

**SCHOOL DISTRICT OF THE  
BOROUGH OF WANAQUE  
COUNTY OF PASSAIC, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**BOARD OF EDUCATION  
BOROUGH OF WANAQUE  
STATE OF NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**

**PREPARED BY**

**WANAQUE BOARD OF EDUCATION  
FINANCE OFFICE**

**BOROUGH OF WANAQUE  
BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b>Page</b>
Letter of Transmittal .....	1 - 5
Organizational Chart.....	6
Roster of Officials .....	7
Consultants and Advisors .....	8
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	9 - 12
 <b>Required Supplementary Information - Part I</b>	
Management’s Discussion and Analysis.....	13 - 21
 <b>Basic Financial Statements</b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position .....	22
A-2 Statement of Activities .....	23
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet .....	24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances .....	25
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	26
Proprietary Funds:	
B-4 Statement of Net Position .....	27
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position.....	28
B-6 Statement of Cash Flows .....	29
Fiduciary Funds:	
Not Applicable	
Notes to the Basic Financial Statements .....	30 - 71
 <b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedule	
C-1 Budgetary Comparison Schedule - General Fund .....	72- 76
C-2 Budgetary Comparison Schedule - Special Revenue Fund .....	77

**TABLE OF CONTENTS (Continued)**

**FINANCIAL SECTION (Continued)**

**Page**

**Notes to the Required Supplementary Information - Part II**

C-3 Budgetary Comparison Schedule..... 78

**Required Supplementary Information - Part III**

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

L-1 Schedule of District’s Proportionate Share of Net Pension Liability - PERS ..... 79  
L-2 Schedule of District Contributions - PERS ..... 80  
L-3 Schedule of the District’s Proportionate Share of Net Pension Liability - TPAF ..... 81

**Notes to the Required Supplementary Information - Part III**

L-4 Note to the Required Schedules of Supplementary Information..... 82

M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)

M-1 Schedule of Changes in the District’s Proportionate Share of the State OPEB Liability ..... 83

**Other Supplementary Information**

D. School Based Budget Schedules (if applicable):

D-1 Combining Balance Sheet ..... N/A  
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual..... N/A  
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual..... N/A

E. Special Revenue Fund:

E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis ..... 84  
E-1a Combining Schedule of Revenues and Expenditures - Budgetary Basis ..... 85  
E-1b Combining Schedule of Revenues and Expenditures - Budgetary Basis ..... 86  
E-2 Preschool Education Aid..... N/A

F. Capital Projects Fund:

F-1 Summary Schedule of Project Expenditures ..... 87  
F-1a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status  
Budgetary Basis - Haskell Elementary -Roof Sections B,D,E,F,G ..... 88  
F-1b Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -  
Budgetary Basis - Haskell Elementary Roof-Sections C, and E ..... N/A

**TABLE OF CONTENTS (Continued)**

**FINANCIAL SECTION (Continued)**

**Page**

F.	Capital Projects Fund: (continued)		
	F-2 Summary Schedule of Project Expenditures .....		89
G.	Proprietary Funds:		
	Enterprise Fund:		
	G-1 Combining Statement of Net Position - Food Services.....		90
	G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Food Services.....		91
	G-3 Combining Statement of Cash Flows - Food Services.....		92
	Internal Service Fund:		
	G-4 Combining Statement of Net Position.....		N/A
	G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....		N/A
	G-6 Combining Statement of Cash Flows.....		N/A
H.	Fiduciary Funds:		
		Not Applicable	
I.	Long-Term Debt:		
	I-1 Statement of Bonds Payable .....		93
	I-2 Statement of Obligations under Capital Leases.....		94
	I-3 Budgetary Comparison Schedule - Debt Service Fund .....		95

**STATISTICAL SECTION (Unaudited)**

Introduction to the Statistical Section

**Financial Trends**

J-1	Net Position by Component.....		96
J-2	Changes in Net Position .....		97 - 98
J-3	Fund Balances - Governmental Funds.....		99
J-4	Changes in Fund Balances - Governmental Funds.....		100
J-5	General Fund - Other Local Revenue by Source.....		101

**Revenue Capacity**

J-6	Assessed Value and Actual Value of Taxable Property .....		102
J-7	Direct and Overlapping Property Tax Rates.....		103
J-8	Principal Property Taxpayers .....		104
J-9	Property Tax Levies and Collections.....		105

## TABLE OF CONTENTS (Continued)

### FINANCIAL SECTION (Continued)

**Page**

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type .....	106
J-11	Ratios of Net General Bonded Debt Outstanding.....	107
J-12	Direct and Overlapping Governmental Activities Debt .....	108
J-13	Legal Debt Margin Information .....	109

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics .....	110
J-15	Principal Employers .....	110

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program .....	111
J-17	Operating Statistics.....	112
J-18	School Building Information .....	113
J-19	Schedule of Required Maintenance Expenditures by School Facility.....	114
J-20	Insurance Schedule .....	115

### SINGLE AUDIT SECTION

K-1	Independent Auditor's 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 .....	116 - 117
K-2	Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey's OMB Circular 15-08 .....	118 - 120
K-3	Schedule of Expenditures of Federal Awards, Schedule A.....	121
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B .....	122
K-5	Notes to Schedules of Awards and Financial Assistance.....	123 - 125
K-6	Schedule of Findings and Questioned Costs.....	126 - 128
K-7	Summary Schedule of Prior Year Audit Findings .....	129

## **INTRODUCTORY SECTION**

# WANAQUE PUBLIC SCHOOLS

PATRICK MCQUEENEY  
SUPERINTENDENT OF  
SCHOOLS

NANCY DI BARTOLO  
BUSINESS ADMINISTRATOR/  
BOARD SECRETARY

SAMANTHA NASH  
DIRECTOR OF CURRICULUM,  
INSTRUCTION, & PROFESSIONAL  
DEVELOPMENT

STEVEN SERRA  
DIRECTOR OF  
SPECIAL SERVICES

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February 1, 2022

Ms. Angela Demetriou, President  
Members of the Board of Education  
Wanaque Public School District  
973A Ringwood Avenue  
Haskell, New Jersey 07420

Dear Ms. Demetriou and Members of the Board of Education:

The Comprehensive Annual Financial Report of the School District of the Borough of Wanaque ("District") for the fiscal year ended **June 30, 2021**, 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 District. 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 positions and results of operations of the various funds and account groups of the District. 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: (1) Introductory; (2) Financial; (3) Statistical; and (4) Single Audit. The **Introductory** section includes this transmittal letter, the District's organizational chart and a list of principal officials. The **Financial** section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The **Statistical** section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance and the State Treasury Circular Letter 15-08 OMB, "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 structure and compliance with applicable laws and regulations and findings and recommendations, is included in the **Single Audit** section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in Statement No. 14. All funds and account groups of the District are included in this report. The Wanaque Board of Education and its schools constitute the District's reporting entity.



The District provides a full range of educational services appropriate to grade levels pre-kindergarten through eight, including regular education as well as special education programs. Future enrollment is expected to increase. As of September 2018, we have 899 students on roll. The following details the changes in the student enrollment of the District over the last ten years as of June.

Fiscal Year	Student Enrollment	Percent Change
2020/2021	869	-3.56%
2019/2020	901	1.34%
2018/2019	889	-3.23%
2017/2018	919	-4.17%
2016/2017	959	-0.72%
2015/2016	966	0.21%
2014/2015	964	0.00%
2013/2014	964	-1.43%
2012/2013	978	0.62%
2011/2012	972	1.78%

## 2. ECONOMIC CONDITION AND OUTLOOK

Wanaque Borough is a rural/suburban residential community with its working population primarily employed by local businesses and other businesses in the surrounding area. The 2020 census reported a population in the Borough of 11,835.

While the State has recently developed a consistent, long-range formula for the funding of education, its ability to fully fund these obligations remains in question thus passing the financial burden to the local tax levy.

Although, legislation at both the state and local levels could have a negative impact on the future growth of the Borough and the operations of the District, other factors suggest a more positive outlook, such as;

- The creation of new housing and business developments throughout the community, which are either outside the scope of the Highlands Act or predate it.
- In an effort to curtail rising taxes, the State passed and signed into legislation a 2% cap to the amount that a Board may increase the general fund tax levy.
- Standard & Poors rated the district AA- with a stable outlook based on the following factors:
  - Direct Access to the board employment bases of northern New Jersey and New York City;
  - Stable and very diverse property tax base;
  - Very strong wealth and income compared to national levels; and
  - Moderate debt with limited capital needs.

## 2. MAJOR EVENTS AND INITIATIVES

### Curriculum Initiatives:

For the 2020-21 school year, the Wanaque School District's focus was on providing the best resources, as well as the highest level of social, emotional, and academic support to students and educators, many of whom were virtual or on a hybrid schedule due to the pandemic. This "new" schooling type structure, required educators to have different types of professional learning needs than in years past. Therefore, equipping teachers with digital skills, as well as addressing their mental health and the mental health of students, as well as their unique academic needs, were on the forefront of the 2020-21 school year.

All aspects of district technology were examined to improve efficiency and effectiveness. To that end, the district purchased additional Chromebook carts, to ensure all students had access to technology in their homes. All educators infused Google technology into instruction, as the majority of students were on a hybrid schedule, which required use of technology on their "home" days.

Since 1/3 of our student population chose the virtual-only option, the district purchased specific digital platforms and brought online subscriptions to ensure their success, as well as our virtual educator's success. This included video subscriptions for all K-5 educators of the Units of Study for Writing & Phonics, digital whiteboard subscriptions, Scholastic News subscriptions, a subscription to a math fluency platform, a subscription to Spelling City, and subscriptions to Social Studies topics and current events. These platforms aided in the delivery of instruction, as well as provided the students opportunities to connect and interact with the critical content found in the New Jersey Student Learning Standards.

Due to the restrictions caused by the virus, the district purchased additional copies of print material, such as novels, magazines, workbooks, and in some subjects, textbooks. This allowed students to have their own materials and not have to share, decreasing the chances of spreading the virus.

To address learning gaps caused by the interruption of learning in spring 2020, the district dedicated resources to supporting students in struggling areas. The district continued with purchasing i-Ready Math for grades K-8, a digital platform used for the last four years; however, for this school year, the district also purchased i-Ready ELA for K-8. These two platforms allowed educators to monitor and provide targeted lessons based on needs.

With the district's goal of creating Common Benchmark assessments, we purchased an aspect of LinkIt that contained pre-made questions connected with standards. Educators created a mid-year and end-of-year assessment, connected to the curriculum and specific standards. These will help to identify areas of concern in regards to curriculum or student performance. These assessments will be implemented in the 2021-22 school year.

To address the social emotional needs of students, the district purchased the Social Emotional content from the platform Nearpod. This provides educators with lessons to assist in monitoring our students' mental health and equip them with skills to overcome challenges faced. The district also purchased the resources, *The Ten Habits of Highly Effective Teens* by Sean Covey and *Big Life Journal for Kids* by Alexandra Eidens to support our students in life skills, with an emphasis on managing emotions. Our School Counselors and classroom teachers facilitated lessons.

The district held many in-house workshops, based on needs identified on surveys. Additionally, the district continued its partnership with Jenny Mills, who has helped address the Social Emotional needs of staff, students, and community, the Ready Math consultant to support staff in teaching math digitally, as well as writing consultants.

The Wanaque School District continues to work and plan to shape the future of our children by supporting the acquisition of knowledge in all content areas, the development and application of life-long skills and to prepare them for success in the 21<sup>st</sup> century.

#### **4. INTERNAL ACCOUNTING CONTROLS**

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

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

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

#### **5. BUDGETARY CONTROLS**

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

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

## 6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Note 1, "Notes to the Financial Statements".

Effective July 1, 2008, the District engaged Systems 3000, an integrated management information system designed for New Jersey school districts, to provide its financial accounting, reporting and personnel systems.

## 7. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## 8. RISK MANAGEMENT

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

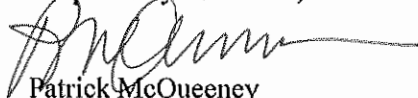
## 9. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkottz & Company, LLC, Certified Public Accountants was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the basic financial statements and specific required supplemental information is 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.

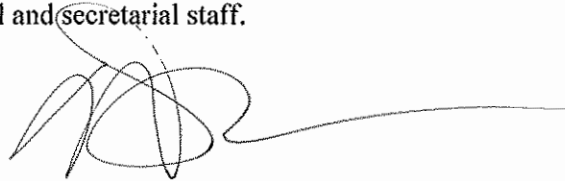
## 10. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Wanaque Board of Education 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 operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative, financial and secretarial staff.

Respectfully submitted,

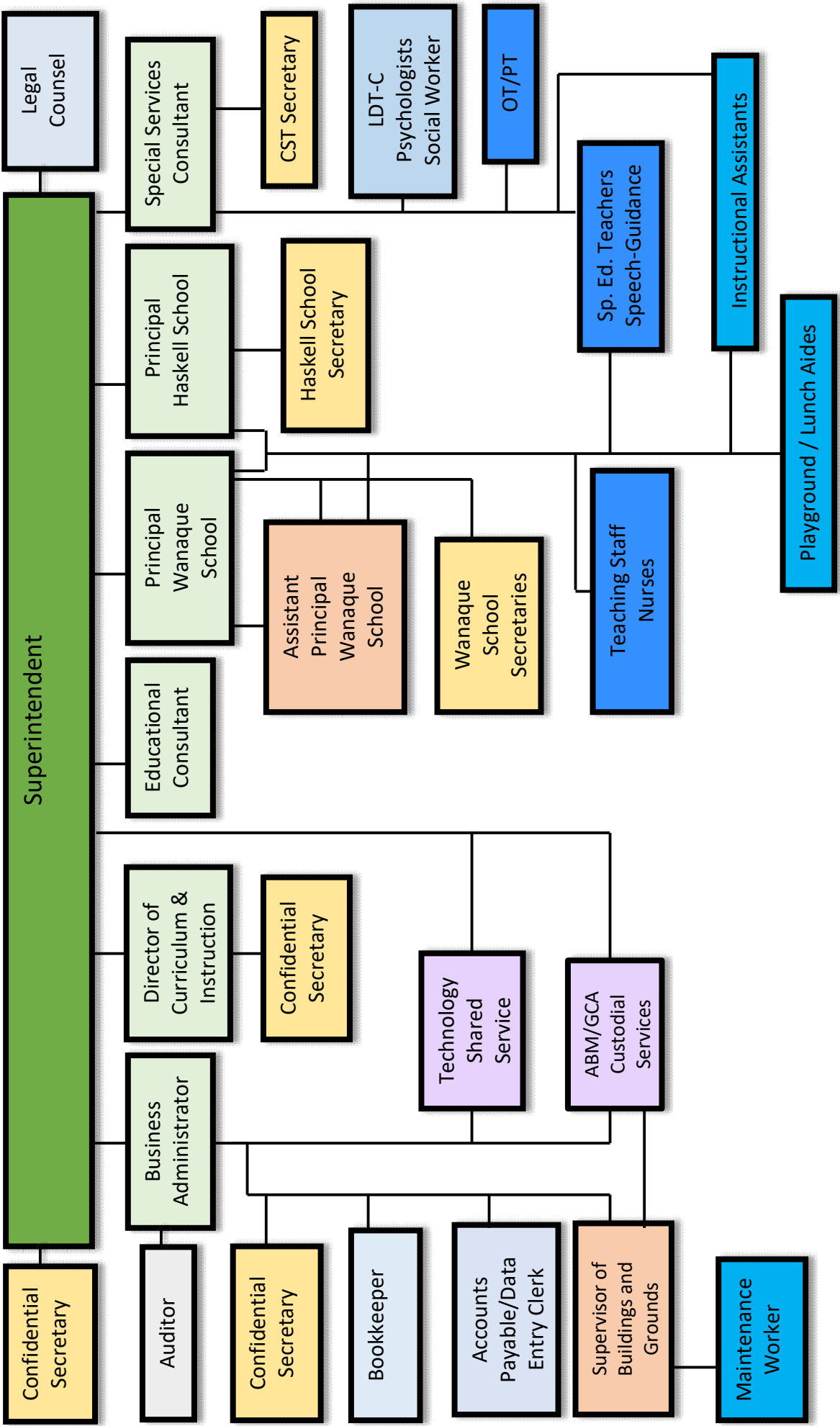


Patrick McQueeney  
Superintendent of Schools



Mrs. Nancy Di Bartolo  
Business Administrator -  
Board Secretary

# WANAQUE BOARD OF EDUCATION



**WANAQUE BOARD OF EDUCATION  
WANAQUE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2021**

Member of the Board of Education

Term Expires

Angela Demetriou, President	December 31, 2021
Nick Camisa, Vice President	December 31, 2022
Robert Barnhardt	December 31, 2021
Carolyn Bruenjjes	December 31, 2023
Barry Hain	December 31, 2023
Richard McFarlane	December 31, 2021
Erika Reid	December 31, 2022
Richard Tully	December 31, 2023
Jason Velante	December 31, 2022

**Interim Superintendent of Schools**

Robert P. Mooney

**Business Administrator/Board Secretary**

Nancy Di Bartolo

**WANAQUE BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Wielkocz & Company, LLC  
100 Enterprise Drive  
Rockaway, New Jersey 07866

**Board Attorney**

Adam S. Weiss  
The Busch Law Group LLC  
450 Main Street  
Metuchen, New Jersey 08840

**Labor Negotiators**

Ari D. Schneider  
The Busch Law Group LLC  
450 Main Street  
Metuchen, New Jersey 08840

**Official Depository**

Lakeland Bank  
Ringwood Avenue  
Wanaque, New Jersey 07465

**FINANCIAL SECTION**





**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
THOMAS M. FERRY, CPA, RMA, PSA

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SUITE 301  
ROCKAWAY, NEW JERSEY 07866  
(973)-835-7900

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and  
Members of the Board of Education  
Wanaque Borough School District  
County of Passaic, New Jersey 07420

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 Board of Education of the Borough of Wanaque School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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 misstatements, 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Wanaque Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Note 1 to the basic financial statements, in fiscal year 2021, the Board adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. As a result, prior year balances were restated (Note 15) to reflect the implementation of this Statement. Our opinions are 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, Schedules Related to Accounting and Reporting for Pensions and Schedules Related to Accounting and Reporting for Other Post-Employment Benefits identified in the table of contents, 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 the 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 Borough of Wanaque Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 and the State of New Jersey, Department of Education, Division of Finance and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 and the State of New Jersey, Department of Education, Division of Finance, are the responsibility of management and were derived from and relates 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 non-major fund financial statements, schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 and the State of New Jersey, Department of Education, Division of Finance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject 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 it.



Honorable President and  
Members of the Board of Education  
Page 4.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2022 on our consideration of the Borough of Wanaque 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 Borough of Wanaque Board of Education's internal control over financial reporting and compliance.

