78	78	78	78	87	66	66.9	66.0	67.6
Other Support Services										
Special Schools										
Food Service										
Child Care										
Total	<u>725</u>	<u>769</u>	<u>769</u>	<u>771</u>	<u>771</u>	<u>684</u>	<u>829</u>	<u>849.9</u>	<u>855.0</u>	<u>911.1</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2006	4,415.0	\$ 56,346,256	\$ 12,762	5.91%	390.00	1:10.2	1:11.8	1:11.5	4,415.0	4,147.8	1.41%	93.95%
2007	4,380.5	60,015,923	13,701	7.35%	402.00	1:10.6	1:11.8	1:11.3	4,463.7	4,081.1	1.10%	91.43%
2008	4,315.0	63,889,231	14,806	8.07%	369.00	1:11.4	1:11.2	1:11.8	4,284.6	4,036.9	-4.01%	94.22%
2009	4,313.0	62,778,103	14,556	-1.69%	362.00	1:10.4	1:11.5	1:11.6	4,297.9	4,111.3	0.31%	95.66%
2010	4,224.0	63,761,976	15,095	3.71%	379.00	1:11.8	1:12	1:12.2	4,243.4	4,066.2	-1.27%	95.82%
2011	4,101.0	61,689,217	15,042	-0.35%	365.00	1:11.2	1:11.4	1:11.8	4,066.5	3,872.5	-4.17%	95.23%
2012	3,822.0	67,324,895	17,615	17.10%	382.00	1:11.2	1:12.5	1:12.6	3,936.9	3,767.1	-3.19%	95.69%
2013	3,824.0	67,310,213	17,602	17.02%	384.59	1:09.3	1:09.6	1:11.1	3,849.0	3,676.0	-5.35%	95.51%
2014	3,752.0	68,767,123	18,328	4.05%	402.29	1:08.4	1:09.3	1:09.3	3,629.0	3,508.0	-7.82%	96.67%
2015	3,683.0	70,641,086	19,180	8.97%	400.00	1:08.9	1:09.0	1:08.8	3,572.0	3,454.0	-7.20%	96.70%

Sources: District records

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Elementary</u>										
Allenwood										
Square Feet	49,920	49,920	49,920	49,920	49,920	49,920	49,920	49,920	49,920	49,920
Capacity (students)	521	521	521	521	521	521	521	521	521	521
Enrollment	483	482	485	467	440	409	387	363	348	348
Central										
Square Feet	56,110	56,110	56,110	56,110	56,110	56,110	56,110	56,110	56,110	56,110
Capacity (students)	596	596	596	596	596	596	596	596	596	596
Enrollment	639	640	624	621	598	558	495	506	507	504
Old Mill										
Square Feet	56,440	56,440	56,440	56,440	56,440	56,440	56,440	56,440	56,440	56,440
Capacity (students)	560	560	560	560	560	560	560	560	560	560
Enrollment	503	505	504	510	499	485	434	434	420	402
West Belmar										
Square Feet	39,360	39,360	39,360	39,360	39,360	39,360	39,360	39,360	39,360	39,360
Capacity (students)	276	276	276	276	276	276	276	276	276	276
Enrollment	214	214	213	220	214	214	214	212	199	203
<u>Middle School</u>										
Intermediate										
Square Feet	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Capacity (students)	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Enrollment	1,080	1,081	1,030	1,010	1,040	1,045	991	938	921	887
<u>High School</u>										
Square Feet	186,340	186,340	186,340	186,340	186,340	186,340	186,340	186,340	186,340	186,340
Capacity (students)	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394
Enrollment	1,391	1,323	1,384	1,418	1,375	1,295	1,244	1,199	1,158	1,164
<u>Primary</u>										
Square Feet	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970
Capacity (students)	60	60	60	60	60	60	60	60	60	60
Enrollment	88	75	65	92	98	47	50	36	50	55

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Other</u>										
Superintendent's Building										
Square Feet - 2,880										
Business Office										
Square Feet - 5,760										
Technology Building										
Square Feet - 1,069										
Tech. Storage Barn										
Square Feet - 1,296										
Maintenance Building										
Square Feet - 4,756										
Red Storage Barn										
Square Feet - 960										
Special Service Bldg. 1										
Square Feet - 2,000										
Special Service Bldg. 2										
Square Feet - 1,104										
District Storage Bldg.										
Square Feet - 5,000										
Garage Apt.										
Square Feet - 2,030										
18th Ave. Field										
Square feet - 1,800										
Number of Schools at June 30, 2015										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 1										

