

WHARTON BOARD OF EDUCATION

**Wharton Borough Board of Education
Wharton, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

WHARTON BOARD OF EDUCATION

Wharton, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Wharton Borough Board of Education
Business Office**

WHARTON BOARD OF EDUCATION
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INTRODUCTORY SECTION
(UNAUDITED)

WHARTON BOROUGH PUBLIC SCHOOLS

www.wbps.org

"Learn to Thrive in a Dynamic World"

Christopher Herdman
Superintendent

Sandy Cammarata
Business Administrator

Christopher J. Herdman
Superintendent

Sandy Cammarata
Business Administrator

Marie Giantomasi
Director of Special Education &
Child Study Team

Board of Educaon
Robin Ghebreal
President

Jennifer Hobbs
Vice President

Anthony Astrologo
Gilbert Bahr
Paul Breda
John McCusker
Wayne Schiele

Superintendent's Office
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Business Office
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Alfred C. MacKinnon School
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Fax 973.361.4805

Child Study Team
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Guidance
973.361.2541
Fax 973.361.4917

137 East Central Avenue
Wharton, NJ 07885

January 31, 2023

The Honorable President and Members
of the Board of Education
Wharton Board of Education
County of Morris, New Jersey

Dear Honorable President and Board Members:

The annual comprehensive financial report of the Wharton Board of Education (the "District") for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 2021-2022 school year was the step to return to normalcy in the school district. While students and staff attended school "in-person" on a full time basis, the district maintained challenges related to learning loss and continued exclusion and isolation of COVID positive individuals. Students were again offered a full, cost free, lunch program and were issued devices to supplement their learning and provide for the potential of a return to virtual learning. Many programs and supports were put into place to identify student academic deficiencies and to target improvement on an individualized level. Unforeseen challenges, such as primary students' lack of fine motor skills, were able to be addressed with the purchase of more age appropriate devices.

While most afterschool, co-curricular, and athletic programs were cancelled for the year, virtual field trips and learning experiences were obtained and our Spring, outdoor, athletic programs were able to be held. Additional learning supports and programs were investigated and established throughout the year to provide and support individual student needs.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Wharton Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Wharton Board of Education and its schools constitute the District's reporting entity.

2) ECONOMIC CONDITION AND OUTLOOK:

The Borough continues to seek new business to the area to improve the industrial and commercial tax base.

3) MAJOR INITIATIVES:

The Board's current major initiatives are

- Current Interlocal Service Agreements with Morris Hills Regional High School District for Child Study Team Services, Joint Transportation Agreement with Rockaway Township School, Transportation Services, and Custodial Services. The District is evaluating all shared services continually for cost saving initiatives.
- Continued Stability of Early Childhood Program
- Continued Infusion of Technology
- Enhanced Performance Assessment Tools
- Performance Assessment
- Improved Professional Development
- Continued Infusion of Additional Resources through State and Federal Grants
- Continued effects to enhance school culture and climate and increase community involvement in the school.
- Provide individualized educational opportunities to target needs caused by the pandemic.
- Continue to address and support the mental health needs of both our students and staff.
- Improved implementation of data analysis to identify student needs and utilize this data to drive instruction.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system 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 system 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 awards, the District is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments, and assignments of fund balance at June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", No. 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District 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. The Business Administrator oversees risk management for the District. A Schedule of Insurance Coverage is found on Exhibit J-20.

9) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

The Honorable President and Members
of the Board of Education
Page 4
January 31, 2023


10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Wharton 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 operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully,