*Thomas M. Ferry*

Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkotz & Company, LLC*

Wielkotz & Company, LLC  
Certified Public Accountants  
Newton, New Jersey

February 2, 2022



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

## **SCHOOL DISTRICT OF THE BOROUGH OF WANAQUE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The discussion and analysis of the Wanaque Public School District's ("District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis ("MD&A") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's ("GASB") Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

#### **Using this Comprehensive Annual Financial Report ("CAFR")**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole. The statements then provide an increasingly detailed look at specific financial activities. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Reporting the District as a Whole**

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

## **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2020/21?” The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the District’s operations are divided into two distinct kinds of activities:

- ◆ Governmental activities – all of the District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – this service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise funds are reported as a business activity.

## **Reporting the District’s Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the District’s major funds. Although the District uses many funds to account for a multitude of financial transactions, these financial statements focus on the District’s most significant funds. These funds include the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The 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 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 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 between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## **Financial Highlights**

Key financial highlights for 2020/21 are as follows:

- ◆ General revenues on the Schedule of Activities (Exhibit A-2) accounted for \$25,452,174 in revenue or 94.71% of all revenues. Program specific revenues in the form of operating grants and charges for services accounted for \$1,422,101 or 5.29% of total revenues of \$26,874,274.
- ◆ The District had \$25,126,827 in expenses related to Governmental Activities and Business-Type Activities; only \$1,422,101 of these expenses were offset by charges for services, grants or contributions. General revenues, comprised primarily of property taxes and federal and state aid in the amounts of \$15,901,461 and \$9,156,344, respectively, were adequate to provide for these programs.
- ◆ Among governmental funds, the General Fund had \$21,724,063 in revenues and other financing sources and \$22,096,781 in expenditures and transfers. As a result, the General Fund's balance decreased \$372,717 over 2020.
- ◆ In the year ended June 30, 2021, the District made scheduled principal and interest payments of \$1,197,900 on the debt issued pursuant to the August 5, 2014 Refunding Bond Sale.



## The District as a Whole

Recall that the Statement of Net Position provides a perspective of the District as a whole. The following provides a summary of the District's net position as of June 30, 2021, as compared to the prior year:

**Table 1**  
**Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Assets:</b>						
Current and Other Assets	4,081,985	2,732,077	275,599	103,876	4,357,584	2,835,953
Capital Assets, Net	<u>15,146,033</u>	<u>14,017,138</u>	<u>60,455</u>	<u>63,466</u>	<u>15,206,488</u>	<u>14,080,605</u>
Total Assets	<u>19,228,018</u>	<u>16,749,215</u>	<u>336,054</u>	<u>167,342</u>	<u>19,564,072</u>	<u>16,916,557</u>
<b>Deferred Outflows</b>						
Deferred Outflows of Resources Related to PERS	<u>1,131,176</u>	<u>1,289,479</u>	—	—	<u>1,131,176</u>	<u>1,289,479</u>
<b>Liabilities:</b>						
Current Liabilities	542,176	685,545	57,864	34,797	600,041	720,342
Noncurrent Liabilities	<u>14,952,082</u>	<u>14,264,268</u>	—	—	<u>14,952,082</u>	<u>14,264,268</u>
Total Liabilities	<u>15,494,259</u>	<u>14,949,813</u>	<u>57,864</u>	<u>34,797</u>	<u>15,552,123</u>	<u>14,984,610</u>
<b>Deferred Inflows</b>						
Deferred Inflows of Resources Related to PERS	<u>1,604,211</u>	<u>1,687,753</u>	—	—	<u>1,604,211</u>	<u>1,687,753</u>
<b>Net Position</b>						
Invested in Capital Assets	4,114,996	3,760,625	60,455	63,466	4,175,451	3,824,091
Restricted	3,115,451	2,275,686			3,115,451	2,275,686
Unrestricted	<u>(3,969,723)</u>	<u>(4,635,183)</u>	<u>217,735</u>	<u>69,079</u>	<u>(3,751,988)</u>	<u>(4,566,105)</u>
Total Net Position	<u>3,260,724</u>	<u>1,401,128</u>	<u>278,189</u>	<u>132,545</u>	<u>3,538,914</u>	<u>1,533,673</u>

The following shows the changes in net position in the fiscal years ended June 30, 2021 and 2020, respectively:

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	24,716	-	6,304	148,656	31,021	148,656
Operating Grants and Contributions	658,595	451,589	732,485	125,404	1,391,080	576,993
<b>General Revenues:</b>						
Taxes:						
Property Taxes	15,901,461	15,550,662			15,901,461	15,550,662
Grants and Entitlements	9,156,344	6,988,342			9,156,344	6,988,342
Other	<u>426,132</u>	<u>323,331</u>	<u>(31,764)</u>	<u>1,332</u>	<u>394,369</u>	<u>324,663</u>
Total Revenues	<u>26,167,248</u>	<u>23,313,924</u>	<u>707,026</u>	<u>275,392</u>	<u>26,874,274</u>	<u>23,589,316</u>
<b>Functions/Programs:</b>						
<b>Instruction</b>	16,303,854	14,357,629	-	-	16,303,854	14,357,629
<b>Support Services:</b>						
Student & Instruction						
Related Services	3,527,685	3,046,242	-	-	3,527,685	3,046,242
Administration, Business and Other Support Services	2,363,345	2,097,109	-	-	2,363,345	2,097,109
Operations and Maintenance of Facilities	1,394,715	1,419,627	-	-	1,394,715	1,419,627
Pupil Transportation	558,299	679,694	-	-	558,299	679,694
Interest on Debt	417,548	448,315	-	-	417,548	448,315
Food Service			<u>561,381</u>	<u>299,902</u>	<u>561,381</u>	<u>299,902</u>
Total Expenditures	<u>24,565,445</u>	<u>22,048,617</u>	<u>561,381</u>	<u>299,902</u>	<u>25,126,827</u>	<u>22,348,519</u>
Increase or (Decrease) In Net Position	<u>1,601,803</u>	<u>1,265,307</u>	<u>145,644</u>	<u>(24,510)</u>	<u>1,747,447</u>	<u>1,240,797</u>

### Governmental Activities

The unique nature of property taxes and school funding in New Jersey creates the need to periodically seek voter approval for District operations. Property taxes made up 60.77% percent of revenues for governmental activities for the District for the fiscal year ended June 30, 2021. Federal, state and local grants accounted for another 34.99%, while the balance came from interest and other sources. The District's total revenues were \$26,167,248 for the fiscal year ended June 30, 2021.

Exhibit A-2, "Statement of Activities", shows the cost of program services and the charges for services and grants offsetting those services, which are summarized below. The net cost reflects the net financial burden that was placed on the District's taxpayers for each of these functions.

	<b>Total cost of services, Year ended June 30,</b>		<b>Net cost of services, Year ended June 30,</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2019</u></b>
Instruction	\$16,303,854	\$14,357,629	\$15,732,699	\$13,992,723
Support services:				
Student and instruction related services	3,527,685	3,046,242	3,415,528	2,959,559
Administration, business and other support services	2,363,345	2,097,109	2,363,345	2,097,109
Operation and maintenance of facilities	1,394,715	1,419,627	1,394,715	1,419,627
Pupil transportation	558,299	679,694	558,299	679,694
Interest on Debt	417,548	448,315	417,548	448,315
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses	<u>\$24,565,445</u>	<u>\$22,048,617</u>	<u>\$23,882,134</u>	<u>\$21,597,028</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

Administrative, business and other support services include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as provided by state law.

### **Business-Type Activities**

Revenues for the District’s Food Service Program were comprised of charges for services and federal and state reimbursements.

- ◆ In the fiscal year ended June 30, 2021, food service revenues exceeded expenses by \$177,311. In the fiscal year ended June 30, 2020, expenditures exceeded revenues by \$24,510.
- ◆ Charges for services represented \$6,304 of revenue in the year ended June 30, 2021, compared to \$148,656 in the prior fiscal year. This represents amounts paid by patrons for daily food services.

## Business-Type Activities (Continued)

- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$732,485 and \$125,404 in the fiscal years ended June 30, 2021 and 2020, respectively.

## The District's Funds

The District's funds are accounted for using a modified accrual basis of accounting. All governmental funds (i.e., general, special revenue and debt service funds presented in the fund-based statements) had total revenues of \$23,605,275, expenditures of \$24,022,605 and \$1,653,597 of other financing sources for the fiscal year ended June 30, 2021.

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 the revenues of governmental funds for the fiscal years ended June 30, 2021 and 2020, respectively:

	Year ended June 30, 2021		Year ended June 30, 2020	
	Amount	% of total	Amount	% of total
Local sources	\$16,313,398	69.11%	\$15,918,913	71.93%
State sources	6,625,777	28.07%	5,786,906	26.15%
Federal sources	<u>666,099</u>	<u>2.82%</u>	<u>425,062</u>	<u>1.92%</u>
Total revenues	<u>\$23,605,275</u>	<u>100.00%</u>	<u>\$22,130,881</u>	<u>100.00%</u>

The following schedule presents a summary of the expenditures of governmental funds for the fiscal years ended June 30, 2021 and 2020, respectively:

	Year ended June 30, 2021		Year ended June 30, 2020	
	Amount	% of total	Amount	% of total
Instruction	\$9,008,620	37.50%	\$8,677,103	40.21%
Support services	12,039,740	50.12%	11,313,707	52.43%
Capital outlay	1,776,345	7.39%	365,880	1.70%
Debt service:				
Principal	770,000	3.21%	765,000	3.54%
Interest	<u>427,900</u>	<u>1.78%</u>	<u>458,600</u>	<u>2.13%</u>
Total expenses	<u>\$24,022,605</u>	<u>100.00%</u>	<u>\$21,580,289</u>	<u>100.00%</u>

## General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is accounted for using a modified accrual basis and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for financial management.

## Capital Assets

At the end of the fiscal year, the District had \$23,092,901 invested in land, construction in progress, buildings, furniture and equipment, and vehicles. The following shows capital asset balances, net of accumulated depreciation, as of June 30, 2021 and 2020, respectively:

	<b>Capital Assets June 30,</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Land	\$47,304	\$ 47,304	\$ -	\$ -	\$47,304	\$ 47,304
Construction In Progress		-	-	-	-	-
Building and Improvements	12,832,969	13,258,221	-	-	12,832,969	13,258,221
Machinery and Equipment	<u>2,265,759</u>	<u>711,613</u>	<u>60,455</u>	<u>63,466</u>	<u>2,326,214</u>	<u>775,709</u>
	<u>\$15,146,033</u>	<u>\$14,017,138</u>	<u>\$60,455</u>	<u>\$70,895</u>	<u>\$15,206,488</u>	<u>\$14,080,605</u>

## Debt Administration

At year end, the district had \$9,375,000 in Bonds Outstanding. A reduction of \$770,000 from last year (more detailed information about the District's Long-Term Liabilities presented in Note 7 to the Basic Financial Statements.)

Other long-term debt includes liabilities for compensated absences of \$606,216 and \$568,332 as of June 30, 2021 and 2020, respectively and lease obligations totaling \$1,656,036 and \$111,513 as of June 30, 2021 and 2020, respectively and net pension liability for PERS of \$3,314,830 and \$3,439,423 as of June 30, 2021 and 2020, respectively.

## **For the Future**

The Wanaque Public School District is presently in good financial condition. Everyone associated with the Wanaque School District is grateful for the community support.

The School Funding and Reform Act (SFRA) was enacted in 2008 and established a statewide, weighted student funding formula. The Funding Formula is being underfunded by the State and the shortfall is thereby absorbed by the taxpayers. A major concern of the District is its increasing reliance on property taxes.

The Wanaque Public School District has committed itself to continue its system of financial planning, budgeting and internal financial controls to meet the challenges of the future.

## **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Administrator/Board Secretary at the Wanaque Board of Education, 973A Ringwood Avenue, Haskell, New Jersey 07420.

# **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**



**WANAQUE BOROUGH SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	1,419,466.38	162,120.36	1,581,586.74
Receivables, net	889,586.85	108,638.16	998,225.01
Inventory	-	4,840.40	4,840.40
Restricted assets:			
Capital reserve account - cash	1,208,431.89	-	1,208,431.89
Maintenance reserve account - cash	564,500.00	-	564,500.00
Capital assets:			
Land	47,304.00	-	47,304.00
Other capital assets, net	15,098,728.69	60,454.81	15,159,183.50
Total Assets	<u>19,228,017.81</u>	<u>336,053.73</u>	<u>19,564,071.54</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred Outflows of Resources Related to PERS	<u>1,131,176.00</u>		<u>1,131,176.00</u>
<b>LIABILITIES</b>			
Accounts payable:			
Other	143,238.52	49,166.60	192,405.12
Related to Pensions	222,756.00	-	222,756.00
Accrued Interest Payable	138,645.83	-	138,645.83
Unearned revenue	37,535.80	8,697.77	46,233.57
Noncurrent liabilities:			
Due within one year	915,214.86	-	915,214.86
Due beyond one year	14,036,867.53	-	14,036,867.53
Total liabilities	<u>15,494,258.54</u>	<u>57,864.37</u>	<u>15,552,122.91</u>
<b>DEFERRED INFLOWS</b>			
Deferred Inflows of Resources Related to PERS	<u>1,604,211.00</u>		<u>1,604,211.00</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	4,114,996.41	60,454.81	4,175,451.22
Restricted for:			
Debt service	1.16	-	1.16
Capital projects	45,070.00	-	45,070.00
Capital reserves	1,208,431.89	-	1,208,431.89
Maintenance reserves	564,500.00	-	564,500.00
Other purposes	1,083,949.24	-	1,083,949.24
Unemployment Compensation	143,101.33	-	143,101.33
Student Activities	70,397.18	-	70,397.18
Unrestricted	<u>(3,969,722.94)</u>	<u>217,734.55</u>	<u>(3,751,988.39)</u>
Total net position	<u><u>3,260,724.27</u></u>	<u><u>278,189.36</u></u>	<u><u>3,538,913.63</u></u>

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

WANAUKE BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
<b>Instruction:</b>							
Regular	5,600,169.71	4,537,265.35	-	571,154.72	(9,566,280.34)	-	(9,566,280.34)
Special education	2,953,481.86	2,374,172.59	-	-	(5,327,654.45)	-	(5,327,654.45)
Other special instruction	384,805.05	255,580.54	-	-	(640,385.59)	-	(640,385.59)
Other instruction	70,163.18	128,215.72	-	-	(198,378.90)	-	(198,378.90)
<b>Support services:</b>							
Tuition	795,845.37	-	-	-	(795,845.37)	-	(795,845.37)
Student & instruction related services	1,735,468.32	996,371.15	24,716.36	87,440.20	(2,619,682.91)	-	(2,619,682.91)
General administrative services	447,194.79	217,663.00	-	-	(664,857.79)	-	(664,857.79)
School administrative service	474,984.20	403,344.37	-	-	(878,328.57)	-	(878,328.57)
Central Services and Admin. Infor. Tech.	486,982.55	333,175.64	-	-	(820,158.19)	-	(820,158.19)
Plant operations and maintenance	1,211,958.17	182,757.18	-	-	(1,394,715.35)	-	(1,394,715.35)
Pupil transportation	558,298.54	-	-	-	(558,298.54)	-	(558,298.54)
Interest on long-term debt	417,547.77	-	-	-	(417,547.77)	-	(417,547.77)
Total governmental activities	15,136,899.51	9,428,545.54	24,716.36	658,594.92	(23,882,133.77)	-	(23,882,133.77)
<b>Business-type activities:</b>							
Food Service	561,381.48	-	6,304.19	732,485.34	-	177,408.05	177,408.05
Total business-type activities	561,381.48	-	6,304.19	732,485.34	-	177,408.05	177,408.05
<b>Total primary government</b>	<b>15,698,280.99</b>		<b>31,020.55</b>	<b>1,391,080.26</b>	<b>(23,882,133.77)</b>	<b>177,408.05</b>	<b>(23,704,725.72)</b>

General revenues:

Taxes:							
Property taxes, levied for general purposes, net					15,110,847.00	-	15,110,847.00
Taxes levied for debt service					790,614.00	-	790,614.00
Federal and State aid not restricted					8,749,057.52	-	8,749,057.52
State Aid - Restricted for Debt Service					407,286.00	-	407,286.00
Tuition Received					330,508.50	-	330,508.50
Transportation Fees from Individuals					6,360.00	-	6,360.00
Interest and Investment Earnings - Unrestricted					10,215.57	283.79	10,499.36
Interest and Investment Earnings - Restricted					318.74	-	318.74
Miscellaneous Income					25,131.97	-	25,131.97
Accounts Payable Cancelled					21,550.00	-	21,550.00
Transfers					32,047.40	(32,047.40)	-
Total general revenues, special items, extraordinary items and transfers					25,483,936.70	(31,763.61)	25,452,173.09
Change in Net Position					1,601,802.93	145,644.44	1,747,447.37
Net Position - July 1					1,401,127.94	132,544.92	1,533,672.86
Prior Period Adjustments					257,793.40	-	257,793.40
Net Position - July 1 (Restated)					1,658,921.34	132,544.92	1,791,466.26
Net Position - June 30					3,260,724.27	278,189.36	3,538,913.63

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

**FUND FINANCIAL STATEMENTS**

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	1,303,998.04	70,397.18	45,070.00	1.16	1,419,466.38
Interfund receivable	65,763.82	-	-	-	65,763.82
Intergovernmental Accounts Receivable - State	691,738.90	-	-	-	691,738.90
Intergovernmental Accounts Receivable - Federal	-	100,879.62	-	-	100,879.62
Other Receivables	96,968.33	-	-	-	96,968.33
Restricted cash and cash equivalents:					
Capital Reserve Account	1,208,431.89	-	-	-	1,208,431.89
Maintenance Reserve Account	564,500.00	-	-	-	564,500.00
Total assets	<u>3,931,400.98</u>	<u>171,276.80</u>	<u>45,070.00</u>	<u>1.16</u>	<u>4,147,748.94</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	75,540.29	30,640.00	-	-	106,180.29
Payroll Deductions and Withholdings Payable	27,668.83	-	-	-	27,668.83
Unemployment Compensation Claims Payable	9,389.40	-	-	-	9,389.40
Interfund payable	-	65,763.82	-	-	65,763.82
Unearned revenue	33,060.00	4,475.80	-	-	37,535.80
Total liabilities	<u>145,658.52</u>	<u>100,879.62</u>	<u>-</u>	<u>-</u>	<u>246,538.14</u>
<b>Fund Balances:</b>					
<b>Assigned to:</b>					
Other Purposes - Encumbrances	71,267.24	-	-	-	71,267.24
<b>Restricted for:</b>					
Capital Projects Fund	-	-	45,070.00	-	45,070.00
Excess Surplus	484,142.00	-	-	-	484,142.00
Excess Surplus Designated for					
Subsequent Year's Expenditures	528,540.00	-	-	-	528,540.00
Capital Reserve Account	1,208,431.89	-	-	-	1,208,431.89
Maintenance Reserve Account	564,500.00	-	-	-	564,500.00
Unemployment Compensation	143,101.33	-	-	-	143,101.33
Student Activities	-	70,397.18	-	-	70,397.18
Debt Service	-	-	-	1.16	1.16
Unassigned	785,760.00	-	-	-	785,760.00
Total fund balances	<u>3,785,742.46</u>	<u>70,397.18</u>	<u>45,070.00</u>	<u>1.16</u>	<u>3,901,210.80</u>
Total liabilities and fund balances	<u>3,931,400.98</u>	<u>171,276.80</u>	<u>45,070.00</u>	<u>1.16</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(138,645.83)
Accounts Payable for subsequent Pension payment is not a payable in the funds	(222,756.00)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,722,793.69 and the accumulated depreciation is \$9,576,761.00.	15,146,032.69
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	1,131,176.00
Deferred Inflows of Resources Related to PERS Pension Liability	(1,604,211.00)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(14,952,082.39)
Net position of governmental activities	<u>\$ 3,260,724.27</u>