Source: District Records

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

	<u>Project # (s)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities											
Wall High School	050	\$ 191,355	\$ 147,906	\$ 135,012	\$ 161,647	\$ 118,926	\$ 174,714	\$ 665,666	\$ 222,767	\$ 147,150	\$ 77,780
Allenwood School	060	35,625	53,296	27,553	57,719	52,364	38,650	42,581	16,597	60,219	35,542
Central Elementary	070	42,568	61,433	67,408	84,721	29,529	45,986	62,692	27,239	59,643	48,246
Wall Intermediate	075	90,206	73,792	66,991	150,904	125,729	71,190	114,269	28,520	82,433	89,364
Old Mill	077	37,088	40,524	31,661	39,811	38,841	54,720	39,695	25,210	54,979	47,601
Primary	078	4,671	16,004	16,905	20,717	8,981	22,545	20,040	1,374	28,113	28,745
West Belmar	080	32,332	35,029	3,675	34,029	33,555	34,623	31,764	20,897	59,345	31,011
Total School Facilities		<u>\$ 433,845</u>	<u>\$ 427,984</u>	<u>\$ 349,205</u>	<u>\$ 549,548</u>	<u>\$ 407,925</u>	<u>\$ 442,428</u>	<u>\$ 976,707</u>	<u>\$ 342,604</u>	<u>\$ 491,882</u>	<u>\$ 358,289</u>

Source: District Records

**WALL TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
School Excess Liability Joint Insurance Fund		
Property Blanket Bldg. & Contents	\$ 102,717,799	\$ 5,000
Program Blanket Limit	250,000,000	5,000
Comprehensive General Liability	5,000,000	None
Comprehensive Crime Coverage	500,000	1,000
Money & Securities	2,500,000	1,000
Workers Compensation	5,000,000	N/L
Computers & Schedule Equipment		
School Excess Liability Joint Insurance Fund		
Data Processing Equipment	Within Policy Blanket Limit	5,000
Valuable Papers	Within Policy Blanket Limit	5,000
Miscellaneous Equipment	Within Policy Blanket Limit	5,000
Business Income	100,000,000 Blanket Limit	5,000
Extra Expense	50,000,000	5,000
Boiler & Machinery - School Excess Joint Insurance Fund		
Property Damage	\$ 100,000,000 Blanket Limit	5,000
Umbrella Excess Liability		
School Excess - Umbrella Policy	5,000,000	None
Liability Fund - Fireman's Fund	50,000,000	None
School Board Legal Liability - Ace USA		
Directors & Officers Policy	5,000,000	10,000
Public Official Bond - Pablo D. Canela		
	350,000	None
Public Official Bond - Brian J. Smyth		
	350,000	None
Automobile & Trucks		
School Excess Liability Joint Insurance Fund	5,000,000	Comp./Coll. 1,000/1,000

Source: District records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wall Township Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Wall Township Board of Education's basic financial statements and have issued our report thereon dated December 2, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

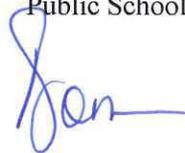
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Wall Township Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 2, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wall Township Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wall Township Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LERCH, VINCI & HIGGINS, LLP

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



Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 2, 2015



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
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RALPH M. PICONE, CPA, RMA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04 15-08**

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Wall Township Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Wall Township Board of Education’s major federal and state programs for the fiscal year ended June 30, 2015. The Wall Township Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Wall Township Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Wall Township Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Wall Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Wall Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Wall Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Wall Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Wall Township Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

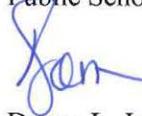
Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wall Township Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 2, 2015, which contained unmodified opinions. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit

of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lerch, Vinci & Higgins, LLP