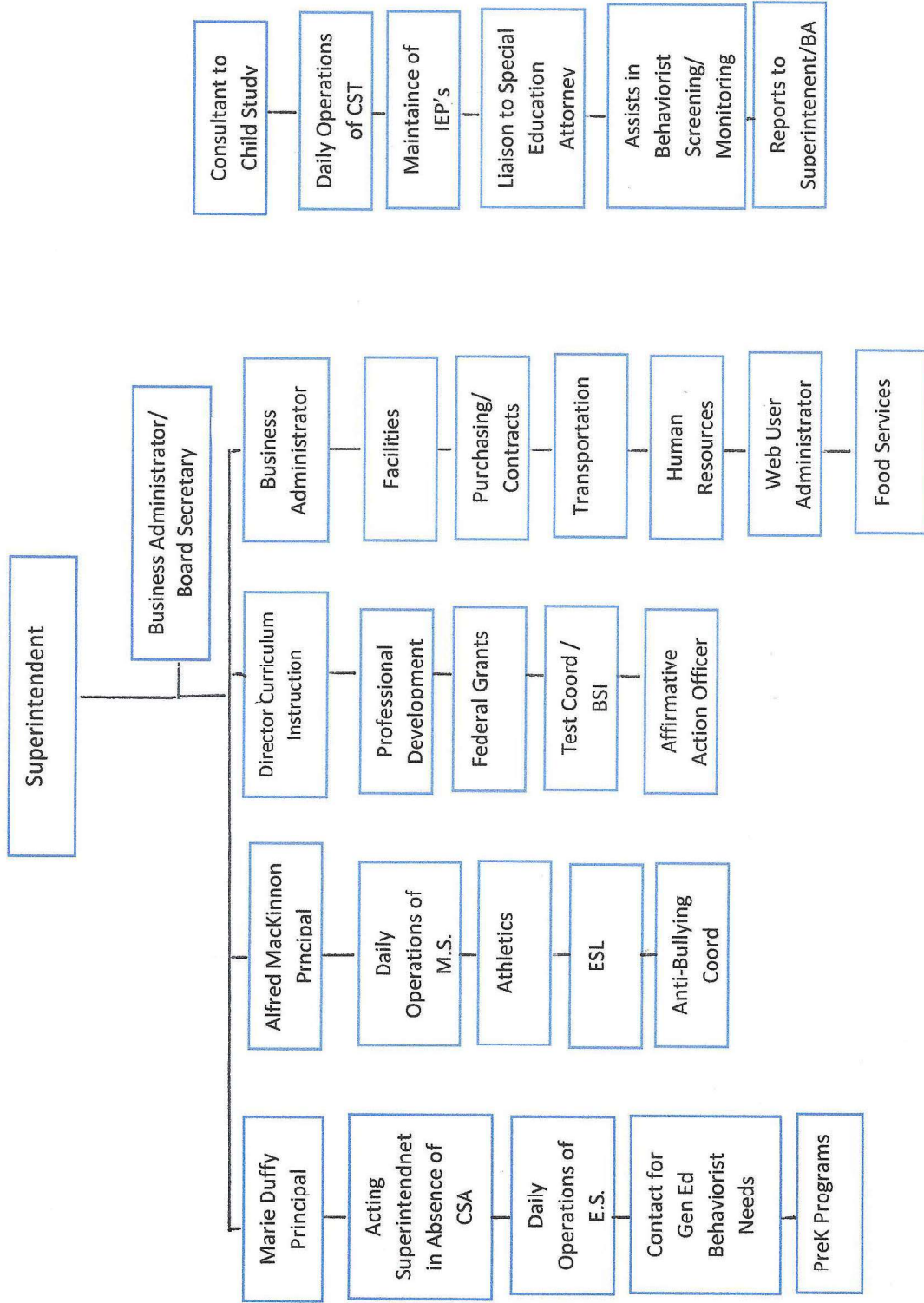


Christopher Herdman
Superintendent



Sandy Cammarata
Business Administrator/Board Secretary

**WHARTON BOARD OF EDUCATION
ORGANIZATION CHART**



**WHARTON BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Expiration of Term</u>
Robin Ghebreal, President	2022
Jennifer Hobbs, Vice President	2024
Anthony Astrologo	2023
Gilbert Bahr	2023
Paul Breda	2024
Wayne Schiele	January - December 2021
John McCusker	2022
Stephanie Puerta	April - December 2022