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

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	15,110,847.00	-	-	790,614.00	15,901,461.00
Tuition - Other LEA Within The State	37,026.00	-	-	-	37,026.00
Tuition - From Other Sources	293,482.50	-	-	-	293,482.50
Transportation Fees form Individuals	6,360.00	-	-	-	6,360.00
Interest Earned on Capital Reserve Funds	1,022.89	-	-	-	1,022.89
Interest on Investments	9,192.68	-	-	-	9,192.68
Other Restricted Miscellaneous Revenues	318.74	*	-	-	318.74
Unrestricted Miscellaneous Revenues	25,131.97	39,402.66	-	-	64,534.63
<b>Total - Local Sources</b>	<b>15,483,381.78</b>	<b>39,402.66</b>	<b>-</b>	<b>790,614.00</b>	<b>16,313,398.44</b>
State sources	6,218,491.10	-	-	407,286.00	6,625,777.10
Federal sources	22,190.42	643,908.62	-	-	666,099.04
<b>Total revenues</b>	<b>21,724,063.30</b>	<b>683,311.28</b>	<b>-</b>	<b>1,197,900.00</b>	<b>23,605,274.58</b>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	5,029,014.99	571,154.72	-	-	5,600,169.71
Special education instruction	2,953,481.86	-	-	-	2,953,481.86
Other special instruction	384,805.05	-	-	-	384,805.05
Other instruction	70,163.18	-	-	-	70,163.18
Support services and undistributed costs:					
Tuition	795,845.37	-	-	-	795,845.37
Student & instruction related services	1,578,698.13	156,770.19	***	-	1,735,468.32
General administrative services	447,194.79	-	-	-	447,194.79
School administrative services	474,984.20	-	-	-	474,984.20
Central Services and administrative Info. Tech.	542,459.58	-	-	-	542,459.58
Plant operations and maintenance	1,211,958.17	-	-	-	1,211,958.17
Pupil transportation	558,298.54	-	-	-	558,298.54
Unallocated employee benefits	6,273,531.39	-	-	-	6,273,531.39
Debt Service:					
Principal	-	-	-	770,000.00	770,000.00
Interest and other charges	-	-	-	427,900.00	427,900.00
Capital outlay	1,776,345.25	-	-	-	1,776,345.25
<b>Total expenditures</b>	<b>22,096,780.50</b>	<b>727,924.91</b>	<b>-</b>	<b>1,197,900.00</b>	<b>24,022,605.41</b>
Excess (Deficiency) of revenues over expenditures	(372,717.20)	(44,613.63)	-	-	(417,330.83)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers In	32,047.40	-	-	-	32,047.40
Accounts Payable Cancelled	-	-	21,550.00	-	21,550.00
Capital Leases (non-budgeted)	1,600,000.00	-	-	-	1,600,000.00
<b>Total other financing sources and uses</b>	<b>1,632,047.40</b>	<b>-</b>	<b>21,550.00</b>	<b>-</b>	<b>1,653,597.40</b>
<b>Net change in fund balances</b>	<b>1,259,330.20</b>	<b>(44,613.63)</b>	<b>21,550.00</b>	<b>-</b>	<b>1,236,266.57</b>
Fund balance—July 1	2,383,629.67	-	23,520.00	1.16	2,407,150.83
Prior Period Adjustments	142,782.59	**** 115,010.81	***** -	-	257,793.40
Fund balance—July 1, Restated	2,526,412.26	115,010.81	23,520.00	1.16	2,664,944.23
Fund balance—June 30	3,785,742.46	70,397.18	45,070.00	1.16	3,901,210.80

\* Includes interest earnings on the Unemployment Compensation Bank Account.

\*\* Special Revenue Fund now includes revenues from student activities.

\*\*\* Special Revenue Fund now includes expenditures from student activities.

\*\*\*\* Unemployment Fund Net Position as of June 30, 2020.

\*\*\*\*\* Student Activity Fund Net Position as of June 30, 2020.

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

**WANAQUE BOROUGH SCHOOL DISTRICT  
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, 2021**

Total net change in fund balances - governmental funds (from B-2) 1,236,266.57

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, on 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 outlays exceeded depreciation in the current fiscal year.

	Depreciation expense	\$ (647,451.00)	
	Capital outlay	<u>1,776,345.25</u>	1,128,894.25

In the statement of activities, certain operating expenses, e.g., compensated absences 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

	(Increase)/Decrease in Compensated Absences Payable		(37,884.15)
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Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt

	Capital lease proceeds		(1,600,000.00)
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Repayment of long-term debt is reported as an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

	Principal Payments on Capital Leases	55,477.03
	Principal Payments on Bond Payables	770,000.00

District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's reporting date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

	District Pension Contributions	222,369.00	
	Less: Pension Expense	<u>(183,672.00)</u>	
	(Increase)/Decrease in Pension Expense		38,697.00

Per GASB No. 68 Non-employer contributing entities are required to record an increase in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

	Increase in On-behalf State Aid TPAF Pension	835,588.00
	Increase in On-behalf TPAF Pension Expense	(835,588.00)

Per GASB No. 75 Non-employer contributing entities are required to record an increase in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	1,672,788.00
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(1,672,788.00)

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. The change in accrued interest is a (increase), decrease in the reconciliation.

	<u>10,352.23</u>
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Change in net position of governmental activities

	<u>1,601,802.93</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**WANAQUE BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>
	<b>Food Service</b>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	162,120.36
Intergovernmental receivables:	
State Aid	2,900.63
Federal Aid	105,737.53
Inventories	4,840.40
Total current assets	275,598.92
FIXED ASSETS:	
Furniture, machinery & equipment	141,561.81
Less accumulated depreciation	(81,107.00)
Total fixed assets	60,454.81
TOTAL ASSETS	336,053.73
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Accounts payable	49,166.60
Unearned Revenue:	
Prepaid Sales	8,697.77
Total current liabilities	57,864.37
TOTAL CURRENT LIABILITIES	57,864.37
NET POSITION	
Invested in capital assets net of	
Related debt	60,454.81
Unrestricted	217,734.55
Total net position	278,189.36
TOTAL NET POSITION	278,189.36
TOTAL LIABILITIES AND NET POSITION	336,053.73

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

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Food Service</b>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	774.49
Daily sales - non-reimbursable programs	115.00
Special functions	5,414.70
Total operating revenues	6,304.19
Operating expenses:	
Cost of sales reimbursable	191,111.00
Cost of sales- non-reimbursable	54,712.71
Salaries	157,235.06
Employee benefits	30,263.14
Fixed Price Contract with Food Service Company	(1) 56,597.65
Purchased services	5,172.81
Management Fees	17,399.70
Insurance	22,948.35
General supplies	15,501.28
Depreciation	4,962.00
Office Expense	1,298.44
Repairs	3,659.19
Miscellaneous	520.15
Total operating expenses	561,381.48
Operating loss	(555,077.29)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	17,310.71
Federal sources:	
National school lunch program	421,251.44
National school breakfast program	241,838.98
Food distribution program	52,084.21
Interest	283.79
Total nonoperating revenues (expenses)	732,769.13
Net income (loss) before operating transfers	177,691.84
Operating transfer out - General Fund	32,047.40
Change in net position	145,644.44
Total Net Position - Beginning of Year	132,544.92
Total net position—ending	278,189.36

(1) Fixed Price Contract was in effect for the Month of September 2020.

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



**WANAQUE BOROUGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Business-type Activities - Enterprise Funds Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	5,414.70
Payments to employees for services	(157,235.06)
Payments to suppliers for goods and services	(371,735.93)
Net cash used for operating activities	<u>(523,556.29)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	14,476.36
Federal Sources	616,130.30
Net cash provided by (used for) non-capital financing activities	<u>630,606.66</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of equipment	(1,950.50)
Net cash provided by (used for) capital and related financing activities	<u>(1,950.50)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on cash equivalents	283.79
Net cash provided by (used for) investing activities	<u>283.79</u>
Net increase (decrease) in cash and cash equivalents	105,383.66
Operating Transfer Out - General fund	(32,047.40)
Balances—beginning of year	<u>88,784.10</u>
Balances—end of year	<u><u>162,120.36</u></u>
Reconciliation of operating income (loss) to net cash (used for) by operating activities:	
Operating loss	(555,077.29)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	4,962.00
(Increase)/decrease in inventory	3,491.67
Increase/(decrease) in accounts payable	23,956.82
(Increase) decrease in deferred revenue	(889.49)
Total adjustments	<u>31,521.00</u>
Net cash provided by (used for) operating activities	<u><u>(523,556.29)</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board of Education (“Board”) of the Borough of Wanaque School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Wanaque School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. 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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school and a middle school, located in the Borough of Wanaque. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the Borough of Wanaque School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board’s accounting policies are described below.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**A. Basis of Presentation**

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**District-wide Financial Statements**

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

**B. Measurement Focus**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses)

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Fund Financial Statements** (continued)

of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements,

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Revenues - Exchange and Non-exchange Transactions** (continued)

in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did make a material supplemental budgetary appropriation during the fiscal year, \$179,000 for capital outlay.

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 the one or more June state aid payments for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.



**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Budgets/Budgetary Control** (continued)

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.

**E. Encumbrances**

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 reservations of 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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**F. Cash, Cash Equivalents and Investments** (continued)

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**G. Tuition Revenues/Receivable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**H. Tuition Payable**

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**I. Inventories**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**K. Short-Term Interfund Receivables/Payables**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund" receivables/payables. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**L. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Building and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**M. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**N. Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**O. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**P. Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension 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. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB 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.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**P. Accounting and Financial Reporting for Pensions** (continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**Q. 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. Currently, the District has only one item that qualifies for reporting in this category, which is deferred amounts related to pensions.

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 District has one item that qualifies in this category, deferred amounts related to pension.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**R. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

**Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

**Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

**Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**S. Net Position**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**T. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**V. Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, medical and dental benefits and TPAF on-behalf contributions were allocated based on salaries of that program. Changes in compensating absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**W. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**X. New Accounting Standards:**

During fiscal year 2021, the District adopted the following GASB Statement:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

**Borough of Wanaque School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**X. New Accounting Standards:** (continued)

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

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However, GASB Statement No. 95 postponed the implementation of this statement by one year due to the COVID-19 pandemic.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However, GASB Statement No. 95 postponed the implementation of this statement by one year due to the COVID-19 pandemic.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.



**Borough of Wanaque School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**X. New Accounting Standards:** (continued)

GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However, GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$-0- of the District's bank balance of \$3,676,585.36 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The district places no limit on the amount the District may invest in any one issuer.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2021 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Activities</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$691,738.90	\$2,900.63	\$694,639.53
Federal Aid	100,879.62	105,737.53	206,617.15
Other	96,968.33		96,968.33
Interfunds	<u>65,763.82</u>		
Gross Receivables	955,350.67	108,638.16	998,225.01
Less Allowance for Uncollectables			
Total Receivables Net	<u><u>\$955,350.67</u></u>	<u><u>\$108,638.16</u></u>	<u><u>\$998,225.01</u></u>

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2021 consist of the following:

Due to General Fund from Special Revenue Fund for short term loans.	<u>\$65,763.82</u>
	<u>\$65,763.82</u>

It is anticipated that all interfunds will be liquidated within the fiscal year.

The General Fund is owed \$65,763.82 from the Special Revenue Fund for a cash deficit which will be reimbursed when grant money is received from federal grantors.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance 6/30/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/21</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated				
Land	47,304.00			47,304.00
Construction in Progress	_____	_____	_____	_____
Total Capital assets not being Depreciated	<u>47,304.00</u>	_____	_____	<u>47,304.00</u>
Capital Assets Being Depreciated				
Building and Building Improvements	21,245,278.31			21,245,278.31
Machinery and Equipment	<u>1,800,319.13</u>	<u>1,776,345.25</u>	<u>(146,453.00)</u>	<u>3,430,211.38</u>
Total Capital Assets Being Depreciated	<u>23,045,597.44</u>	<u>1,776,345.25</u>	<u>(146,453.00)</u>	<u>24,675,489.69</u>
Less Accumulated Depreciation:				
Building and Improvements	(7,987,057.00)	(425,252.00)		(8,412,309.00)
Machinery and Equipment	<u>(1,088,706.00)</u>	<u>(222,199.00)</u>	<u>146,453.00</u>	<u>(1,164,452.00)</u>
Total Accumulated Depreciation	<u>(9,075,763.00)</u>	<u>(647,451.00)</u>	<u>146,453.00</u>	<u>(9,576,761.00)</u>
Total Capital Assets, Being Depreciated, Net of accumulated depreciation	<u>13,969,834.44</u>	<u>1,128,894.25</u>	_____	<u>15,098,728.69</u>
	_____	_____	_____	_____
Governmental Activities, Capital Assets, Net	<u>14,017,138.44</u>	<u>1,128,894.25</u>	_____	<u>15,146,032.69</u>
<b>Business-Type Activity</b>				
Equipment	139,611.31	1,950.50		141,561.81
Less accumulated depreciation for: Equipment	<u>(76,145.00)</u>	<u>(4,962.00)</u>	_____	<u>(81,107.00)</u>
Business-Type Activity Capital Assets, Net	<u>63,466.31</u>	<u>(3,011.50)</u>	_____	<u>60,454.81</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 6. CAPITAL ASSETS** (continued)

Depreciation expense was charged to functions as follows:

Instruction:

Regular Education	\$536,621.43
Student and Instruction Related Services	26,389.06
School Administration	16,861.34
General Administration	19,369.72
Plant Operations and Maintenance	<u>48,209.45</u>
 Total Depreciation Expense	 <u>\$647,451.00</u>

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the fiscal year ended June 30, 2021 are as follows:

	Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>June 30, 2021</u>	Due Within <u>One Year</u>	Long-Term <u>Portion</u>
Capital Lease payable	\$ 111,513.31	1,600,000.00	(55,477.03)	1,656,036.28	130,214.86	1,525,821.42
Liability-PERS	3,439,423.00		(124,593.00)	3,314,830.00		3,314,830.00
Compensated Absences payable	568,331.96 (1)	37,884.15		606,216.11		606,216.11
Bonds Payable	<u>10,145,000.00</u>	<u>                    </u>	<u>(770,000.00)</u>	<u>9,375,000.00</u>	<u>785,000.00</u>	<u>8,590,000.00</u>
	<u>\$14,264,268.27</u>	<u>\$1,637,884.15</u>	<u>\$950,070.00</u>	<u>\$14,952,082.39</u>	<u>\$915,214.86</u>	<u>\$14,036,867.53</u>

(1) Net of days allowed and days used.

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

Bonds are authorized in accordance with State Law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are General Obligation Bonds.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY** (continued)

A. Bonds Payable (continued):

Outstanding Bonds Payable at June 30, 2021 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance at June 30, 2021</u>
2015 Refunding Bonds	8/26/15	12,430,000.00	2.000 - 5.000%	9/01/2016	<u>\$9,375,000.00</u>

Principal and interest due on Serial Bonds Outstanding is as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$785,000.00	\$392,875.00	\$1,177,875.00
2023	800,000.00	353,250.00	1,153,250.00
2024	815,000.00	312,875.00	1,127,875.00
2025	835,000.00	271,625.00	1,106,625.00
2026	850,000.00	229,500.00	1,079,500.00
2027-2031	4,440,000.00	554,637.50	4,994,637.50
2032	<u>850,000.00</u>	<u>14,875.00</u>	<u>864,875.00</u>
	<u>\$9,375,000.00</u>	<u>\$2,129,637.50</u>	<u>\$11,504,637.50</u>

B. Capital Leases

The District is leasing technology equipment totaling \$56,036.28. Additionally, on December 15, 2020 the district financed the acquisition and installation of boilers, LED lighting, unit ventilator, weather treatment, transformer, vending machine and control equipment including design, financing and relative costs in the amount of \$1,160,000.00.

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2021:

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY** (continued)

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$167,237.35
2023	161,004.35
2024	123,216.35
2025	125,473.34
2026	127,777.34
2027-2031	590,151.74
2032-2036	<u>655,343.73</u>
Total Minimum Lease Payments	1,950,204.20
Less: Amount representing interest	<u>(294,167.92)</u>
Present Value of net minimum lease payments	<u><u>\$1,656,036.28</u></u>

The general fund will be used to liquidate the capital leases.