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



Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 2, 2015

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Carryover Amount	Cash Received	Adjustment- Carryover Receivable	Budgetary Expenditures	PY Payables Cancelled	Funds Released Receivable	Deferred Revenue	Balance, June 30, 2015			Memo GAAP Receivable
													(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
NCLB Title I	84.010A	NCLB5420-15	7/1/14-6/30/15	\$ 250,021		\$ 2,368	\$ 177,585	\$ (2,368)	\$ 188,265		\$ 26,620	\$ (26,620)	\$ (48,184)	\$ 37,504		\$ (10,680)
NCLB Title I	84.010A	NCLB5420-14	7/1/13-6/30/14	139,069	\$ (15,674)	(2,368)	15,674	2,368								
NCLB Title I	84.010A	NCLB5420-13	9/1/12-8/31/13	164,764	5,443								5,443			
NCLB Title IIA	84.367	NCLB5420-15	7/1/14-6/30/15	41,545		8,802	12,457	(8,802)	45,217				(37,890)	5,130		(32,760)
NCLB Title IIA	84.367	NCLB5420-14	7/1/13-6/30/14	41,519	(934)	(8,802)	934	8,802								
NCLB Title III	84.365	NCLB5420-15	7/1/14-6/30/15	18,153		5,628	7,278	(5,628)	9,083				(16,503)	14,698		(1,805)
NCLB Title III	84.365	NCLB5420-14	7/1/13-6/30/14	22,381	(12,775)	(5,628)	12,632	5,628		\$ 143						
IDEA Part B Basic	84.027	IDEA542015	7/1/14-6/30/15	874,910		9,046	737,008	(9,046)	878,589	11,908			(146,948)	17,275		(129,673)
IDEA Part B Basic	84.027	IDEA542014	7/1/13-6/30/14	865,050	(234,280)	(9,046)	234,566	9,046	286							
IDEA Part B, Preschool	84.173	IDEA542015	7/1/14-6/30/15	48,912		2,867	33,125	(2,867)	51,000				(18,654)	779		(17,875)
IDEA Part B, Preschool	84.173	IDEA542014	7/1/13-6/30/14	49,236	(19,299)	(2,867)	19,299	2,867								
Race to the Top	84.413A	N/A	9/1/11-11/30/15	22,765		-	-	-	826				(1,647)	821		(826)
Total Special Revenue Fund					(277,519)	-	1,250,538	-	1,173,266	12,051	26,620	(26,620)	(269,826)	81,650	-	(193,619)
U.S. Department of Agriculture																
Passed-through State Department of Education																
Enterprise Fund:																
Food Distribution Program (Non-Cash Assistance)	10.555	N/A	7/1/14-6/30/15	24,448			24,448		24,448							
National School Lunch Program (Cash Assistance)	10.555	N/A	7/1/14-6/30/15	187,007			171,450		187,007				(15,557)			(15,557)
National School Lunch Program (Cash Assistance)	10.555	N/A	7/1/13-6/30/14	187,672	(10,763)		10,763									
Special Milk Program	10.556	N/A	7/1/13-6/30/14	1,954	(107)		107									
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	11,991			10,862		11,991				(1,129)			(1,129)
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	11,081	(687)		687									
Total Enterprise Fund					(11,557)	-	218,317	-	223,446	-	-	-	(16,686)	-	-	(16,686)
U.S. Department of Health and Human Services																
Passed-through State Department of Education																
General Fund																
Medical Assistance Program (SEMI)	93.778	N/A	7/1/14-6/30/15	92,601			60,210		74,853				(14,643)			(14,643)
Medical Assistance (SEMI)-ARRA	93.778	N/A	7/1/14-6/30/15	17,740			17,748		17,748							
Total General Fund							77,958		92,601				(14,643)			(14,643)
Total Federal Financial Awards					\$ (289,076)	\$ -	\$ 1,546,833	\$ -	\$ 1,489,313	\$ 12,051	\$ 26,620	\$ (26,620)	\$ (301,155)	\$ 81,650	\$ -	\$ (224,948)