<u>Other Officials</u>	<u>Title</u>
Christopher Herdman	Superintendent
Sandy Cammarata	Business Administrator/Board Secretary

WHARTON BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860
and
1140 Route 22 East, Suite 203
Bridgewater, New Jersey 08807

Attorney

Anthony Sciarrillo
Lindabury, McCormick, Estabrook & Cooper PC
53 Cardinal Drive
Westfield, NJ 07090

Architect

Coppa Montalbano Architects
97 Lackawanna Ave
Totowa, NJ 07512

Insurance Agent

Morville Agency
55 Newton Sparta Road #102
Newton, NJ 07860

Official Depository

TD Bank
240 Route 10 West
Succasunna, NJ 07876

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Wharton Board of Education
County of Morris, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wharton Board of Education (the “District”), in the County of Morris as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

January 31, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Wharton Board of Education
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

This section of Wharton Board of Education’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.
- *Notes to Basic Financial Statements:* Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of Wharton Board of Education’s Financial Report**

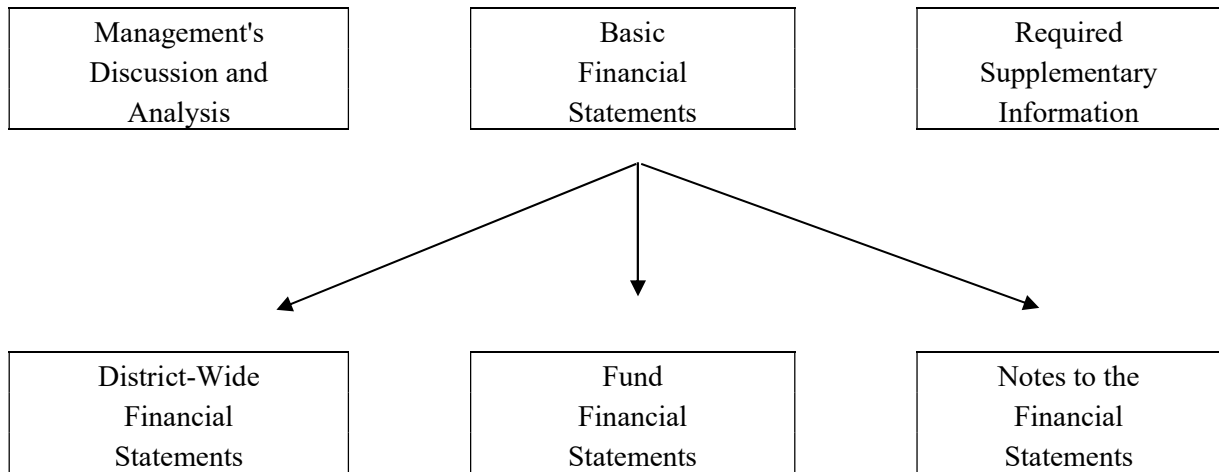


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

District-wide Statements

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

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

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

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

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

Financial Analysis of the District as a Whole

Net position. The District's combined net position increased \$2,657,800. Net position from governmental activities increased \$2,563,764 and net position from business-type activities increased \$94,036. Net investment in capital assets increased \$645,080, restricted net position increased \$1,686,638, and unrestricted net position increased \$326,082.

**Figure A-3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2021/22
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Current/Other Assets	\$ 13,475,295	\$ 11,768,980	\$ 210,604	\$ 145,037	\$ 13,685,899	\$ 11,914,017	
Capital Assets	8,407,340	7,997,039	16,806	13,027	8,424,146	8,010,066	
Total Assets	21,882,635	19,766,019	227,410	158,064	22,110,045	19,924,083	10.97%
Deferred Outflows of Resources	287,188	439,632			287,188	439,632	-34.68%
Other Liabilities	643,955	672,552	2,065	25,520	646,020	698,072	
Long-term Liabilities	1,758,017	2,374,736	400	1,635	1,758,417	2,376,371	
Total Liabilities	2,401,972	3,047,288	2,465	27,155	2,404,437	3,074,443	-21.79%
Deferred Inflows of Resources	600,259	554,535			600,259	554,535	8.25%
Net Position:							
Net Investment in Capital Assets	7,965,340	7,324,039	16,806	13,027	7,982,146	7,337,066	
Restricted	12,757,969	11,071,331			12,757,969	11,071,331	
Unrestricted/(Deficit)	(1,555,717)	(1,791,542)	208,139	117,882	(1,347,578)	(1,673,660)	
Total Net Position	\$ 19,167,592	\$ 16,603,828	\$ 224,945	\$ 130,909	\$ 19,392,537	\$ 16,734,737	15.88%