B. Capital Leases (continued):

Maturities of capital leases payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$130,214.86
2023	127,474.12
2024	93,151.88
2025	97,411.64
2026	101,809.99
2027-2031	491,414.48
2032-2036	<u>614,559.31</u>
	<u><u>\$1,656,036.28</u></u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at:  
[http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**Teachers' Pension and Annuity Fund (TPAF)** (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**Public Employees' Retirement System (PERS)**(continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

Defined Contribution Retirement Program (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/21	\$222,369.00	\$1,875.18
6/30/20	185,673.00	4,106.45
6/30/19	176,824.00	2,600.39

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTD Liability</u>
6/30/21	\$2,248,171.00	\$717,947.00	\$42,774.00	\$1,767.00
6/30/20	1,674,747.00	632,437.00	30,018.00	1,836.00
6/30/19	1,461,648.00	676,880.00	30,596.00	2,104.00

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$606,549.10 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68**

**Public Employees Retirement System (PERS)**

At June 30, 2021 the District had a liability of \$3,314,830.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, 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 proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the District's proportion was 0.0203271712 percent, which was an increase of 0.0000123886 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$183,672.00. At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 60,358.00	\$ 11,723.00
Changes of assumptions	107,537.00	1,387,951.00
Net difference between projected and actual earnings on pension plan investments	113,304.00	
Changes in proportion	627,221.00	204,537.00
District contributions subsequent to the measurement date	<u>222,756.00</u>	<u>                    </u>
Total	<u>\$1,131,176.00</u>	<u>\$1,604,211.00</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

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

The \$222,756.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(415,951.00)
2022	(379,220.00)
2023	(216,715.00)
2024	(87,636.00)
2025	(18,954.00)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
District s Proportion	0.0203271712%	0.0190883070%

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-  
WIDE STATEMENTS PER - GASB NO. 68, (continued)**

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

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00%

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-  
WIDE STATEMENTS PER - GASB NO. 68, (continued)**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-  
WIDE STATEMENTS PER - GASB NO. 68, (continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2020</u>		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$4,205,631.00	\$3,314,830.00	\$2,607,145.00



**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-  
WIDE STATEMENTS PER - GASB NO. 68, (continued)**

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

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Teachers Pensions and Annuity Fund (TPAF)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2021 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>50,278,528.00</u>
	<u>\$50,278,578.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2020. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the proportion of the TPAF net pension liability associated with the District was 0.0763545125%.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

**Teachers Pensions and Annuity Fund (TPAF) (continued)**

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$3,126,533.00 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75-5.65% (based on years of service)
Investment Rate of Return	7.00%

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with an 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and a 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

**Teachers Pensions and Annuity Fund (TPAF) (continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

**Teachers Pensions and Annuity Fund (TPAF) (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 78% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**NOTE 9. POST EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) 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 employer 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. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 9. POST EMPLOYMENT BENEFITS (continued)**

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have decreased with Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new medicare advantage contracts. The Fiscal Year 2021 Appropriations Act includes \$1.775 billion as the State's contribution to fund “pay-as-you-go” PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices OPEB>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2020 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>42,118,176.00</u>
	<u>\$42,118,176.00</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<b><u>TPAF/ABP</u></b>	<b><u>PERS</u></b>
Salary increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

***(a) Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

***(b) Discount Rate***

The discount rate for June 30, 2019 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

***Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate***

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

***Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates***

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,390,735 for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Wanaque School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 10. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Metlife	Financial Resource & Retirement Advisory, Inc.
The Equitable	Syracusa Benefits Program
Lincoln Financial Group	AIH Valic

**NOTE 11. RISK MANAGEMENT**

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - 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 table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	318.74	16,806.88	16,806.88	143,101.33
2019-2020	26,427.21	16,893.01	18,218.75	142,782.59
2018-2019	2,016.44	16,449.03	6,650.56	117,681.12



**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 12. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Wanaque Board of Education by inclusion of \$100.00 on October 10, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfers 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. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$773,700.00
Interest earned	1,022.89
Deposit per Board Resolution	612,709.00
Budgeted withdrawal	<u>(179,000.00)</u>
Ending balance June 30, 2021	<u>\$1,208,431.89</u>

The balance in the capital reserve account at June 30, 2021 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

**NOTE 13. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Board of Education resolution adopted on June 23, 2009 in the amount of \$25,000.00. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A. 18A:7G-9*). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 13. MAINTENANCE RESERVE ACCOUNT, (continued)**

The activity of the maintenance reserve account for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$464,500.00
Deposit per Board resolution	<u>100,000.00</u>
 Ending balance, June 30, 2021	 <u>\$564,500.00</u>

**NOTE 14. INVENTORY**

Inventory on the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$3,756.82
Supplies	<u>1,083.58</u>
	<u>\$4,840.40</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as unearned revenue.

**NOTE 15. RESTATEMENT**

Net position for June 30, 2020 was restated to reflect the reclassification of the Unemployment Trust Fund net position from the Fiduciary Fund to the General Fund and reclassification of the Student Activity Fund to the Special Revenue Fund as per Governmental Accounting Standards Board ("GASB") number 84. This resulted in restatement of net position and/or fund balance as of June 30, 2020 as follows:

	Governmental <u>Activities</u>	General <u>Fund</u>	Special <u>Revenue Fund</u>	Fiduciary <u>Fund</u>
Net Position/Fund Balance at June 30, 2020	\$2,407,150.83	\$2,383,629.67	\$ -0-	\$142,782.59
Prior Period Adjustment for Implementation of GASB #84	<u>257,793.40</u>	<u>142,782.59</u>	<u>115,010.81</u>	<u>(142,782.59)</u>
Net Position/Fund Balance at June 30, 2020 - Restated	<u>\$2,664,944.23</u>	<u>\$2,526,412.26</u>	<u>\$115,010.81</u>	<u>\$0.00</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with *N.J.S.A.* 18A:7F-7, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The excess fund balance at June 30, 2021 is \$1,012,682.00, of this amount \$484,142.00 is the result of current year's operations.

**NOTE 17. FUND BALANCE APPROPRIATED**

**General Fund (B-1)** - Of the \$3,785,742.46 General Fund fund balance at June 30, 2021, \$71,267.24 is reserved for encumbrances, \$1,012,682.00 is reserved as excess surplus in accordance with *N.J.S.A.* 18A:7F-7, \$528,540.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$1,208,431.89 has been reserved in the Capital Reserve Account; \$143,101.33 has been reserved in the unemployment compensation account; \$564,500.00 has been reserved in the Maintenance Reserve Account; and \$785,760.00 is unreserved and undesignated.

**Debt Service Fund** - \$1.16 is unreserved and undesignated.

**NOTE 18. CONTINGENT LIABILITIES**

**Grant Programs** - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Litigation** – Counsel has advised us of the following: “We are currently aware of one (1) matter constituting “threatened litigation” against the board – i.e., notice of tort claim.” “It’s our understanding that the board has planned its liability insurance carrier on notice of its receipt of notice of tort claim.” Board attorneys are aware of other claims but did not give any detail regarding the potential liability to the board in their letter.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 19. OTHER MATTERS**

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. During the year, the District has received grants from the federal government for increase expenditures related to the COVID-19 pandemic. The Board will continue to monitor the situation closely.

**NOTE 20. SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through February 2, 2022, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	15,110,847.00	-	15,110,847.00	15,110,847.00	-
Tuition From Other LEA's Within the State	-	-	-	37,026.00	37,026.00
Tuition From Other Sources	100,000.00	-	100,000.00	293,482.50	193,482.50
Subscription Busing	7,101.00	-	7,101.00	6,360.00	(741.00)
Interest Earned on Capital Reserve Funds	1,500.00	-	1,500.00	1,022.89	(477.11)
Interest on Investments	-	-	-	9,192.68	9,192.68
Restricted Miscellaneous Revenues	-	-	-	318.74	318.74
Unrestricted Miscellaneous Revenues	50,000.00	-	50,000.00	25,131.97	(24,868.03)
Total - Local Sources	<u>15,269,448.00</u>	<u>-</u>	<u>15,269,448.00</u>	<u>15,483,381.78</u>	<u>213,933.78</u>
State Sources:					
Categorical Transportation Aid	11,642.00	-	11,642.00	11,642.00	-
Categorical Special Education Aid	547,530.00	-	547,530.00	547,530.00	-
Equalization Aid	1,433,461.00	-	1,433,461.00	1,433,461.00	-
Categorical Security Aid	23,490.00	-	23,490.00	23,490.00	-
Extraordinary Aid	250,000.00	-	250,000.00	535,929.00	285,929.00
Non Public Transportation Aid	-	-	-	13,340.00	13,340.00
On-behalf TPAF Pension (non-budgeted)	-	-	-	2,248,171.00	2,248,171.00
On-behalf TPAF LTDI Contribution (non-budget)	-	-	-	1,767.00	1,767.00
On-behalf TPAF NCGI Premium (non-budget)	-	-	-	42,774.00	42,774.00
On-behalf TPAF Post Retirement Medical (non-budget)	-	-	-	717,947.00	717,947.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	606,549.10	606,549.10
Total State Sources	<u>2,266,123.00</u>	<u>-</u>	<u>2,266,123.00</u>	<u>6,182,600.10</u>	<u>3,916,477.10</u>
Federal Sources:					
Medicaid Reimbursements	21,842.00	-	21,842.00	22,190.42	348.42
Total Federal Sources	<u>21,842.00</u>	<u>-</u>	<u>21,842.00</u>	<u>22,190.42</u>	<u>348.42</u>
Total Revenues	<u>17,557,413.00</u>	<u>-</u>	<u>17,557,413.00</u>	<u>21,688,172.30</u>	<u>4,130,759.30</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	66,332.00	11.70	66,343.70	65,719.60	624.10
Kindergarten - Salaries of Teachers	460,669.00	89,560.51	550,229.51	548,659.51	1,570.00
Grades 1-5 - Salaries of Teachers	2,423,406.00	(134,909.35)	2,288,496.65	2,231,588.82	56,907.83
Grades 6-8 - Salaries of Teachers	1,828,887.00	132,437.37	1,961,324.37	1,913,681.43	47,642.94
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000.00	-	2,000.00	-	2,000.00
Other Purchased Services (400-500 series)	500.00	-	500.00	-	500.00
General Supplies	500.00	-	500.00	-	500.00
Regular Programs - Undistributed Instruction					
Other Purchased Services (400-500 series)	97,400.00	-	97,400.00	92,524.87	4,875.13
General Supplies	83,663.28	(1,050.00)	82,613.28	78,419.84	4,193.44
Textbooks	100,134.00	1,050.00	101,184.00	97,931.42	3,252.58
Other Objects	1,000.00	(100.00)	900.00	489.50	410.50
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,064,491.28</u>	<u>87,000.23</u>	<u>5,151,491.51</u>	<u>5,029,014.99</u>	<u>122,476.52</u>
Learning and/or Language Disabilities Mild or Moderate:					
Salaries of Teachers	351,551.00	115,513.80	467,064.80	467,064.80	-
Other Salaries for Instruction	102,951.00	(31,628.47)	71,322.53	71,322.53	-
General Supplies	1,250.00	-	1,250.00	367.70	882.30
Total Learning and/or Language Disabilities	<u>455,752.00</u>	<u>83,885.33</u>	<u>539,637.33</u>	<u>538,755.03</u>	<u>882.30</u>
Behavioral Disabilities:					
Salaries of Teachers	164,406.00	(883.92)	163,522.08	163,522.08	-
Other Salaries for Instruction	101,951.00	(37,648.70)	64,302.30	64,302.30	-
General Supplies	500.00	-	500.00	255.99	244.01
Total Behavioral Disabilities	<u>266,857.00</u>	<u>(38,532.62)</u>	<u>228,324.38</u>	<u>228,080.37</u>	<u>244.01</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,374,989.00	(318,391.79)	1,056,597.21	1,040,359.14	16,238.07
Other Salaries for Instruction	306,353.00	169,859.12	476,212.12	476,212.12	-
General Supplies	4,261.22	-	4,261.22	2,014.87	2,246.35
Total Resource Room/Resource Center	<u>1,685,603.22</u>	<u>(148,532.67)</u>	<u>1,537,070.55</u>	<u>1,518,586.13</u>	<u>18,484.42</u>
Autism:					
Salaries of Teachers	206,648.00	11,571.38	218,219.38	218,219.38	-
Other Salaries for Instruction	68,134.00	32,909.26	101,043.26	101,043.26	-
General Supplies	500.00	-	500.00	282.42	217.58
Total Autism	<u>275,282.00</u>	<u>44,480.64</u>	<u>319,762.64</u>	<u>319,545.06</u>	<u>217.58</u>

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	90,142.00	752.80	90,894.80	90,894.80	-
Other Salaries for Instruction	67,134.00	-	67,134.00	67,134.00	-
General Supplies	1,000.00	-	1,000.00	893.12	106.88
Total Preschool Disabilities - Part-Time	158,276.00	752.80	159,028.80	158,921.92	106.88
Preschool Disabilities - Full-Time:					
Salaries of Teachers	118,590.00	(683.00)	117,907.00	107,394.85	10,512.15
Other Salaries for Instruction	67,134.00	-	67,134.00	53,977.59	13,156.41
General supplies	1,000.00	-	1,000.00	693.91	
Total Preschool Disabilities - Full-Time	186,724.00	(683.00)	186,041.00	162,066.35	23,668.56
Home Instruction:					
Salaries of Teachers	12,500.00	13,027.00	25,527.00	25,527.00	-
Purchased prof. - ed Services	-	2,000.00	2,000.00	2,000.00	-
Other Purchased Services (400-500 series)	250.00	-	250.00	-	250.00
Total Home Instruction:	12,750.00	15,027.00	27,777.00	27,527.00	250.00
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,041,244.22	(43,602.52)	2,997,641.70	2,953,481.86	43,853.75
Basic Skills/Remedial - Instruction					
Salaries of Teachers	366,095.00	(34,366.21)	331,728.79	299,871.00	31,857.79
General Supplies	1,250.00	-	1,250.00	403.66	846.34
Total Basic Skills/Remedial - Instruction	367,345.00	(34,366.21)	332,978.79	300,274.66	32,704.13
Bilingual Education - Instruction					
Salaries of Teachers	84,250.00	-	84,250.00	84,250.00	-
General Supplies	250.00	100.00	350.00	280.39	69.61
Total Bilingual Education - Instruction	84,500.00	100.00	84,600.00	84,530.39	69.61
School-Spon. Co/Extra Curr. Actvts. - Inst					
Salaries	75,000.00	-	75,000.00	20,175.06	54,824.94
Supplies and Materials	375.00	-	375.00	-	375.00
Total School-Spon. Co/Extra Curr. Actvts. - Inst	75,375.00	-	75,375.00	20,175.06	55,199.94
Before/After School Program - Instruction:					
Salaries of Teachers	20,000.00	-	20,000.00	9,585.00	10,415.00
Total Before/After School Program - Instruction:	20,000.00	-	20,000.00	9,585.00	10,415.00
Summer School - Instruction					
Salaries of Teachers	57,780.00	(9,900.00)	47,880.00	31,024.62	16,855.38
Other Salaries of Instruction	20,250.00	-	20,250.00	5,400.00	14,850.00
Total Summer School - Instruction	78,030.00	(9,900.00)	68,130.00	36,424.62	31,705.38
Summer School - Support Svcs					
Purchased Professional and Technical Services	4,471.00	-	4,471.00	3,978.50	492.50
Total Summer School - Support Svcs	4,471.00	-	4,471.00	3,978.50	492.50
Total Instruction	8,735,456.50	(768.50)	8,734,688.00	8,437,465.08	296,916.83
Undistributed Expenditures - Instruction (Tuition)					
Tuition to Other LEAS Within the State - Regular	72,646.00	-	72,646.00	29,519.26	43,126.74
Tuition to Other LEAS Within the State - Special	74,600.00	(39,000.00)	35,600.00	27,113.00	8,487.00
Tuition to Priv.Sch. For the Disabled W/I State	751,324.00	39,000.00	790,324.00	739,213.11	51,110.89
Total Undistributed Expenditures - Instruction (Tuition)	898,570.00	-	898,570.00	795,845.37	102,724.63
Undistributed Expend. - Attend. & Social Work					
Salaries	14,246.00	(310.00)	13,936.00	13,936.00	-
Total Undistributed Expend. - Attend. & Social Work	14,246.00	(310.00)	13,936.00	13,936.00	-
Undist. Expenditures - Health Services					
Salaries	144,545.00	1,500.00	146,045.00	122,126.75	23,918.25
Purchased Professional and Technical Services	700.00	-	700.00	89.00	611.00
Supplies and Materials	5,663.44	-	5,663.44	3,075.87	2,587.57
Total Undist. Expenditures - Health Services	150,908.44	1,500.00	152,408.44	125,291.62	27,116.82
Undist. Expend.-Speech, OT, PT and Related Svcs					
Salaries	262,172.00	33,818.00	295,990.00	295,990.00	-
Purchased Professional - Educational Services	111,000.00	6,300.00	117,300.00	116,785.00	515.00
Supplies and Materials	1,375.00	1,700.00	3,075.00	2,705.18	369.82
Total Undist. Expend.-Speech, OT, PT and Related Svcs	374,547.00	41,818.00	416,365.00	415,480.18	884.82
Undist Expend-Oth Supp Serv Std-Extra Serv					
Salaries	7,200.00	(2,800.00)	4,400.00	-	4,400.00
Purchased Professional - Educational Services	202,843.00	(16,100.00)	186,743.00	137,915.65	48,827.35
Total Undist Expend-Oth Supp Serv Std-Extra Serv	210,043.00	(18,900.00)	191,143.00	137,915.65	53,227.35
Undist. Expenditures - Guidance					



WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Salaries of Other Professional Staff	155,885.00	(29,907.70)	125,977.30	125,977.30	-
Supplies and Materials	1,270.00	(500.00)	770.00	560.48	209.52
Other Objects	4,000.00	(500.00)	3,500.00	265.00	3,235.00
Total Undist. Expenditures - Guidance	161,155.00	(30,907.70)	130,247.30	126,802.78	3,444.52
Undist. Expenditures - Child Study Teams					
Salaries of Other Professional Staff	356,747.00	2,700.00	359,447.00	359,447.00	-
Salaries of Secretarial and Clerical Assistants	46,365.00	(7,549.27)	38,815.73	38,815.73	-
Purchased Professional - Educational Services	106,700.00	(1,300.00)	105,400.00	87,040.00	18,360.00
Other Purchased Services (400-500 series)	1,000.00	4,500.00	5,500.00	4,955.47	544.53
Supplies and Materials	4,800.00	2,054.51	6,854.51	4,324.66	2,529.85
Other Objects	450.00	(200.00)	250.00	250.00	-
Total Undist. Expenditures - Child Study Teams	516,062.00	205.24	516,267.24	494,832.86	21,434.38
Undist. Expend.-Improv. Of Inst. Serv.					
Sal of Supervisor of Instruction	124,848.00	-	124,848.00	124,848.00	-
Sal of Secr and Clerical Assist.	46,818.00	162.96	46,980.96	46,980.96	-
Purchased Prof- Educational Services	50,400.00	-	50,400.00	46,303.00	4,097.00
Other Purch Services (400-500)	3,500.00	250.00	3,750.00	3,507.05	242.95
Supplies and Materials	1,500.00	-	1,500.00	859.48	640.52
Total Undist. Expend.-Improv. Of Inst. Serv	227,066.00	412.96	227,478.96	222,498.49	4,980.47
Undist. Expend.-Edu. Media Serv./Library					
Salaries	113,622.00	-	113,622.00	23,888.00	89,734.00
Other Purchased Services (400-500 Series)	500.00	(30.00)	470.00	-	470.00
Supplies and Materials	6,050.00	30.00	6,080.00	6,072.42	7.58
Total Undist. Expend.-Edu. Media Serv./Library	120,172.00	-	120,172.00	29,960.42	90,211.58
Undist. Expend.-Instr. Staff Training Serv.					
Other Purchased Services (400-500 series)	21,000.00	-	21,000.00	11,980.13	9,019.87
Total Undist. Expend.-Instr. Staff Training Serv.	21,000.00	-	21,000.00	11,980.13	9,019.87
Undist. Expend.-Support Serv.-Gen. Admin.					
Salaries	246,065.00	(12,742.87)	233,322.13	232,656.23	665.90
Legal Services	58,770.00	16,459.34	75,229.34	56,456.84	18,772.50
Audit Fees	42,925.00	725.00	43,650.00	21,150.00	22,500.00
Architectural/Engineering Services	1,330.21	1,093.17	2,423.38	2,423.38	-
Other Purchased Professional Services	11,500.00	4,590.00	16,090.00	16,072.21	17.79
Communications/Telephone	49,750.00	(257.13)	49,492.87	48,404.09	1,088.78
BOE Other Purchased Services	1,500.00	(1,230.00)	270.00	270.00	-
Other Purchased Services	51,500.00	3,000.00	54,500.00	54,245.69	254.31
General Supplies	6,000.00	(3,742.51)	2,257.49	2,257.49	-
Miscellaneous Expenditures	3,500.00	985.00	4,485.00	4,429.81	55.19
BOE Membership Dues and Fees	8,000.00	1,000.00	9,000.00	8,829.05	170.95
Total Undist. Expend.-Support Serv.-Gen. Admin.	480,840.21	9,880.00	490,720.21	447,194.79	43,525.42
Undist. Expend.-Support Serv.-School Admin.					
Salaries of Principals/Asst. Principals/Prog Dir	340,271.00	12,005.75	352,276.75	352,276.55	0.20
Salaries of Secretarial and Clerical Assistants	105,966.00	-	105,966.00	101,181.50	4,784.50
Other Purchased Services (400-500 series)	8,750.00	30.21	8,780.21	8,780.21	-
Supplies and Materials	5,875.00	1,655.00	7,530.00	7,511.84	18.16
Other Objects	4,500.00	814.79	5,314.79	5,234.10	80.69
Total Undist. Expend.-Support Serv.-School Admin.	465,362.00	14,505.75	479,867.75	474,984.20	4,883.55
Undist. Expend. - Central Services:					
Salaries	315,343.00	(2,678.01)	312,664.99	310,912.84	1,752.15
Purchased Technical Services	31,000.00	2,150.00	33,150.00	33,144.30	5.70
Misc. Purchased Services (400-500)(O/T 594)	5,150.00	(1,040.00)	4,110.00	3,845.20	264.80
Supplies and Materials	2,685.00	(361.99)	2,323.01	2,286.51	36.50
Miscellaneous Expenditures	1,665.00	(50.00)	1,615.00	1,615.00	-
Total Undist. Expend. - Central Services:	355,843.00	(1,980.00)	353,863.00	351,803.85	2,059.15
Undist. Expend.- Admin. Info Technology					
Salaries	-	80,000.00	80,000.00	80,000.00	-
Purchased Professional Services	120,000.00	(82,549.00)	37,451.00	20,186.00	17,265.00
Purchased Technical Services	21,500.00	32,011.69	53,511.69	47,701.29	5,810.40
Other Purchased Services (400-500 series)	86,500.00	(44,000.00)	42,500.00	18,228.81	24,271.19
Supplies and Materials	17,000.00	13,817.31	30,817.31	23,819.63	6,997.68
Other Objects	-	720.00	720.00	720.00	-
Total Undist. Expend.- Admin. Info Technology	245,000.00	-	245,000.00	190,655.73	54,344.27
Undist. Expend.-Required Maint for Sch Fac.					
Salaries	142,853.00	(22,790.33)	120,062.67	120,062.67	-
Cleaning, Repair and Maintenance Services	100,000.00	(80.38)	99,919.62	99,919.17	0.45
General Supplies	19,652.55	9,324.00	28,976.55	23,254.62	5,721.93
Other Objects	2,740.00	1,791.70	4,531.70	4,146.48	385.22
Total Undist. Expend.-Required Maint for Sch Fac.	265,245.55	(11,755.01)	253,490.54	247,382.94	6,107.60

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	1,000.00	(305.00)	695.00	-	695.00
Salaries of Non-Instructional Aides	95,662.00	(49,064.60)	46,597.40	37,801.31	8,796.09
Cleaning, Repair and Maintenance Services	566,590.00	8,805.00	575,395.00	568,039.67	7,355.33
Other Purchased Property Services	16,000.00	4,903.73	20,903.73	20,088.36	815.37
Insurance	74,000.00	5,200.00	79,200.00	79,177.82	22.18
Miscellaneous Purchased Services	10,100.00	1,700.00	11,800.00	11,701.00	99.00
General Supplies	43,299.96	11,512.05	54,812.01	53,862.98	949.03
Energy (Natural Gas)	65,000.00	-	65,000.00	50,005.27	14,994.73
Energy (Electricity)	130,000.00	3,100.00	133,100.00	89,437.10	43,662.90
Total Undist. Expend. - Custodial Services	1,001,651.96	(14,148.82)	987,503.14	910,113.51	77,389.63
Undist Expend.-Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	7,725.00	33,020.00	40,745.00	40,730.00	15.00
General Supplies	3,500.00	1,150.00	4,650.00	4,606.00	44.00
Total Undist Expend.-Care and Upkeep of Grounds	11,225.00	34,170.00	45,395.00	45,336.00	59.00
Security					
Purchased Professional and Technical Services	3,000.00	(1,116.17)	1,883.83	1,875.81	8.02
General Supplies	1,500.00	6,000.00	7,500.00	7,249.91	250.09
Total Security	4,500.00	4,883.83	9,383.83	9,125.72	258.11
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	1,282,622.51	13,150.00	1,295,772.51	1,211,958.17	83,814.34
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC & CTSA Trans. Program	21,000.00	-	21,000.00	14,956.47	6,043.53
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	55,000.00	(600.00)	54,400.00	43,915.75	10,484.25
Contracted Services - (Bet. Home and Sch) - Vendors	6,500.00	600.00	7,100.00	7,100.00	-
Contr Serv(Bet. Home & Sch)-Joint Agrmnts	15,000.00	-	15,000.00	-	15,000.00
Contract. Serv.(Reg. Students)-ESCs & CTSA	102,000.00	-	102,000.00	23,544.25	78,455.75
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	650,000.00	-	650,000.00	468,782.07	181,217.93
Total Undist. Expend. - Student Transportation Serv.	849,500.00	-	849,500.00	558,298.54	291,201.46
UNALLOCATED BENEFITS					
Group Insurance	6,000.00	-	6,000.00	5,400.64	599.36
Social Security Contributions	165,000.00	6,914.22	171,914.22	171,914.22	-
T.P.A.F. Contributions - ERIP	29,316.46	-	29,316.46	12,411.07	16,905.39
Other Retirement Contributions - PERS	200,000.00	22,369.00	222,369.00	222,369.00	-
Other Retirement Contributions - Regular	3,500.00	-	3,500.00	1,875.18	1,624.82
Unemployment Compensation	45,000.00	(41,669.00)	3,331.00	-	3,331.00
Workmen's Compensation	80,500.00	(10,000.00)	70,500.00	69,017.39	1,482.61
Health Benefits	2,389,628.00	(38,754.97)	2,350,873.03	2,110,065.23	240,807.80
Tuition Reimbursement	37,500.00	-	37,500.00	37,458.36	41.64
Other Employee Benefits	1,500.00	2,100.00	3,600.00	3,517.20	82.80
Unused Sick Payment to Terminated/Retired Staff	-	22,435.00	22,435.00	22,295.00	140.00
TOTAL UNALLOCATED BENEFITS	2,957,944.46	(36,605.75)	2,921,338.71	2,656,323.29	265,015.42
On-behalf TPAF Pension (non-budgeted)	-	-	-	2,248,171.00	(2,248,171.00)
On-behalf TPAF LTDI Contribution (non-budget)	-	-	-	1,767.00	(1,767.00)
On-behalf TPAF NCGI Premium (non-budget)	-	-	-	42,774.00	(42,774.00)
On-behalf TPAF Post Retirement Medical (non-budget)	-	-	-	717,947.00	(717,947.00)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	606,549.10	(606,549.10)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	3,617,208.10	(3,617,208.10)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,957,944.46	(36,605.75)	2,921,338.71	6,273,531.39	(3,352,192.68)
TOTAL UNDISTRIBUTED EXPENDITURES	9,330,881.62	(7,231.50)	9,323,650.12	11,882,970.17	(2,559,320.05)
TOTAL GENERAL CURRENT EXPENSE	18,066,338.12	(8,000.00)	18,058,338.12	20,320,435.25	(2,262,097.13)
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Undist. Expend. - Care and Upkeep of Grounds	-	8,000.00	8,000.00	-	8,000.00
Total Equipment	-	8,000.00	8,000.00	-	8,000.00
Facilities Acquisition and Const. Serv.					
Other Purchased Prof. and Tech. Services	-	16,180.00	16,180.00	16,175.91	4.09
Construction Services	-	162,820.00	162,820.00	160,169.34	2,650.66
Total Facilities Acquisition and Const. Serv	-	179,000.00	179,000.00	176,345.25	2,654.75
Assets Acquired Under Capital Leases (non-budgeted)					
Facilities Acquisition and Construction Services:					
Construction Services	-	-	-	1,600,000.00	(1,600,000.00)
TOTAL CAPITAL OUTLAY	-	187,000.00	187,000.00	1,776,345.25	(1,589,345.25)

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL EXPENDITURES	18,066,338.12	179,000.00	18,245,338.12	22,096,780.50	(3,851,442.38)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(508,925.12)	(179,000.00)	(687,925.12)	(408,608.20)	279,316.92
Other Financing Sources (uses):					
Operating Transfers:					
Transfer from Cafeterial Account	25,000.00	-	25,000.00	32,047.40	7,047.40
Capital Reserve - Transfer to Capital Projects	(45,000.00)	-	(45,000.00)	-	45,000.00
Lease Purchase (Non-budgeted)	-	-	-	1,600,000.00	1,600,000.00
Total Other Financing Sources (uses):	(20,000.00)	-	(20,000.00)	1,632,047.40	1,652,047.40
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(528,925.12)	(179,000.00)	(707,925.12)	1,223,439.20	1,931,364.32
Fund Balance, July 1	2,608,212.67	-	2,608,212.67	2,608,212.67	-
Prior Period Adjustment	-	-	-	142,782.59	142,782.59
Fund Balance, July 1, Restated	2,608,212.67	-	2,608,212.67	2,750,995.26	142,782.59
Fund Balance, June 30	2,079,287.55	(179,000.00)	1,900,287.55	3,974,434.46	2,074,146.91
<b>Recapitulation of excess (deficiency of revenues under expenditures):</b>					
Adjustment for prior year encumbrances	(85,425.12)		(85,425.12)	(85,425.12)	-
Budgeted fund balance	(400,000.00)		(400,000.00)	916,915.02	1,316,915.02
Increase in Capital Reserve:					
Interest	1,500.00		1,500.00	1,022.89	(477.11)
Principal				612,709.00	612,709.00
Increase in Maintenance Reserve					
Principal				100,000.00	100,000.00
Budgeted Withdrawal from Capital Reserve Account	(45,000.00)	(179,000.00)	(224,000.00)	(179,000.00)	45,000.00
	(528,925.12)	(179,000.00)	(707,925.12)	1,366,221.79	2,074,146.91
<b>Recapitulation:</b>					
Assigned:					
Year End Encumbrances				71,267.24	
Restricted:					
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				528,540.00	
Current Year				484,142.00	
Capital Reserve				1,208,431.89	
Maintenance Reserve				564,500.00	
Unemployment Compensation				143,101.33	
Unassigned				974,452.00	
				3,974,434.46	
Reconciliation to Government Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(188,692.00)	
Fund Balance per Governmental Funds (GAAP)				3,785,742.46	

\* Includes interest earnings on the Unemployment Compensation Bank Account

\*\* Represents Unemployment Fund Net Position as of June 30, 2020.

Exhibit C-2

WANAQUE BOROUGH SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	49,986.30	(33,950.00)	16,036.30	40,713.50	24,677.20
Federal Sources	1,031,649.00	21,250.00	1,052,899.00	734,478.54	(318,420.46)
Total Revenues	1,081,635.30	(12,700.00)	1,068,935.30	775,192.04	(293,743.26)
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	381,598.00	(112,233.00)	269,365.00	76,600.00	192,765.00
Purchased Services	25,000.00	(5,000.00)	20,000.00	3,375.00	16,625.00
Other Purchased Services	217,529.00	35,385.00	252,914.00	252,914.00	-
Instructional Supplies	167,267.00	117,194.50	284,461.50	265,897.88	18,563.62
Total Instruction	791,394.00	35,346.50	826,740.50	598,786.88	227,953.62
Support Services					
Personal Services - Salaries	-	12,896.00	12,896.00	3,996.00	8,900.00
Employee Benefits	80,752.00	5,758.00	86,510.00	30,640.00	55,870.00
Professional Technical Services	60,603.00	6,485.50	67,088.50	41,852.50	25,236.00
Other Purchased Services	40,000.00	(39,000.00)	1,000.00	500.00	500.00
Supplies and Materials	23,886.30	(9,200.00)	14,686.30	14,686.30	-
Other Objects	-	4,097.00	4,097.00	4,097.00	-
Student Activities	-	-	-	69,329.99	(69,329.99)
Total Support Services	205,241.30	(18,963.50)	186,277.80	165,101.79	90,506.00
Facilities Acquisition and Construction Services:					
Noninstructional Equipment	85,000.00	(29,083.00)	55,917.00	55,917.00	-
Total Facilities Acquisition and Construction Services	85,000.00	(29,083.00)	55,917.00	55,917.00	-
Total Expenditures	1,081,635.30	(12,700.00)	1,068,935.30	819,805.67	318,459.62
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	(44,613.63)	24,716.36
Fund Balance, July 1				115,010.81	
Prior Period Adjustment				115,010.81	
Fund Balance, July 1 (Restated)				70,397.18	
Fund Balance, June 30				70,397.18	
Recapitulation:					
Restricted:					
Student Activities				70,397.18	

Note 1 - Not Required to budget for these funds.

**WANAQUE BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Note A - Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures.**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	21,688,172.30	775,192.04
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add: Prior Year Encumbrances		-	-
Less: Current Year Encumbrances		-	(91,880.76)
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(188,692.00)	-
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		224,583.00	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - government funds.	[B-2]	21,724,063.30	683,311.28
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	22,096,780.50	819,805.67
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Add: Prior Year Encumbrances		-	-
Less: Current Year Encumbrances		-	(91,880.76)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - government funds.	[B-2]	22,096,780.50	727,924.91

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

Exhibit L-1

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Proportionate Share of Net Pension Liability - PERS**  
*Last 10 Fiscal Years\**

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)		District's Proportion Share of the Net Pension Liability (Asset)		District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)		Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	
2015	0.0189094769%	\$ 3,540,371	\$ 3,540,371	\$ 1,287,461	274.99%	52.08%		
2016	0.0155369383%	3,487,731	1,044,171	1,044,171	334.02%	47.93%		
2017	0.0200370173%	5,934,390	1,193,795	1,193,795	497.10%	59.86%		
2018	0.0165632692%	3,855,664	1,287,058	1,287,058	299.57%	48.10%		
2019	0.0177770300%	3,500,208	1,358,262	1,358,262	257.70%	53.60%		
2020	0.0190883070%	3,439,423	1,373,115	1,373,115	250.48%	56.27%		
2021	0.0203271712%	3,314,830	1,543,965	1,543,965	214.70%	58.32%		

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Contributions - PERS**  
*Last 10 Fiscal Years\**

Fiscal Year Ending June 30,	Contributions in Relation to the		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	Contractually Required Contribution	Contractually Required Contributions			
2015	155,887	155,887	\$ -	\$1,287,461	12.11%
2016	133,576	133,576	-	1,044,171	12.79%
2017	178,006	178,006	-	1,193,795	14.91%
2018	153,441	153,441	-	1,287,058	11.92%
2019	176,824	176,824	-	1,358,262	13.02%
2020	185,673	185,673	-	1,373,115	13.52%
2021	222,369	222,369	-	1,543,965	14.40%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.



**WANAQUE BOROUGH SCHOOL DISTRICT**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Proportionate Share of Net Pension Liability - TPAF**  
*Last 10 Fiscal Years\**

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)		District's Proportion Share of the Net Pension Liability (Asset)		State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)		District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll - TPAF Employee's	District's Covered Payroll - TPAF Employee's	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	
2015	0.0784736110%	\$	-	\$	41,941,591	\$	8,888,153	0.00%	33.64%
2016	0.0782494192%	-	-	49,749,310	8,945,080	-	8,945,080	0.00%	28.71%
2017	0.0755364828%	-	-	59,421,807	9,151,255	-	9,151,255	0.00%	28.75%
2018	0.0736874274%	-	-	49,682,721	9,483,587	-	9,483,587	0.00%	34.07%
2019	0.0741733512%	-	-	47,187,493	8,398,101	-	8,398,101	0.00%	26.49%
2020	0.0743176289%	-	-	45,609,430	8,127,374	-	8,127,374	0.00%	26.95%
2021	0.0763545125%	-	-	50,278,528	8,398,101	-	8,398,101	0.00%	24.60%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**Note to Required Schedules of Supplementary Information - Part III**  
**For the fiscal year ended June 30, 2021**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date to the current measurement date resulting in a change in the discount rate from 6.28% to 7.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 5.60% to 5.40%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.