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

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Cash Received	Budgetary Expenditures	Returned to Grantor	Balance, June 30, 2015			MEMO	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures
State Department of Education												
<u>General Fund:</u>												
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	\$ 733,177		\$ 662,950	\$ 733,177		\$ (70,227)				\$ 733,177
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	733,177	\$ (72,236)	72,236							
Special Education Categorical Aid	15-495-034-5120-014	7/1/14-6/30/15	2,404,489		2,174,177	2,404,489		(230,312)				2,404,489
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	2,404,489	(236,903)	236,903							
Security Aid	15-495-034-5120-089	7/1/14-6/30/15	342,358		309,565	342,358		(32,793)				342,358
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	342,358	(33,731)	33,731							
Adjustment Aid	15-495-034-5150-085	7/1/14-6/30/15	15,712		14,208	15,712		(1,504)				15,712
Adjustment Aid	14-495-034-5150-085	7/1/13-6/30/14	15,712	(1,548)	1,548							
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	35,095		31,733	35,095		(3,362)				35,095
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	35,095		31,733	35,095		(3,362)				35,095
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	203,396			203,396		(203,396)				203,396
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	146,717	(146,717)	146,717							
Nonpublic Transportation Aid	02103190	7/1/14-6/30/15	25,992			25,992		(25,992)			\$ (25,992)	25,992
Nonpublic Transportation Aid	02103190	7/1/13-6/30/14	18,935	(18,935)	18,935							
On Behalf TPAF Pension System Contribution	15-495-034-5094-006	7/1/14-6/30/15	1,414,335		1,414,335	1,414,335						1,414,335
On Behalf TPAF Pension System Contribution	15-495-034-5094-007	7/1/14-6/30/15	101,755		101,755	101,755						101,755
On Behalf TPAF Pension System Contribution	15-100-034-5094-001	7/1/14-6/30/15	2,406,795		2,406,795	2,406,795						2,406,795
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	2,143,687		2,037,775	2,143,687		(105,912)			(105,912)	2,143,687
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	2,070,300	(103,978)	103,978							
Total General Fund				(614,048)	9,799,074	9,861,886	-	(676,860)	-	-	(131,904)	9,861,886
<u>Special Revenue Fund:</u>												
New Jersey Nonpublic Aid												
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	17,737		17,737	16,279				\$ 1,458		16,279
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	15,209	142			\$ 142					
Technology	15-100-034-5120-373	7/1/14-6/30/15	6,624		6,624	6,546				78		6,546
Technology	14-100-034-5120-373	7/1/13-6/30/14	4,240	145			145					
Textbooks	15-100-034-5120-064	7/1/14-6/30/15	12,334		12,334	11,141				1,193		11,141
Textbooks	14-100-034-5120-064	7/1/13-6/30/14	11,628	2,556			2,556					
Auxiliary Services												
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	8,062		8,062	7,166				896		7,166
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	15,408	8,560			8,560					
Transportation	15-100-034-5120-068	7/1/14-6/30/15	6,300		6,300	6,300						6,300
Transportation	14-100-034-5120-068	7/1/13-6/30/14	6,020									
Handicapped Services												
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	6,307		6,307	5,224				1,083		5,224
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	8,280	3,980			3,980					
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	9,719		9,719	6,185				3,534		6,185
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	13,280									
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	4,708		4,708	3,139				1,569		3,139
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	4,163	2,081			2,081					
Total Special Revenue Fund			17,464	71,791	61,980	17,464	-	-	9,811	-	-	61,980
<u>Capital Projects Fund</u>												
Front Entrance Modification- Primary	5420-078-14-1030-G04	7/1/13-6/30/15	6,000	-		5,666		(5,666)			(5,666)	5,666
Front Entrance Modification- West Belmar	5420-080-14-1038-G04	7/1/13-6/30/15	15,000			13,314		(14,834)	\$ 1,520		(14,834)	13,314
Front Entrance Modification- Old Mill	5420-077-14-1029-G04	7/1/13-6/30/15	30,000			19,768		(26,868)	7,100		(26,868)	19,768
Front Entrance Modification- Central	5420-070-14-1020-G04	7/1/13-6/30/15	30,000			18,214		(27,135)	8,921		(27,135)	18,214
Front Entrance Modification- Allenwood	5420-060-14-1014-G04	7/1/13-6/30/14	41,500			28,993		(36,094)	7,101		(36,094)	28,993
Front Entrance Modification- Wall Intermediate	5420-075-14-1021-G04	7/1/13-6/30/15	37,600			24,057		(33,345)	9,288		(33,345)	24,057
Front Entrance Modification- High School	5420-050-14-1009-G04	7/1/13-6/30/15	30,000			26,118		(29,935)	3,817		(29,935)	26,118
HVAC- West Belmar	5420-080-14-1006-G04	7/1/13-6/30/15	93,600			56,642		(57,842)	1,200		(57,842)	56,642
Emergency Generators- Primary	5420-078-14-1004-G04	7/1/13-6/30/15	81,920			25,400		(26,400)	1,000		(26,400)	25,400
Emergency Generators- West Belmar	5420-080-14-1005-G04	7/1/13-6/30/15	81,920			32,953		(35,153)	2,200		(35,153)	32,953
Emergency Generators- Central	5420-077-14-1003-G04	7/1/13-6/30/15	81,920			34,153		(35,153)	1,000		(35,153)	34,153
Emergency Generators- Old Mill	5420-070-14-1002-G04	7/1/13-6/30/15	81,920			27,600		(27,600)			(27,600)	27,600
Emergency Generators- Allenwood	5420-060-14-1001-G04	7/1/13-6/30/14	81,920			34,154		(39,153)	4,999		(39,153)	34,154