Changes in Net position. The District's combined net position was \$19,392,537 on June 30, 2022, or 15.88% more than the year before. (See Figure A-3). Net investment in capital assets increased due to the maturity of serial bonds payable and capital assets additions, offset by capital assets deletions and current year depreciation. Restricted net position increased primarily due to an increase in the capital reserve. Unrestricted net position increased primarily due to the changes in the net pension liability and related deferred outflows and inflows of resources.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2021/22
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Revenue:							
Program Revenue:							
Fees for Services	\$ 35,524	\$ 82,402	\$ 1,430	\$ 6,083	\$ 36,954	\$ 88,485	-58.24%
Operating Grants/ Contributions	5,965,043	5,839,363	505,351	214,053	6,470,394	6,053,416	6.89%
General Revenue:							
Property Taxes Unrestricted	9,837,302	9,721,796			9,837,302	9,721,796	1.19%
Federal/State Aid	5,274,757	4,478,310			5,274,757	4,478,310	17.78%
Other	38,480	20,922	151	107	38,631	21,029	83.70%
Total Revenue	<u>21,151,106</u>	<u>20,142,793</u>	<u>506,932</u>	<u>220,243</u>	<u>21,658,038</u>	<u>20,363,036</u>	6.36%
Expenses:							
Instruction	10,918,784	10,788,194			10,918,784	10,788,194	1.21%
Pupil/Instruction Services	4,656,387	4,308,855			4,656,387	4,308,855	8.07%
Administration/ Business	1,620,343	1,718,174			1,620,343	1,718,174	-5.69%
Maintenance and Operations	959,363	1,003,479			959,363	1,003,479	-4.40%
Transportation	370,813	230,708			370,813	230,708	60.73%
Other	61,652	42,041	412,896	233,474	474,548	275,515	72.24%
Total Expenses	<u>18,587,342</u>	<u>18,091,451</u>	<u>412,896</u>	<u>233,474</u>	<u>19,000,238</u>	<u>18,324,925</u>	3.69%
Other Item				35,680		35,680	-100.00%
Increase/(Decrease) in Net Position	<u>\$ 2,563,764</u>	<u>\$ 2,051,342</u>	<u>\$ 94,036</u>	<u>\$ (13,231)</u>	<u>\$ 2,657,800</u>	<u>\$ 2,073,791</u>	28.16%

Governmental Activities

The financial position of the District has increased significantly over the course of the year. Through careful budgeting, the District has managed to maintain programs including extra-curricular activities, in spite of increased special education, salary and fringe benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. It is crucial that the District constantly monitors all expenses throughout the fiscal year.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Figure A-5 presents the cost of six major District activities: instruction, pupil and instruction services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-5
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2021/22	2020/21	2021/22	2020/21
Instruction	\$ 10,918,784	\$ 10,788,194	\$ 7,339,012	\$ 7,050,240
Pupil and Instruction Services	4,656,387	4,308,855	2,585,880	2,489,323
Administration and Business	1,620,343	1,718,174	1,332,618	1,416,473
Maintenance and Operations	959,363	1,003,479	959,363	1,003,479
Transportation	370,813	230,708	308,250	168,130
Other	61,652	42,041	61,652	42,041
Total	\$ 18,587,342	\$ 18,091,451	\$ 12,586,775	\$ 12,169,686

Business-Type Activities

Net position from the District's business-type activity increased \$94,036. This is primarily attributable to the increase in subsidy reimbursements as all students were provided free meals through the Seamless Summer Option program. (Refer to Figure A-4).