**SPECIAL REVENUE FUND**

**WANAQUE BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Total Brought Forward From (Ex. E-1a)</b>	<b>Title I Part - A Improving Basic Program</b>	<b>Title II Part - A Teacher / Principal Training &amp; Recruiting</b>	<b>CARES E.S.S.E.R.I</b>	<b>CRRSA E.S.S.E.R.II</b>	<b>Totals 2021</b>
<b>REVENUES:</b>						
Federal sources	393,959.50	111,837.00	33,283.00	96,175.00	99,224.04	734,478.54
Local sources	40,713.50	-	-	-	-	40,713.50
<b>Total Revenues</b>	<b>434,673.00</b>	<b>111,837.00</b>	<b>33,283.00</b>	<b>96,175.00</b>	<b>99,224.04</b>	<b>775,192.04</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	-	76,600.00	-	-	-	76,600.00
Purchased Services	3,375.00	-	-	-	-	3,375.00
Other Purchased Services	252,914.00	-	-	-	-	252,914.00
Instructional Supplies	126,415.84	-	-	96,175.00	43,307.04	265,897.88
<b>Total instruction</b>	<b>382,704.84</b>	<b>76,600.00</b>	<b>-</b>	<b>96,175.00</b>	<b>43,307.04</b>	<b>598,786.88</b>
<b>Support Services:</b>						
Personal Services - Salaries	3,996.00	-	-	-	-	3,996.00
Employee Benefits	-	30,640.00	-	-	-	30,640.00
Professional Technical Services	8,569.50	-	33,283.00	-	-	41,852.50
Other purchased services	-	500.00	-	-	-	500.00
Supplies and Materials	14,686.30	-	-	-	-	14,686.30
Other Objects	-	4,097.00	-	-	-	4,097.00
Student Activities	69,329.99	-	-	-	-	69,329.99
<b>Total support services</b>	<b>96,581.79</b>	<b>35,237.00</b>	<b>33,283.00</b>	<b>-</b>	<b>-</b>	<b>165,101.79</b>
<b>Facilities acquisition and construction services:</b>						
Instructional equipment	-	-	-	-	55,917.00	55,917.00
Non-Instructional equipment	-	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,917.00</b>	<b>55,917.00</b>
<b>Total Expenditures</b>	<b>479,286.63</b>	<b>111,837.00</b>	<b>33,283.00</b>	<b>96,175.00</b>	<b>99,224.04</b>	<b>819,805.67</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(44,613.63)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,613.63)</b>
<b>Fund Balance, July 1</b>	<b>115,010.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,010.81</b>
Prior Period Adjustment	-	-	-	-	-	-
<b>Fund Balance, July 1, (Restated)</b>	<b>115,010.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,010.81</b>
<b>Fund Balance, June 30</b>	<b>70,397.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,397.18</b>

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Total Brought Forward From (Ex. E-1b)	I.D.E.A. Part B		CRSSA E.S.S.E.R II		CRSSA E.S.S.E.R II		C.R.F School Aid	Total Carried Forward To (Ex. E-1)
		Basic	Preschool	E.S.S.E.R II Learning Acceleration	E.S.S.E.R II Mental Health Support				
<b>REVENUES:</b>									
Federal sources	69,698.00	239,200.00	13,714.00	14,338.00	11,944.50	45,065.00	393,959.50		
Local sources	40,713.50	-	-	-	-	-	40,713.50		
<b>Total Revenues</b>	<b>110,411.50</b>	<b>239,200.00</b>	<b>13,714.00</b>	<b>14,338.00</b>	<b>11,944.50</b>	<b>45,065.00</b>	<b>434,673.00</b>		
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	-	-	-	-	-	-	-	-	-
Purchased Services	-	-	-	-	3,375.00	-	3,375.00	-	3,375.00
Other Purchased Services	-	239,200.00	13,714.00	-	-	-	252,914.00	-	252,914.00
Instructional Supplies	67,012.84	-	-	14,338.00	-	-	126,415.84	-	126,415.84
<b>Total instruction</b>	<b>67,012.84</b>	<b>239,200.00</b>	<b>13,714.00</b>	<b>14,338.00</b>	<b>3,375.00</b>	<b>45,065.00</b>	<b>382,704.84</b>		
<b>Support Services:</b>									
Personal Services - Salaries	3,996.00	-	-	-	-	-	3,996.00	-	3,996.00
Employee Benefits	-	-	-	-	-	-	-	-	-
Professional Technical Services	-	-	-	-	8,569.50	-	8,569.50	-	8,569.50
Other purchased services	-	-	-	-	-	-	-	-	-
Supplies and Materials	14,686.30	-	-	-	-	-	14,686.30	-	14,686.30
Other Objects	-	-	-	-	-	-	-	-	-
Student Activities	69,329.99	-	-	-	-	-	69,329.99	-	69,329.99
<b>Total support services</b>	<b>88,012.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,569.50</b>	<b>-</b>	<b>96,581.79</b>		
<b>Facilities acquisition and construction services:</b>									
Instructional equipment	-	-	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>155,025.13</b>	<b>239,200.00</b>	<b>13,714.00</b>	<b>14,338.00</b>	<b>11,944.50</b>	<b>45,065.00</b>	<b>479,286.63</b>		
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(44,613.63)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,613.63)</b>		
<b>Fund Balance, July 1</b>	<b>115,010.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,010.81</b>		
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
<b>Fund Balance, July 1, (Restated)</b>	<b>115,010.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,010.81</b>		
<b>Fund Balance, June 30</b>	<b>70,397.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,397.18</b>		

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	C.R.F Digital Divide	NJ Schools Insurance Group Safety Grant	NJ Tiered System of Supports - Early Reading	Autism Donation	Student Activity Fund	Total Carried Forward To (Ex. E-1a)
<b>REVENUES:</b>						
Federal sources	65,702.00	-	3,996.00	-	-	69,698.00
Local sources	-	14,686.30	-	1,310.84	24,716.36	40,713.50
<b>Total Revenues</b>	<b>65,702.00</b>	<b>14,686.30</b>	<b>3,996.00</b>	<b>1,310.84</b>	<b>24,716.36</b>	<b>110,411.50</b>
<b>EXPENDITURES:</b>						
Instruction:						
Personal Services - Salaries	-	-	-	-	-	-
Purchased prof. & tech. services	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-
General supplies	65,702.00	-	-	1,310.84	-	67,012.84
<b>Total instruction</b>	<b>65,702.00</b>	<b>-</b>	<b>-</b>	<b>1,310.84</b>	<b>-</b>	<b>67,012.84</b>
<b>Support Services:</b>						
Personal Services - Salaries	-	-	3,996.00	-	-	3,996.00
Employee Benefits	-	-	-	-	-	-
Purchased prof. & tech. services	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-
Supplies and Materials	-	14,686.30	-	-	-	14,686.30
Other Objects	-	-	-	-	-	-
Student Activities	-	-	-	-	69,329.99	69,329.99
<b>Total support services</b>	<b>-</b>	<b>14,686.30</b>	<b>3,996.00</b>	<b>-</b>	<b>69,329.99</b>	<b>88,012.29</b>
<b>Facilities acquisition and construction services:</b>						
Instructional equipment	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>65,702.00</b>	<b>14,686.30</b>	<b>3,996.00</b>	<b>1,310.84</b>	<b>69,329.99</b>	<b>155,025.13</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						
	-	-	-	-	(44,613.63)	(44,613.63)
<b>Fund Balance, July 1</b>						
Prior Period Adjustment	-	-	-	-	115,010.81	* 115,010.81
<b>Fund Balance, July 1, (Restated)</b>						
	-	-	-	-	115,010.81	115,010.81
<b>Fund Balance, June 30</b>						
	-	-	-	-	70,397.18	70,397.18

\* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**CAPITAL PROJECTS FUND**



**WANAQUE BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Fund balance - beginning	23,520.00
Accounts Payable Cancelled	<u>21,550.00</u>
Fund balance - ending	<u><u>45,070.00</u></u>

**WANAQUE BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
AND PROJECT STATUS - BUDGETARY BASIS  
HASKELL ELEMENTARY - ROOF SECTIONS B,D,E,F,G  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Prior Periods	Cancellation of Accounts Payable	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
Transfer From Capital Reserve	389,400.00	-	389,400.00	389,400.00
<b>Expenditures and Other Financing Uses</b>				
Purchase professional and technical services	34,914.92	-	34,914.92	35,000.00
Constructions services	330,965.08	21,550.00	309,415.08	354,400.00
Total expenditures	365,880.00	21,550.00	344,330.00	389,400.00
Excess ( deficiency) or revenues over (under) expenditures	\$ 23,520.00	\$ 21,550.00	\$ 45,070.00	\$ -
<b>Additional project information:</b>				
Original Authorized Cost			389,400.00	
Adjusted Authorized Cost			-	
Revised Authorized Cost			389,400.00	
Percentage Increase / (Decrease) in Original				
Authorized Cost		0.00%		
Percentage completion		88.43%		
Est. Original target completion date		6/30/2020		
Est. Revised target completion date		6/30/2020		

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

PROJECT DESCRIPTION	STATE PLAN NUMBER	APPROPRIATION	EXPENDITURES PRIOR YEARS	ACCOUNTS PAYABLE CANCELLED	UNEXPENDED BALANCE
Wanaque Elementary Roof - Sections B,D,E,F,G	N/A	\$ 389,400.00	\$ 365,880.00	21,550.00	\$ 45,070.00

**PROPRIETARY FUNDS**

**WANAQUE BOROUGH SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICES  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

<u>ASSETS</u>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	162,120.36
Accounts receivable:	
State	2,900.63
Federal	105,737.53
Inventories	<u>4,840.40</u>
Total current assets	<u>275,598.92</u>
<b>FIXED ASSETS:</b>	
Equipment	141,561.81
Less: accumulated depreciation	<u>(81,107.00)</u>
Total fixed assets	<u>60,454.81</u>
<b>TOTAL ASSETS</b>	<u><u>336,053.73</u></u>
 <u>LIABILITIES AND NET POSITION</u> 	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	49,166.60
Prepaid Sales	<u>8,697.77</u>
Total Current Liabilities	<u>57,864.37</u>
<b>NET POSITION</b>	
Invested in Capital Assets Net of Related Debt	60,454.81
Unrestricted	<u>217,734.55</u>
Total Net Position	<u>278,189.36</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>336,053.73</u></u>

**WANAQUE BOROUGH SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICES  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

## OPERATING REVENUES:

Charges for services:	
Daily sales reimbursable programs	774.49
Daily sales non- reimbursable programs	115.00
Special functions/Miscellaneous	5,414.70
	<u>6,304.19</u>
Total operating revenues	<u>6,304.19</u>

## OPERATING EXPENSES:

Salaries	157,235.06
Cost of sales reimbursable	191,111.00
Cost of sales- non-reimbursable	54,712.71
Fixed Price Contract with Food Service Company	(1) 56,597.65
Employee benefits	30,263.14
Liability Insurance	22,948.35
Supplies and materials	15,501.28
Purchased Services	5,172.81
Management Fees	17,399.70
Depreciation	4,962.00
Office Expense	1,298.44
Repairs	3,659.19
Miscellaneous	520.15
	<u>561,381.48</u>
Total operating expenses	<u>561,381.48</u>

OPERATING INCOME (LOSS) (555,077.29)

## NON-OPERATING REVENUES (EXPENSES):

State sources:	
State school lunch program	17,310.71
Federal sources:	
National school lunch program	421,251.44
National school breakfast program	241,838.98
Food distribution program	52,084.21
Interest	283.79
	<u>732,769.13</u>

Total non-operating revenues (expenses) 732,769.13

Net Income (Loss) Before Operating Transfers 177,691.84

Operating Transfer Out - General Fund 32,047.40

Change in Net Position 145,644.44

Total Net Position - Beginning of Year 132,544.92

Total Net Position - Ending 278,189.36

(1) Fixed Price Contract was in effect in the Month of September 2020.

**WANAQUE BOROUGH SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICES  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>CASH FLOWS USED BY OPERATING ACTIVITIES:</b>	
Cash receipts from customers	5,414.70
Payments to employees for services	(157,235.06)
Payments to suppliers for goods and services	<u>(371,735.93)</u>
Net cash provided by (used for) operating activities	<u>(523,556.29)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State Sources	14,476.36
Federal Sources	<u>616,130.30</u>
Net cash used by noncapital financing activities	<u>630,606.66</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of equipment	<u>(1,950.50)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
Interest on cash equivalents	<u>283.79</u>
Net cash provided by (used for) investing activities	<u>283.79</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,383.66
Operating Transfer Out - General Fund	<u>(32,047.40)</u>
CASH AND CASH EQUIVALENTS, July 1	<u>88,784.10</u>
CASH AND CASH EQUIVALENTS, June 30	<u><u>162,120.36</u></u>
<b>Reconciliation of operating (loss) to net cash provided (for) by operating activities:</b>	
Operating Income (loss)	<u>(555,077.29)</u>
Adjustments to reconcile operating (loss) to net cash provided (for) for operating activities:	
Depreciation	4,962.00
Changes in assets and liabilities:	
(Increase)/decrease in inventory	3,491.67
Increase/(decrease) in accounts payable	23,956.82
Increase/(decrease) in unearned revenue	<u>(889.49)</u>
Total adjustments	<u>31,521.00</u>
Net cash provided by (used for) operating activities	<u><u>(523,556.29)</u></u>

**LONG-TERM DEBT**



**WANAQUE BOROUGH SCHOOL DISTRICT  
GENERAL LONG TERM DEBT ACCOUNT GROUP  
STATEMENT OF BONDS PAYABLE  
AS OF JUNE 30, 2021**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Date	Amount				
2015 Refunding Bonds	08/05/14	12,430,000.00	9/1/2021	785,000.00	4.000%	10,145,000.00	770,000.00	9,375,000.00
			9/1/2022	800,000.00	5.000%			
			9/1/2023	815,000.00	5.000%			
			9/1/2024	835,000.00	5.000%			
			9/1/2025	850,000.00	5.000%			
			9/1/2026	875,000.00	5.000%			
			9/1/2027	890,000.00	5.000%			
			9/1/2028	905,000.00	3.250%			
			9/1/2029	890,000.00	3.375%			
			9/1/2030	880,000.00	3.500%			
			9/1/2031	850,000.00	3.500%			

**WANAQUE BOROUGH SCHOOL DISTRICT  
GENERAL LONG TERM DEBT ACCOUNT GROUP  
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2021**

Purpose	Date of Lease	Term of Lease	Amount of Original Issue	Balance July 1, 2020	Additions Current Year	Retired Current Year	Balance June 30, 2021
Technology Equipment	06/21/2016	5 Years	143,385.90	29,323.50	-	29,323.50	-
Technology Equipment	07/15/2018	4 Years	137,174.07	82,189.81	-	26,153.53	56,036.28
ESIP - Boilers, LED Lighting & Equipment	12/15/2020	15 Years	1,600,000.00	-	1,600,000.00	-	1,600,000.00
			<u>1,880,559.97</u>	<u>111,513.31</u>	<u>1,600,000.00</u>	<u>55,477.03</u>	<u>1,656,036.28</u>

**WANAQUE BOROUGH SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	790,614.00	-	790,614.00	790,614.00	-
Total revenues - local sources	790,614.00	-	790,614.00	790,614.00	-
State sources:					
Debt service aid type II	407,286.00	-	407,286.00	407,286.00	-
Total state sources	407,286.00	-	407,286.00	407,286.00	-
<b>TOTAL REVENUES</b>	<b>1,197,900.00</b>	<b>-</b>	<b>1,197,900.00</b>	<b>1,197,900.00</b>	<b>-</b>
<b>EXPENDITURES</b>					
Regular debt service:					
Interest	427,900.00	-	427,900.00	427,900.00	-
Redemption of principal	770,000.00	-	770,000.00	770,000.00	-
Total regular debt service	1,197,900.00	-	1,197,900.00	1,197,900.00	-
<b>TOTAL EXPENDITURES</b>	<b>1,197,900.00</b>	<b>-</b>	<b>1,197,900.00</b>	<b>1,197,900.00</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance - July 1	1.16		1.16	1.16	-
Fund balance - June 30	1.16	-	1.16	1.16	-

**Recapitulation:**

Unassigned Fund Balance

1.16

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### **Introduction to the Statistical Section**

### **Financial Trends**

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

### **Revenue Capacity**

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

### **Debt Capacity**

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

### **Demographic and Economic Information**

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

### **Operating Information**

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

WANAUKE BOARD OF EDUCATION

Net Assets/Position\* by Component,  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2012	Restated 2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	187,061	169,916	996,400	(327,573)	432,685	1,093,344	2,006,861	3,001,324	3,760,625	4,114,996
Restricted	920,726	869,313	1,684,904	1,861,103	2,141,985	2,220,464	1,989,096	1,500,144	2,275,686	3,115,451
Unrestricted	(4,746)	168,004	(491,260)	(4,133,487)	(4,110,419)	(4,444,559)	(4,404,991)	(4,365,647)	(4,635,183)	(3,969,723)
Total governmental activities net assets/position	1,103,041	1,207,233	2,190,044	(2,599,957)	(1,535,749)	(1,130,751)	(409,035)	135,821	1,401,128	3,260,724
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	35,436	29,891	57,374	67,531	59,565	71,059	72,904	70,895	63,466	60,455
Unrestricted	72,991	97,982	79,524	76,910	87,108	76,936	102,605	86,160	69,079	217,735
Total business-type activities net assets/position	108,427	127,873	136,898	144,441	146,673	147,995	175,509	157,055	132,545	278,189
<b>District-wide</b>										
Invested in capital assets, net of related debt	222,497	199,807	1,053,774	(260,042)	492,251	1,164,403	2,079,765	3,072,219	3,824,091	4,175,451
Restricted	920,726	869,313	1,684,904	1,861,103	2,141,985	2,220,464	1,989,096	1,500,144	2,275,686	3,115,451
Unrestricted	68,245	265,986	(411,736)	(4,096,577)	(4,023,312)	(4,367,623)	(4,302,387)	(4,279,487)	(4,566,104)	(3,751,988)
Total district net assets/position	1,211,468	1,335,106	2,326,942	(2,455,515)	(1,389,076)	(982,756)	(233,526)	292,876	1,533,673	3,538,914

Source: CAFR Schedule A-1

\* GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

WANAUKE BOARD OF EDUCATION

Changes in Net Assets/Position\*  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	7,037,106	7,023,006	6,909,984	8,024,002	8,564,352	9,097,615	8,902,490	8,769,645	8,514,853	10,137,435
Special education	3,086,391	3,349,081	3,423,287	3,994,368	4,356,912	5,352,918	5,470,736	5,195,365	4,822,561	5,327,654
Other special education	433,478	441,549	418,654	428,586	445,777	415,171	629,211	589,548	675,951	640,386
Other instruction	224,132	216,592	250,924	310,415	310,852	391,823	472,096	397,076	344,264	188,379
Support Services:										
Tuition	578,264	502,471	865,306	693,129	421,455	498,470	549,729	601,167	432,340	795,845
Student & instruction related services	1,877,758	2,150,806	2,137,257	2,283,267	2,498,269	2,676,239	2,906,209	2,649,446	2,613,902	2,731,839
General administrative services	494,891	450,234	525,159	492,761	535,336	547,644	705,257	694,035	588,154	664,858
School administrative services	528,197	482,210	636,614	804,037	784,716	865,450	960,598	823,278	755,313	878,329
Central Services and Admin. Info. Tech.	495,312	545,803	689,344	689,344	702,350	802,206	744,927	724,998	753,642	820,158
Plant operations and maintenance	1,475,805	1,269,555	1,331,067	1,387,701	1,369,309	1,521,854	1,589,989	1,518,843	1,419,628	1,394,715
Pupil transportation	569,581	594,165	601,361	676,207	509,546	664,614	763,669	861,835	679,694	588,299
Charter Schools										417,548
Interest on Long term debt	714,129	686,078	657,370	601,056	550,501	519,687	499,040	535,713	448,315	447,548
Total governmental activities expenses	17,515,045	17,711,550	18,299,680	20,384,874	21,049,375	23,353,691	24,193,961	23,360,949	22,048,617	24,565,445
Business-type activities:										
Food service	288,945	285,572	303,193	286,576	295,571	310,519	295,103	347,736	299,902	561,381
Total business-type activities expense	288,945	285,572	303,193	286,576	295,571	310,519	295,103	347,736	299,902	561,381
Total district expenses	17,803,990	17,997,122	18,602,873	20,671,449	21,344,946	23,664,210	24,489,064	23,708,685	22,348,519	25,126,827
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Support Services										24,716
Operating grants and contributions	472,987	508,992	508,309	389,909	418,075	407,037	378,536	399,717	451,589	658,595
Total governmental activities program revenues	472,987	508,992	508,309	389,909	418,075	407,037	378,536	399,717	451,589	683,311
Business-type activities:										
Charges for services										
Food service	170,511	169,544	162,760	163,677	150,823	153,791	178,306	189,612	148,656	6,304
Operating grants and contributions	127,712	135,356	133,355	135,759	146,847	157,924	143,663	137,578	125,404	732,485
Total business-type activities program revenues	298,224	304,900	296,115	299,437	297,670	311,715	321,969	327,190	274,060	738,790
Total district program revenues	771,211	813,892	804,424	689,345	715,745	718,752	700,505	726,907	725,649	1,422,101
<b>Net (Expense)/Revenue</b>										
Governmental activities	(17,042,058)	(17,202,558)	(17,791,371)	(19,994,965)	(20,631,301)	(22,946,654)	(23,815,425)	(22,961,232)	(21,597,028)	(23,882,134)
Business-type activities	9,279	19,328	(7,078)	12,861	2,100	1,196	26,866	(20,546)	(25,842)	177,408
Total district-wide net expense	(17,032,779)	(17,183,230)	(17,798,449)	(19,982,104)	(20,629,201)	(22,945,458)	(23,788,559)	(22,981,778)	(21,622,870)	(23,704,726)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	12,057,384	12,238,245	12,598,176	12,905,139	13,263,244	13,717,544	14,116,975	14,425,008	14,743,086	15,110,847
Taxes levied for debt service	902,555	899,436	887,133	848,584	835,700	792,324	820,809	811,849	807,576	790,614
Unrestricted grants and contributions	4,241,215	4,526,461	4,585,633	6,223,038	7,087,266	8,830,632	8,883,704	7,535,536	6,572,318	8,749,058
Restricted grants and contributions	-	-	-	-	-	442,341	421,858	421,858	416,024	407,286
Investment Earnings	-	-	-	4,299	4,777	5,927	23,128	4,448	974	10,534
Miscellaneous income	89,941	83,510	210,757	887,710	594,521	5,226	250,184	307,389	322,357	383,550
Transfers	-	-	-	-	-	-	-	-	-	32,047
Total governmental activities	17,291,095	17,747,652	18,281,699	20,868,769	21,785,508	23,351,653	24,537,141	23,506,088	22,862,335	25,483,937