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

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Cash Received	Budgetary Expenditures	Returned to Grantor	Balance, June 30, 2015			GAAP Accounts Receivable	Cumulative Total Expenditures
								(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Security Upgrades- Primary	5420-078-14-1031-G04	7/1/14-6/30/15	\$ 34,000			\$ 11,390		\$ (13,600)	\$ 2,210		\$ (13,600)	\$ 11,390
Security Upgrades- Allenwood	5420-060-14-1015-G04	7/1/14-6/30/15	78,000			28,753		(31,200)	2,447		(31,200)	28,753
Security Upgrades- Central	5420-070-14-1016-G04	7/1/14-6/30/15	88,000			32,310		(35,200)	2,890		(35,200)	32,310
Security Upgrades- Old Mill	5420-077-14-1026-G04	7/1/14-6/30/15	71,000			25,836		(28,400)	2,564		(28,400)	25,836
Security Upgrades- West Belmar	5420-080-14-1035-G04	7/1/14-6/30/15	87,000			32,034		(34,800)	2,766		(34,800)	32,034
Security Upgrades-Wall Intermediate	5420-075-14-1025-G04	7/1/14-6/30/15	126,000			46,632		(50,400)	3,768		(50,400)	46,632
Security Upgrades- High School	5420-050-14-1007-G04	7/1/14-6/30/15	160,000			60,446		(64,000)	3,554		(64,000)	60,446
Roof Replacement-Primary	5420-078-14-1032-G04	7/1/14-6/30/15	200,000			62,402		(80,000)	17,598		(80,000)	62,402
Roof Replacement-Allenwood	5420-060-14-1013-G04	7/1/14-6/30/15	75,000			22,467		(30,000)	7,533		(30,000)	22,467
Roof Replacement-Central	5420-070-14-1018-G04	7/1/14-6/30/15	390,000			73,523		(156,000)	82,477		(156,000)	73,523
Roof Replacement-West Belmar	5420-080-14-1039-G04	7/1/14-6/30/15	69,000			23,207		(27,600)	4,393		(27,600)	23,207
Total Capital Projects Fund				-	-	766,032	-	(946,378)	180,346	-	(946,378)	766,032
Debt Service Fund												
Debt Service Aid State Support	15-495-034-5120-075	7/1/14-6/30/15	800,567	-	\$ 800,567	800,567	-	-	-	-	-	800,567
Total Debt Service Fund				-	800,567	800,567	-	-	-	-	-	800,567
State Department of Agriculture Enterprise Fund:												
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	7,716		6,854	7,716		(862)			(862)	7,716
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	7,883	\$ (887)	887	-	-	-	-	-	-	-
Total Enterprise Fund				(887)	7,741	7,716	-	(862)	-	-	(862)	7,716
Total State Financial Assistance				\$ (597,471)	\$ 10,679,173	\$ 11,498,181	\$ 17,464	\$ (1,624,100)	\$ 180,346	\$ 9,811	\$ (1,079,144)	\$ 11,498,181
State Financial Assistance Not Subject to Single Audit Determination												
General Fund:												
On-Behalf TPAF Pension System Contribution					\$ (1,516,090)	\$ (1,516,090)						\$ (1,516,090)
On-Behalf TPAF Post-Retirement Med. Contrib.					(2,406,795)	(2,406,795)						(2,406,795)
Total State Financial Assistance				\$ (597,471)	\$ 6,756,288	\$ 7,575,296	\$ 17,464	\$ (1,624,100)	\$ 180,346	\$ 9,811	\$ (1,079,144)	\$ 7,575,296

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Wall Township Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$53,821 for the general fund and an increase of \$21,623 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	\$ 92,601	\$ 9,808,065	\$ 9,900,666
Special Revenue Fund	1,202,197	62,391	1,264,588
Capital Projects Fund	-	766,032	766,032
Debt Service Fund		800,567	800,567
Food Service Fund	<u>223,446</u>	<u>7,716</u>	<u>231,162</u>
Total Financial Assistance	<u>\$ 1,518,244</u>	<u>\$ 11,444,771</u>	<u>\$ 12,963,015</u>

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$2,143,687 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,516,090 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,406,795 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

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

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? _____ yes none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>495-034-5120-075</u>	<u>Debt Service Aid</u>
<u>495-034-5120-014</u>	<u>Transportation Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5150-085</u>	<u>Adjustment Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>Various</u>	<u>SDA Grants</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee? _____ yes no

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**WALL TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.