Financial Analysis of the District's Funds

Significant changes in the student population and difficult economic times have added pressure to the District's budget. Special education costs continue to escalate with several pupils with disabilities placed in out-of-district programs. These pupils are profoundly disabled and require complex educational and related services our District does not have capacity or personnel to provide.

Fringe benefit costs for all staff continue to increase dramatically.

The District has historically utilized funds from the assigned balance to maintain a 2% tax levy and appropriate funds into the Capital Reserve to continually make upgrades to the buildings.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District will continue to practice sound fiscal management.

General Fund Budgetary Highlights

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

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Capital Assets

The District's capital assets increased \$414,080. This is due to the purchase of \$867,669 of capital assets offset by \$451,775 of current year depreciation and \$1,814 in disposals.

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2021/22
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Sites (Land)	\$ 164,279	\$ 164,279			\$ 164,279	\$ 164,279	0.00%
Construction in Progress	960,006	960,006			960,006	960,006	0.00%
Site Improvements	928,463	1,009,362			928,463	1,009,362	-8.01%
Buildings/Bldg. Improvements	5,914,138	5,756,241			5,914,138	5,756,241	2.74%
Furniture, Machinery & Equipment	440,454	107,151	\$ 16,806	\$ 13,027	457,260	120,178	280.49%
Total	\$ 8,407,340	\$ 7,997,039	\$ 16,806	\$ 13,027	\$ 8,424,146	\$ 8,010,066	5.17%

Long-term Liabilities

The District's long-term liabilities decreased \$618,354 or 26.00% as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2021/22
	2021/22	2020/21	
General Obligation Bonds (Financed with Property Taxes)	\$ 442,000	\$ 673,000	-34.32%
Net Pension Liability	957,974	1,313,118	-27.05%
Compensated Absences Payable	358,443	390,253	-8.15%
	\$ 1,758,417	\$ 2,376,371	-26.00%

- The District continued to pay down its debt, retiring \$231,000 of outstanding bonds.
- Net pension liability decreased by \$355,144.
- Compensated absences decreased by \$31,810 during the year.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstance that could significantly affect its financial health in the future:

- Pandemic related purchases, staffing, and services are additional factors which will bear on the District's future.
- The wide range of academic progress and mastery of learning standards existing within cohorts.
- Space in the facility to provide additional services and programs required to combat the impact of the pandemic.
- The District will look to perform a demographic study to proactively explore the impact new developments may have on student population.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 137 East Central Avenue, Wharton, New Jersey 07885.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WHARTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,648,141	\$ 166,948	\$ 1,815,089
Internal Balances	(1,615)	1,615	
Receivable from State Government	256,592	673	257,265
Receivable from Federal Government	153,127	34,299	187,426
Other Accounts Receivable	1,081		1,081
Inventories		7,069	7,069
Restricted Cash and Cash Equivalents	11,417,969		11,417,969
Capital Assets, Net:			
Sites (Land) and Construction in Progress	1,124,285		1,124,285
Depreciable Site Improvements, Buildings, Building Improvements, and Furniture, Machinery & Equipment	7,283,055	16,806	7,299,861
Total Assets	<u>21,882,635</u>	<u>227,410</u>	<u>22,110,045</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	287,188		287,188
Total Deferred Outflows of Resources	<u>287,188</u>		<u>287,188</u>
<u>LIABILITIES</u>			
Accounts Payable	410,257		410,257
Payable to State Government	21,005		21,005
Unearned Revenue	212,693	2,065	214,758
Noncurrent Liabilities:			
Due Within One Year	226,000		226,000
Due Beyond One Year	1,532,017	400	1,532,417
Total Liabilities	<u>2,401,972</u>	<u>2,465</u>	<u>2,404,437</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	600,259		600,259
Total Deferred Inflows of Resources	<u>600,259</u>		<u>600,259</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	7,965,340	16,806	7,982,146
Restricted for:			
Capital Projects	9,500,637		9,500,637
Maintenance	590,012		590,012
Emergency	250,000		250,000
Excess Surplus	1,340,000		1,340,000
Unemployment Compensation	1,036,223		1,036,223
Student Activities	41,097		41,097
Unrestricted/(Deficit)	(1,555,717)	208,139	(1,347,578)
Total Net Position	<u>\$ 19,167,592</u>	<u>\$ 224,945</u>	<u>\$ 19,392,537</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WHARTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 7,484,046	\$ 3,146	\$ 1,781,863	\$ (5,699,037)		\$ (5,699,037)
Special Education	2,891,879		1,673,277	(1,218,602)		(1,218,602)
Other Instruction	542,859		121,486	(421,373)		(421,373)
Support Services:						
Tuition	595,355			(595,355)		(595,355)
Student & Instruction Related Services	4,061,032	32,378	2,038,129	(1,990,525)		(1,990,525)
General Administration Services	550,517		105,480	(445,037)		(445,037)
School Administration Services	584,713		106,184	(478,529)		(478,529)
Central Services	374,976		76,061	(298,915)		(298,915)
Administrative Information Technology	110,137			(110,137)		(110,137)
Plant Operations and Maintenance	959,363			(959,363)		(959,363)
Pupil Transportation	370,813		62,563	(308,250)		(308,250)
Interest on Long-Term Debt	10,592			(10,592)		(10,592)
Charter School	46,658			(46,658)		(46,658)
Capital Outlay	4,402			(4,402)		(4,402)
Total Governmental Activities	18,587,342	35,524	5,965,043	(12,586,775)		(12,586,775)
Business-Type Activities:						
Food Service	412,896	1,430	505,351		\$ 93,885	93,885
Total Business-Type Activities	412,896	1,430	505,351		93,885	93,885
Total Primary Government	\$ 19,000,238	\$ 36,954	\$ 6,470,394	(12,586,775)	93,885	(12,492,890)

WHARTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

	Net (Expense) Revenue and Changes in Net Position	
	Governmental Activities	Business-type Activities
	Total	Total
General Revenue:		
Taxes:		
Property Taxes, Levied for General Purposes, Net	\$ 9,676,578	\$ 9,676,578
Taxes Levied for Debt Service	160,724	160,724
Federal and State Aid not Restricted	5,274,757	5,274,757
Investment Earnings	14,558	\$ 151
Miscellaneous Income	23,922	23,922
Total General Revenue	15,150,539	151
Change in Net Position	2,563,764	94,036
Net Position - Beginning	16,603,828	130,909
Net Position - Ending	\$ 19,167,592	\$ 224,945

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

WHARTON BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,612,544	\$ 13,338	\$ 22,259		\$ 1,648,141
Receivables from Federal Government		153,127			153,127
Receivables from State Government	256,592				256,592
Other Accounts Receivable	1,081				1,081
Restricted Cash and Cash Equivalents	11,376,872	41,097			11,417,969
Total Assets	\$ 13,247,089	\$ 207,562	\$ 22,259	\$ -0-	\$ 13,476,910
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 253,142	\$ 54,267			\$ 307,409
Interfund Payable	1,615				1,615
Payable to State Government		21,005			21,005
Unearned Revenue		212,693			212,693
Total Liabilities	254,757	287,965			542,722
Fund Balances:					
Restricted for:					
Capital Reserve	9,500,637				9,500,637
Maintenance Reserve	590,012				590,012
Emergency Reserve	250,000				250,000
Excess Surplus for 2023-2024	670,000				670,000
Excess Surplus for 2022-2023	670,000				670,000
Unemployment Compensation	1,036,223				1,036,223
Student Activities		41,097			41,097
Committed			\$ 22,259		22,259
Assigned:					
Other Purposes	67,136				67,136
Unassigned/(Deficit)	208,324	(121,500)			86,824
Total Fund Balances/ (Deficit)	12,992,332	(80,403)	22,259		12,934,188
Total Liabilities and Fund Balances	\$ 13,247,089	\$ 207,562	\$ 22,259	\$ -0-	\$ 13,476,910