WANAQUE BOARD OF EDUCATION

Changes in Net Assets/Position\*  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-type activities:</b>										
Investment earnings	-	118	163	131	132	125	648	2,092	1,332	284
Transfers	-	118	163	131	132	125	648	-	-	(32,047)
Total business-type activities	-	236	326	262	264	250	1,296	2,092	1,332	(31,764)
Total district-wide	17,291,095	17,747,770	18,281,862	20,868,901	21,785,640	23,351,778	24,537,769	23,508,180	22,863,687	25,482,173
<b>Change in Net Position</b>										
Governmental activities	249,036	545,094	490,328	873,804	1,154,208	404,999	721,716	544,856	1,285,307	1,601,803
Business-type activities	9,279	19,446	(6,915)	12,993	2,232	1,321	27,514	(18,454)	(24,510)	145,644
Total district	258,315	564,540	483,413	886,797	1,156,439	406,320	749,230	526,402	1,240,797	1,747,447

Source: CAFR Schedule A-2

\* GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

**WANAQUE BOARD OF EDUCATION**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Restricted	698,621	875,541	1,340,916	1,427,321	1,762,120	1,882,154	1,677,107	1,436,955	2,166,740	2,928,715
Committed	314,490	-	-	-	-	-	-	-	-	-
Assigned	145,529	441,314	109,300	171,881	113,056	233,558	199,526	31,977	85,425	71,267
Unassigned	100,668	70,792	108,351	147,590	150,242	159,578	232,426	356,415	131,465	785,760
<b>Total general fund</b>	<u>1,259,308</u>	<u>1,387,647</u>	<u>1,558,567</u>	<u>1,746,793</u>	<u>2,025,418</u>	<u>2,275,290</u>	<u>2,109,059</u>	<u>1,825,347</u>	<u>2,383,630</u>	<u>3,785,742</u>
<b>All Other Governmental Funds</b>										
Assigned	-	2,335	-	-	-	-	-	-	-	-
Restricted	-	-	-	231,492	236,400	104,751	112,462	31,211	23,520	45,070
Capital projects fund	-	-	-	-	-	-	-	-	-	70,397
Student activities fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	1
Unassigned, reported in:										
Capital projects fund	221,974	201,824	234,688	-	-	-	-	-	-	-
Debt service fund	131	-	-	30,408	30,409	1	1	1	1	-
<b>Total all other governmental funds</b>	<u>222,105</u>	<u>204,159</u>	<u>234,688</u>	<u>261,900</u>	<u>266,809</u>	<u>104,752</u>	<u>112,463</u>	<u>31,212</u>	<u>23,521</u>	<u>115,468</u>

Source: CAFR Schedule B-1

**WANAQUE BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	12,959,939	13,137,681	13,485,309	13,753,723	14,098,944	14,509,868	14,937,784	15,236,857	15,550,662	15,901,461
Tuition charges	88,499	60,695	148,222	74,003	151,653	75,073	102,472	241,401	260,644	330,509
Miscellaneous	1,442	29,114	76,377	54,617	29,213	10,900	186,340	74,068	107,607	81,429
State sources	4,240,799	4,597,753	4,671,166	5,046,161	4,959,099	5,159,964	5,563,006	5,958,823	5,786,906	6,625,777
Federal sources	473,402	431,402	408,934	420,369	459,655	441,821	411,888	423,323	425,062	666,099
<b>Total revenue</b>	<b>17,764,081</b>	<b>18,256,645</b>	<b>18,790,008</b>	<b>19,348,872</b>	<b>19,698,564</b>	<b>20,197,626</b>	<b>21,201,490</b>	<b>21,934,472</b>	<b>22,130,881</b>	<b>23,605,275</b>
<b>Expenditures</b>										
Instruction										
Regular instruction	5,040,950	5,003,304	4,904,306	4,881,974	5,189,524	4,939,343	4,730,662	5,202,378	5,127,534	5,600,170
Special education instruction	2,291,599	2,379,901	2,503,603	2,497,787	2,645,267	2,877,033	2,933,025	2,987,244	2,940,240	2,953,482
Other special instruction	321,627	313,599	319,652	290,026	293,765	284,305	369,824	368,779	433,314	384,805
Other instruction	166,558	166,224	197,370	174,338	165,934	180,551	224,073	200,037	176,015	70,163
Support Services:										
Tuition	578,264	502,471	865,307	693,129	421,455	498,470	549,729	601,167	432,340	795,845
Student & instruction related services	1,540,917	1,645,651	1,661,606	1,581,560	1,647,529	1,652,692	1,919,105	1,776,203	1,762,145	1,735,468
General administrative services	394,065	357,243	421,339	380,415	451,291	468,334	487,953	480,038	427,985	447,195
School Administrative services	393,189	348,324	466,606	493,810	483,202	469,234	518,395	478,016	451,133	474,984
Central Services	417,722	449,670	470,825	527,658	527,828	555,688	584,492	621,759	627,805	542,460
Plant operations and maintenance	1,237,291	1,127,121	1,163,247	1,234,433	1,206,369	1,296,083	1,360,764	1,315,311	1,242,468	1,211,958
Pupil transportation	569,581	594,165	601,361	676,207	509,546	662,016	763,669	861,835	679,694	558,299
Unallocated employee benefits	3,316,299	3,874,419	3,537,290	3,898,212	4,153,414	4,601,638	5,050,596	5,629,173	5,690,136	6,273,531
Charter Schools										
Capital outlay	227,679	49,932	153,337	723,523	462,697	626,428	624,072	547,421	365,880	1,776,345
Debt Service:										
Principal	629,374	641,292	658,305	650,000	700,000	720,000	740,000	745,000	765,000	770,000
Interest and Other Charges	720,813	692,935	684,406	618,255	557,209	526,563	503,650	485,075	458,600	427,900
<b>Total expenditures</b>	<b>17,845,930</b>	<b>18,146,251</b>	<b>18,588,560</b>	<b>19,321,325</b>	<b>19,415,030</b>	<b>20,328,378</b>	<b>21,360,009</b>	<b>22,299,436</b>	<b>21,580,289</b>	<b>24,022,605</b>
Excess (Deficiency) of revenues over (under) expenditures	(81,848)	110,394	201,448	27,547	283,534	(130,752)	(158,520)	(364,964)	550,592	(417,331)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	106,956	-	-	187,891	-	293,386	-	-	-	1,600,000
Cancellation of Accounts Payable	30,391	-	-	-	-	-	-	-	-	21,550
Cancellation of Contracts Payable	-	-	-	-	-	16,143	-	-	-	-
Cancellation of SDA Grant Receivables	-	-	-	-	-	(90,962)	-	-	-	-
Transfers in	-	322	102,720	260,372	450,000	536,830	685,000	687,462	420,611	32,047
Transfers out	-	(322)	(102,720)	(260,372)	(450,000)	(536,830)	(685,000)	(687,462)	(420,611)	-
<b>Total other financing sources (uses)</b>	<b>137,347</b>	<b>-</b>	<b>-</b>	<b>187,891</b>	<b>-</b>	<b>218,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,653,597</b>
<b>Net change in fund balances</b>	<b>55,498</b>	<b>110,394</b>	<b>201,448</b>	<b>215,438</b>	<b>283,534</b>	<b>87,815</b>	<b>(158,520)</b>	<b>(364,964)</b>	<b>550,592</b>	<b>1,236,267</b>
Debt service as a percentage of noncapital expenditures	7.664%	7.373%	7.175%	6.819%	6.634%	6.327%	5.998%	5.655%	5.768%	5.385%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

**WANAQUE BOARD OF EDUCATION**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2012	-	88,499	1,314	89,813
2013	322	60,695	28,791	89,808
2014	149	148,222	76,228	224,599
2015	4,299	74,003	26,188	104,490
2016	4,777	151,653	21,359	177,788
2017	5,927	75,073	4,973	85,973
2018	23,128	102,472	147,711	273,312
2019	4,448	241,401	65,988	311,837
2020	974	260,644	61,714	323,332
2021	10,216	330,509	31,811	372,535

Source: District Records

WANAUKE BOARD OF EDUCATION

Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years  
Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2012	23,115,800	507,724,774	-	3,800	41,574,020	10,321,790	1,379,200	584,119,384	-	584,119,384	2.239	1,295,164,931
2013 (c)	43,414,200	963,498,900	-	5,800	88,604,200	22,020,000	2,178,100	1,119,721,200	-	1,119,721,200	1.186	1,279,368,940
2014	42,582,900	971,990,000	-	132,400	86,700,100	21,736,000	2,178,100	1,125,319,500	-	1,125,319,500	1.209	1,268,043,041
2015	36,099,300	976,794,800	-	132,400	86,193,800	19,791,700	2,178,100	1,121,190,100	-	1,121,190,100	1.242	1,235,743,525
2016	35,921,500	976,142,900	805,300	134,400	86,100,400	19,791,700	2,178,100	1,121,074,300	-	1,121,074,300	1.274	1,257,091,612
2017	33,925,800	988,682,600	805,300	7,700	72,102,400	19,349,700	2,178,100	1,117,051,600	-	1,117,051,600	1.320	1,282,640,487
2018	32,301,800	992,489,900	805,300	7,700	70,933,700	19,349,700	3,438,100	1,119,326,200	-	1,119,326,200	1.348	1,295,067,936
2019	31,423,400	991,182,000	805,300	7,700	70,309,900	19,394,900	6,035,900	1,119,159,100	-	1,119,159,100	1.376	1,363,664,067
2020	28,532,100	989,127,300	805,300	7,700	70,159,900	19,161,400	6,035,900	1,113,829,600	-	1,113,829,600	1.412	1,392,809,303
2021	28,670,300	990,694,500	805,300	7,700	70,822,800	19,011,400	6,035,900	1,116,047,900	-	1,116,047,900	1.438	1,489,056,571

Source: Passaic County, Abstract of Ratables and Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**c** Revaluation/Reassessment Year

WANAQUE BOARD OF EDUCATION

Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

(rate per \$100 of assessed value)

Assessment Year	Wanaque Board of Education		Regional School District		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Regional School District	Borough of Wanaque <sup>c</sup>	Passaic County	
2012	2.089	0.15	2.239	1.220	1.580	1.460	6.499
2013 (d)	1.106	0.079	1.186	0.697	0.868	0.732	3.483
2014	1.133	0.077	1.210	0.631	0.876	0.809	3.526
2015	1.167	0.075	1.242	0.628	0.876	0.850	3.596
2016	1.203	0.071	1.274	0.646	0.895	0.832	3.648
2017	1.246	0.074	1.320	0.685	0.903	0.832	3.740
2018	1.275	0.073	1.348	0.715	0.919	0.848	3.830
2019	1.304	0.072	1.376	0.745	0.958	0.828	3.907
2020	1.341	0.071	1.412	0.781	0.983	0.827	4.003
2021	1.368	0.070	1.438	0.782	1.000	0.828	4.048

Source: District Records and Municipal Tax Collector

Note:

N.J.S.A 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

**c** Includes Open Space and Library Tax

**d** Revaluation/Reassessment Year

WANAQUE BOARD OF EDUCATION

Principal Property Tax Payers,  
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
North Jersey District Water Supply Comm.	\$ 17,131,000	1	1.53%	\$ 16,139,500	1	2.79%
North Jersey Pediatric & Adult Nursing	9,500,000	2	0.85%			
Omni II LLC (Nursing Home 25 Fifth Ave)	6,500,000	3	0.58%			
Wanaque Building Associates (4 Union Ave)	6,200,000	4	0.56%	2,652,200	5	0.46%
Third Ave Property Investment LLC	5,201,400	5	0.47%			
Algonquin Gas Transmission	4,489,900	6	0.40%	2,086,890	8	0.36%
1049 Ringwood Avenue LLC (Apartments)	3,857,800	7	0.35%			
Shree Hari Vallabh Realty, LLC (Holiday Inn)	3,645,000	8	0.33%	2,268,800	7	0.39%
Haskell Town Center LLC	2,697,300	9	0.24%			
Ringwood PK Plaza/CVS Store#2967-01	2,250,000	10	0.20%			
Wanaque Convalescent Center LP				9,240,300	2	1.60%
Pulte Communications				5,459,300	4	0.94%
Arrow Group Inc.				2,500,000	6	0.43%
DeRubbio & McCauly				5,666,200	3	0.98%
Wanaque Realty Corp				1,609,500	9	0.28%
Haskell Properties				1,413,300	10	0.24%
<b>Total</b>	<b>\$ 61,472,400</b>		<b>5.51%</b>	<b>\$ 49,035,990</b>		<b>8.47%</b>

Source: Municipal Tax Assessor office

**WANAQUE BOARD OF EDUCATION**

**Property Tax Levies and Collections,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	12,959,939	12,959,939	100.00%	-
2013	13,137,681	13,137,681	100.00%	-
2014	13,485,309	13,485,309	100.00%	-
2015	13,753,723	13,753,723	100.00%	-
2016	14,098,944	14,098,944	100.00%	-
2017	14,509,868	14,509,868	100.00%	-
2018	14,937,784	14,937,784	100.00%	-
2019	15,236,857	15,236,857	100.00%	-
2020	15,550,662	15,550,662	100.00%	-
2021	15,901,461	15,901,461	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:**     **a** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year



**WANAQUE BOARD OF EDUCATION**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable	Capital Leases			
2012	15,726,000	114,599	89,141	15,929,740	3.34%	1,400
2013	15,141,000	58,307	68,831	15,268,138	3.12%	1,329
2014	14,541,000		47,567	14,588,567	2.79%	1,253
2015	13,815,000		238,496	14,053,496	2.62%	1,205
2016	13,115,000		114,700	13,229,700	2.43%	1,133
2017	12,395,000		279,447	12,674,447	2.29%	1,080
2018	11,655,000		185,269	11,840,269	2.05%	1,009
2019	10,910,000		196,085	11,106,085	1.84%	944
2020	10,145,000		111,513	10,256,513	1.57%	875
2021	9,375,000		1,656,036	11,031,036	Not Available	Not Available

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**WANAQUE BOARD OF EDUCATION**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	15,726,000		15,726,000	2.69%	1,381.78
2013	15,141,000		15,141,000	1.35%	1,317.75
2014	14,541,000		14,541,000	1.29%	1,249.12
2015	13,815,000		13,815,000	1.23%	1,184.31
2016	13,115,000		13,115,000	1.17%	1,122.76
2017	12,395,000		12,395,000	1.11%	1,055.70
2018	11,655,000		11,655,000	1.04%	992.93
2019	10,910,000		10,910,000	0.97%	927.48
2020	10,145,000		10,145,000	0.91%	865.84
2021	9,375,000		9,375,000	0.84%	Not available

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding

**WANAQUE BOARD OF EDUCATION**  
**Direct and Overlapping Governmental Activities Debt**  
**Year Ended June 30, 2020**

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Borough of Wanaque	17,874,821	100.000%	17,874,821
<b>Other debt</b>			
Passaic County	302,489,282	2.606%	7,881,963
Passaic County Utility Authority	44,515,000	2.606%	1,159,927
Subtotal, overlapping debt			26,916,712
<b>Wanaque Borough School District Direct Debt</b>			<u>9,375,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 36,291,712</u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Passaic County Board of Taxation.  
 Debt outstanding data provided by each governmental unit.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Wanaque. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

(1) Debt information as of December 31, 2019



**WANAQUE BOARD OF EDUCATION**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2011	11,293	465,949,180	41,260	8.6%
2012	11,381	476,943,567	41,907	9.0%
2013	11,490	488,750,130	42,537	8.3%
2014	11,641	522,774,028	44,908	13.3%
2015	11,665	537,114,925	46,045	6.2%
2016	11,681	544,533,177	46,617	5.0%
2017	11,741	554,069,531	47,191	4.3%
2018	11,738	577,122,246	49,167	3.8%
2019	11,763	602,300,889	51,203	3.1%
2020	11,717	653,515,675	55,775	8.2%

**Source:**

- <sup>a</sup> U.S. Bureau of the Census, Population Division, (Estimates April 1, 2011 to July 1, 2020)
- <sup>b</sup> Personal income of the District is based on the County Information.
- <sup>c</sup> U.S. Department of Commerce, County Information 2011-2020.
- <sup>d</sup> N.J. Department of Labor

**WANAQUE BOARD OF EDUCATION**  
**Principal Employers,**  
**Current Year and Eight Years Ago**

<u>2020</u>			<u>2012</u>			
<u>Employer</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

**INFORMATION IS NOT AVAILABLE**

**WANAQUE BOARD OF EDUCATION**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	57	65	65	66	58	60	59	56	56	60
Special education	50	26	22	22	29	27	27	30	30	32
Other instruction	-	20	23.5	24.5	21	31	29	31	31	26
Support Services:										
Tuition										
Student & instruction related services	16	11	13.5	13	14.5	17	20	16	16	16
General administrative services	6	9	8	7	8.5	8.5	9.5	7.5	7.5	9
Business administrative services	3	3.5	3.5	4	4	4	4	4	4	5
Plant operations and maintenance	15	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>147.0</b>	<b>136.5</b>	<b>137.5</b>	<b>138.5</b>	<b>137.0</b>	<b>149.5</b>	<b>150.5</b>	<b>146.5</b>	<b>146.5</b>	<b>150.0</b>

**Source:** District Personnel Records

WANAQUE BOARD OF EDUCATION  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2011-2012	932	16,268,064	17,455	6.95%	90.5	10.4	942.8	907.5	0.89%	96.18%
2012-2013	965	16,762,091	17,370	-0.49%	91.0	10.6	951.7	906.7	-0.09%	95.30%
2013-2014	926	17,112,512	18,480	6.39%	90.0	10.3	915.5	877.4	-3.80%	95.84%
2014-2015	952	17,329,547	18,203	-1.50%	93.0	10.2	958.0	917.2	-4.64%	95.75%
2015-2016	955	17,695,124	18,529	1.79%	90.0	10.6	947.6	908.7	-0.01%	95.90%
2016-2017	949	18,455,388	19,447	4.96%	94.0	10.1	945.1	902.7	-0.01%	95.52%
2017-2018	919	18,065,765	19,658	1.08%	86.0	10.7	900.8	864.4	-4.69%	96.02%
2018-2019	900	20,521,940	22,802	15.99%	97.0	9.3	886.8	849.3	-1.55%	95.76%
2019-2020	901	19,990,809	22,187	-2.70%	97.0	9.3	899.0	864.0	1.44%	96.44%
2020-2021	869	21,048,360	24,221	9.17%	92.0	9.5	863.8	838.0	-3.92%	97.01%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures J-4, less debt service and capital outlay
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS) at June 30.

WANAQUE BOARD OF EDUCATION  
 School Building Information  
 Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Haskell School (1917)										
Square Feet	70,225	70,255	70,255	70,255	70,255	70,255	70,255	70,255	70,255	70,255
Capacity (students)	469	469	469	469	469	469	469	469	469	469
Enrollment	403	413	413	428	432	436	410	386	396	391
Wanaque School (1971)										
Square Feet	81,800	81,800	81,800	81,800	81,800	81,800	81,800	81,800	81,800	81,800
Capacity (students)	574	574	574	574	574	574	574	574	574	574
Enrollment	539	538	538	538	523	513	496	503	505	478
<b><u>Other</u></b>										
Central Administration (1905)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet										
Central Administration (1965)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet										
Central Administration (1917)	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260
Square Feet										

Number of Schools at June 30, 2020  
 Elementary = 2

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.



**WANAQUE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY**

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

*School Facilities	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
HASKELL SCHOOL	111,037	119,079	140,021	145,108	135,100	127,468	127,800	85,183	71,465	73,836
WANAQUE SCHOOL	136,346	145,542	171,000	163,701	157,044	138,090	122,658	89,983	84,527	71,307
<b>GRAND TOTAL</b>	<b>247,383</b>	<b>264,621</b>	<b>311,021</b>	<b>308,808</b>	<b>292,144</b>	<b>265,558</b>	<b>250,458</b>	<b>175,166</b>	<b>155,992</b>	<b>145,143</b>

(\*) School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

**WANAQUE BOARD OF EDUCATION**

**Insurance Schedule  
June 30, 2021**

	<u>Coverage</u>	<u>Deductible</u>
Package - New Jersey Schools Insurance Group		
Property	\$ 43,774,300	\$ 5,000
Crime coverage (Faithful Performance, Forgery & Alternation, & Co	250,000	1,000
Crime Coverage (Money & Securities, & Money Orders/Counterfeit)	25,000	500
Comprehensive general liability	11,000,000	N/A
School Leaders Errors & Omissions	11,000,000	5,000
Business Auto Coverage	11,000,000	0
Environmental Impairment - Ironshore Specialty Group	1,000,000	50,000
Boiler and machinery - New Jersey School Insurance Group	100,000,000	1,000
Restart (Demolition & Rebuild)	5,000,000	N/A
Crisis Management	1,000,000	Various
Excess Liability - NJUEP (Hudson Excess, Allied World, Evanston)	30,000,000	
Workers Compensation - New Jersey Schools Insurance Group	Part 1: Statutory Part 2: \$3,000,000	
Supplemental Indemnity	7 day waiting period	
Cyber Liability Insurance - Great American Insurance Co.	2,000,000	25,000
Public Officials Surety Bonds - The Hartford Insurance Co.		
Treasurer of School Monies	250,000	N/A
Board Secretary	200,000	N/A
Student Accident Coverage - Bollinger/Zurich		
Mandatory & Voluntary Coverage	Various	
Catastrophic Aggregate Limit	5,000,000	Full Excess

Source: District Records

**SINGLE AUDIT SECTION**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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**K-1**  
**Page 1 of 2**

**INDEPENDENT AUDITOR'S 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**

Honorable President and  
Members of the Board of Education  
Borough of Wanaque School District  
County of Passaic  
Haskell, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Wanaque School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 2, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Borough of Wanaque 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 Borough of Wanaque Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Wanaque 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 Borough of Wanaque Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### ***Purpose of this Report***

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

*Thomas M. Ferry*

Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkocz & Company, LLC*

Wielkocz & Company, LLC  
Certified Public Accountants

Newton, New Jersey

February 2, 2022





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**K-2**  
**Page 1 of 3**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND NEW JERSEY'S OMB CIRCULAR 15-08**

Honorable President and  
Members of the Board of Education  
Borough of Wanaque School District  
County of Passaic  
Haskell, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Borough of Wanaque School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Wanaque Board of Education's major federal and state programs for the year ended June 30, 2021. The Borough of Wanaque 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 Borough of Wanaque 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 and audit requirements and N.J. OMB Circular 15-08. Those statutes, the Uniform Guidance and N.J. OMB 15-08



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 and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Wanaque 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 Borough of Wanaque Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Wanaque 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 year ended June 30, 2021.

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

Management of the Borough of Wanaque 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 Borough of Wanaque Board of Education's internal control over compliance with the type 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 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 Borough of Wanaque 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 and 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 and 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 and 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.



Honorable President and  
Members of the Board of Education

K-2  
Page 3 of 3

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

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

*Thomas M. Ferry*

Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkotz & Company, LLC*

Wielkotz & Company, LLC  
Certified Public Accountants

Newton, New Jersey

February 2, 2022





**BOROUGH OF WANAJUE SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year Ending June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From / To	Balance at June 30, 2020		Balance at June 30, 2021		MEMO Cumulative Total Expenditures
						(Accounts Receivable)	Deferred Revenue	(Accounts Receivable)	Deferred Revenue	
<b>U.S. Department of Education:</b>										
<b>Passed-Through State Department Of Education:</b>										
General Fund:										
Medicaid Assistance Program	93.778	2005NJSMAP	N/A	22,190.42	7/1/20-6/30/21	-	-	-	-	22,190.42
<b>U.S. Department of Agriculture</b>										
<b>Passed-Through State Department Of Education:</b>										
<b>Enterprise Fund:</b>										
Food Distribution Program	10.550	211NJ304N1099	N/A	54,993.69	7/1/20-6/30/21	-	-	-	2,909.48	52,084.21
National School Lunch Program	10.555	201NJ304N1099	N/A	78,840.49	7/1/19-6/30/20	(4,193.40)	-	-	-	78,840.49
National School Lunch Program	10.555	211NJ304N1099	N/A	421,251.44	7/1/20-6/30/21	-	-	(82,393.22)	-	421,251.44
School Breakfast Program	10.553	201NJ304N1099	N/A	20,837.05	7/1/19-6/30/20	(2,499.80)	-	-	-	28,037.05
School Breakfast Program	10.553	211NJ304N1099	N/A	241,838.98	7/1/20-6/30/21	-	-	(23,344.31)	-	241,838.98
Total Enterprise Fund				218,494.67		(6,693.20)	-	(105,737.53)	2,909.48	822,052.17
<b>U.S. Department of Treasury</b>										
<b>Passed-Through State Department Of Education:</b>										
<b>Special Revenue Fund:</b>										
C.R.F. - School Aid	21.019	SLT00228	21E0050	45,065.00	3/1/20-12/31/21	-	-	-	-	45,065.00
C.R.F. - Digital Divide Grant	21.019	SLT0007		65,702.00	7/16/20-10/31/20	-	-	-	-	65,702.00
Total Special Revenue Fund				110,767.00		-	-	-	-	110,767.00
<b>U.S. Department of Education</b>										
<b>Passed-Through State Department Of Education:</b>										
<b>Special Revenue Fund:</b>										
Title I - Improving Basic Programs	84.010	S010A190030	ESSA544020	111,572.00	9/1/19-8/31/20	(45,370.00)	-	-	-	111,572.00
Title I - Improving Basic Programs	84.010	S010A200030	ESSA544021	112,337.00	9/1/20-8/31/21	-	-	(38,300.00)	-	111,837.00
						(45,370.00)	-	(38,300.00)	-	223,409.00
Title II - Part A - Teacher & Principal Training/Recruiting	84.367	S367A190029	ESSA544020	41,267.00	9/1/19-8/31/20	(8,573.00)	-	-	-	41,267.00
Title II - Part A - Teacher & Principal Training/Recruiting	84.367	S367A200029	ESSA544021	33,783.00	9/1/20-8/31/21	-	-	(10,251.00)	-	33,283.00
						(8,573.00)	-	(10,251.00)	-	74,550.00
Title IV - Student Support and Academic Enrichment	84.424	S424A190031	ESSA544020	500.00	9/1/19-8/31/20	(175.00)	-	-	-	500.00
I.D.E.A. Part B - Basic Regular	84.027	H027A200100	IDEA544021	239,200.00	9/1/20-8/31/21	-	-	-	-	239,200.00
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA544020	13,699.00	9/1/19-8/31/20	(2,740.00)	-	-	-	13,699.00
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA544021	13,714.00	9/1/20-8/31/21	-	-	(1,370.00)	-	13,714.00
						(2,740.00)	-	(1,370.00)	-	266,613.00
Slate Personnel Development Grant										
New Jersey Tiered System of Supports - Early Reading	84.323	H323A160012	N/A	3,996.00	7/1/20-6/30/21	-	-	-	-	3,996.00
C.A.R.E.S. - E.S.S.E.R. I	84.425D	S425D200027	N/A	96,175.00	3/13/20-9/30/21	-	-	(16,022.00)	-	96,175.00
C.R.R.S.A. - E.S.S.E.R. II	84.425D	S425D210027	N/A	372,927.00	3/13/20-9/30/22	-	-	(99,224.04)	-	99,224.04
C.R.R.S.A. - E.S.S.E.R. II - Learning Acceleration	84.425D	S425D210027	N/A	25,000.00	3/13/20-9/30/22	-	-	(14,338.00)	-	14,338.00
C.R.R.S.A. - E.S.S.E.R. II - Mental Health Support	84.425D	S425D210027	N/A	45,000.00	3/13/20-9/30/22	-	-	(11,944.50)	-	11,944.50
Total Special Revenue Fund				489,120.00		(56,858.00)	-	(191,449.54)	-	790,749.54
Total Federal Financial Awards				1,241,117.20		(63,551.20)	-	(297,187.07)	2,909.48	1,745,759.13

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

BOROUGH OF WANAQUE SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year Ending June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From / To	Balance at		Cash Received	Budgetary Expenditures	MEMO	
				June 30, 2020 (Accts Receivable)	June 30, 2021 (Accounts Receivable)			Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>									
<b>General Fund:</b>									
Equalization Aid	21-495-034-5120-078	1,433,461.00	7/1/20-6/30/21	-	-	1,299,301.00	(1,433,461.00)	(134,160.00)	1,433,461.00
Special Education Categorical Aid	21-495-034-5120-089	547,530.00	7/1/20-6/30/21	-	-	496,286.00	(547,530.00)	(51,244.00)	547,530.00
Security Aid	21-495-034-5120-084	23,490.00	7/1/20-6/30/21	-	-	21,292.00	(23,490.00)	(2,198.00)	23,490.00
<b>Total State Aid Public Cluster</b>						<u>1,816,879.00</u>	<u>(2,004,481.00)</u>	<u>(187,602.00)</u>	<u>2,004,481.00</u>
Reimbursed TPAF Social Security	20-495-034-5095-003	588,517.01	7/1/19-6/30/20	(30,424.67)	-	30,424.67	-	-	588,517.01
Reimbursed TPAF Social Security	21-495-034-5095-003	606,549.10	7/1/20-6/30/21	-	-	575,878.77	(606,549.10)	(30,670.33)	606,549.10
Extraordinary Special Education Costs Aid	20-100-034-5120-473	158,708.00	7/1/19-6/30/20	(158,708.00)	-	174,605.00	(15,897.00)	-	158,708.00
Extraordinary Special Education Costs Aid	21-100-034-5120-473	520,032.00	7/1/20-6/30/21	-	-	-	(520,032.00)	-	520,032.00
Transportation Aid	21-495-034-5120-014	11,642.00	7/1/20-6/30/21	-	-	10,552.00	(11,642.00)	(1,090.00)	11,642.00
On-behalf TPAF Pension	21-495-034-5094-002	2,248,171.00	7/1/20-6/30/21	-	-	2,248,171.00	(2,248,171.00)	-	2,248,171.00
On-behalf TPAF NCGI Premium	21-495-034-5094-007	42,774.00	7/1/20-6/30/21	-	-	42,774.00	(42,774.00)	-	42,774.00
On-behalf TPAF Post Retirement Medical	21-495-034-5094-001	717,947.00	7/1/20-6/30/21	-	-	717,947.00	(717,947.00)	-	717,947.00
On-behalf TPAF Long-Term Disability Ins.	21-495-034-5094-004	1,767.00	7/1/20-6/30/21	-	-	1,767.00	(1,767.00)	-	1,767.00
Non Public Transportation Aid	21-495-034-5120-014	13,340.00	7/1/20-6/30/21	(189,132.67)	-	5,618,998.44	(13,340.00)	(188,692.00)	13,340.00
<b>Total General Fund</b>				<u>(189,132.67)</u>		<u>5,618,998.44</u>	<u>(6,182,600.10)</u>	<u>(188,692.00)</u>	<u>6,913,928.11</u>
<b>Debt Service Fund:</b>									
School Construction Debt Service Aid	21-495-034-5120-075	407,286.00	7/1/20-6/30/21	-	-	407,286.00	(407,286.00)	-	407,286.00
<b>Total Debt Service Fund</b>						<u>407,286.00</u>	<u>(407,286.00)</u>		<u>407,286.00</u>
<b>State Department of Agriculture</b>									
<b>Enterprise Fund:</b>									
State School Lunch Program	20-100-010-3350-023	2,627.83	7/1/19-6/30/20	(66.28)	-	66.28	-	-	2,627.83
State School Lunch Program	21-100-010-3350-023	16,457.38	7/1/20-6/30/21	-	-	14,410.08	(17,310.71)	(2,900.63)	16,457.38
<b>Total Enterprise Fund</b>				<u>(66.28)</u>		<u>14,476.36</u>	<u>(17,310.71)</u>		<u>19,085.21</u>
TOTAL STATE FINANCIAL ASSISTANCE									
				<u>(189,198.95)</u>		<u>6,040,760.80</u>	<u>(6,607,196.81)</u>	<u>(188,692.00)</u>	<u>7,340,299.32</u>
<b>Less: On-Behalf Pension and Annuity Aid</b>									
On-behalf TPAF Pension	21-495-034-5094-002	2,248,171.00	7/1/20-6/30/21	-	-	2,248,171.00	(2,248,171.00)	-	2,248,171.00
On-behalf TPAF NCGI Premium	21-495-034-5094-007	42,774.00	7/1/20-6/30/21	-	-	42,774.00	(42,774.00)	-	42,774.00
On-behalf TPAF Post Retirement Medical	21-495-034-5094-001	717,947.00	7/1/20-6/30/21	-	-	717,947.00	(717,947.00)	-	717,947.00
On-behalf TPAF Long-Term Disability Ins.	21-495-034-5094-004	1,767.00	7/1/20-6/30/21	-	-	1,767.00	(1,767.00)	-	1,767.00
						<u>3,010,659.00</u>	<u>(3,010,659.00)</u>		<u>3,010,659.00</u>
TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION									
				<u>(189,198.95)</u>		<u>3,030,101.80</u>	<u>(3,596,537.81)</u>	<u>(188,692.00)</u>	<u>4,329,640.32</u>

See accompanying notes to Schedule of Expenditures of Federal awards and State Financial Assistance.

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all Federal and State Award programs of the Board of Education, Borough of Wanaque School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state 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 of expenditures of Federal Awards and State Financial Assistance are presented on 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 bases of accounting are described in Notes 2 (C) and 2(D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS**

The basic 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 the modified accrual basis with the exception of the revenue recognition of the one or more deferred June 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 budget year due to the state deferral and recording of the one or more June state aid payments last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

**NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS**  
(Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$35,891.00 for the general fund and \$(91,880.76) of which \$(90,569.92) is for federal awards and \$(1,310.84) is for local sources, for the special revenue fund. See Note for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during 2021 fiscal year was \$3,010,659.00.

Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$22,190.42	6,218,491.10	6,240,681.52
Special Revenue Fund	643,908.62		643,908.62
Debt Service Fund		407,286.00	407,286.00
Food Service Fund	<u>715,174.63</u>	<u>17,310.71</u>	<u>732,485.34</u>
Total Financial Awards	<u>\$1,381,273.67</u>	<u>\$6,643,087.81</u>	<u>\$8,024,361.48</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2021. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

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

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

**NOTE 7. INDIRECT COST RATE**

The Borough of Wanaque School District has elected not to use the 10 percent de minimis Indirect Cost Rate as allowed under the Uniform Guidance.



**BOROUGH OF WANAQUE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(continued)**

**State Awards Section**

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

Auditee qualified as low-risk auditee?     X     yes          no

Internal Control over major state programs:

- 1) Material weakness(es) identified?          yes     X     no
- 2) Significant deficiencies identified that are not  
    Considered to be material weaknesses?          yes     X     none reported

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

Any audit findings disclosed that are required to be reported  
in accordance with NJ OMB Circular letter 15-08, as applicable?          yes     X     no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
21-100-034-5120-473	Extraordinary Special Ed Costs Aid
21-495-034-5120-075	Debt Service Aid

**BOROUGH OF WANAQUE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONS COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section II - Schedule of Financial Statement Findings*

NONE

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

No matters were reported.



**BOROUGH OF WANAQUE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Status of Prior Year Findings**

There were no prior audit findings.