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Total Fund Balances - Governmental Funds (Above)	\$ 12,934,188
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	8,407,340
Long-Term Liabilities, including Bonds Payable and Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(1,758,017)
Certain amounts related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and not reported in the Governmental Funds:	
Deferred Outflows of Resources	184,340
Deferred Inflows of Resources	(600,259)
Net Position of Governmental Activities	\$ 19,167,592

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WHARTON BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 9,676,578			\$ 160,724	\$ 9,837,302
Tuition from Other LEA's	3,146				3,146
Interest on Capital Reserve	8,265				8,265
Resctricted Miscellaneous Revenue	14,161	\$ 32,378			46,539
Unrestricted Miscellaneous Revenue	16,054				16,054
Total - Local Sources	9,718,204	32,378		160,724	9,911,306
State Sources	9,352,460	1,336,818		64,714	10,753,992
Federal Sources	18,189	924,124			942,313
Total Revenue	19,088,853	2,293,320		225,438	21,607,611
EXPENDITURES:					
Instruction:					
Regular Instruction	4,485,347	220,084			4,705,431
Special Education Instruction	1,589,540	244,314			1,833,854
Other Instruction	324,660				324,660
Support Services and Undistributed Costs:					
Tuition	595,355				595,355
Student & Instruction Related Services	1,635,734	1,860,792			3,496,526
General Administration Services	364,593				364,593
School Administration Services	363,140				363,140
Central Services	239,719				239,719
Administrative Information Technology	87,638				87,638
Plant Operations and Maintenance	919,219				919,219
Pupil Transportation	357,434				357,434
Unallocated Benefits	5,491,221				5,491,221
Capital Outlay	754,270	51,389			805,659
Debt Service:					
Principal				231,000	231,000
Interest and Other Charges				10,592	10,592
Transfer of Funds to Charter Schools	46,658				46,658
Total Expenditures	17,254,528	2,376,579		241,592	19,872,699
Excess/(Deficiency) of Revenue over/ (under) Expenditures	1,834,325	(83,259)		(16,154)	1,734,912
OTHER FINANCING SOURCES/(USES):					
Transfers	(83,436)	83,436			
Total Other Financing Sources/(Uses)	(83,436)	83,436			
Net Change in Fund Balances	1,750,889	177		(16,154)	1,734,912
Fund Balance/(Deficit) - July 1	11,241,443	(80,580)	\$ 22,259	16,154	11,199,276
Fund Balance/(Deficit) - June 30	\$ 12,992,332	\$ (80,403)	\$ 22,259	\$ -0-	\$ 12,934,188

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WHARTON BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,734,912

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and deletions differ from depreciation in the period.

	Depreciation Expense	\$ (445,961)	
Disposal of Assets, Net of Accumulated Depreciation		(1,814)	
	Capital Outlays	<u>858,076</u>	
			410,301

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). 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 (+).

30,575

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)

231,000

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	355,144
Changes in Deferred Outflows of Resources Related to Pension	(152,444)
Changes in Deferred Inflows of Resources Related to Pension	<u>(45,724)</u>

Change in Net Position - Governmental Activities (from A-2)

\$ 2,563,764

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WHARTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 166,948
Interfund Receivable	1,615
Intergovernmental Accounts Receivable:	
Federal	34,299
State	673
Inventories	7,069
Total Current Assets	<u>210,604</u>
Non-Current Assets:	
Capital Assets	<u>16,806</u>
Total Non-Current Assets	<u>16,806</u>
Total Assets	<u>227,410</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	403
Unearned Revenue - Donated Commodities	1,662
Total Current Liabilities	<u>2,065</u>
Non-Current Liabilities:	
Compensated Absences Payable	<u>400</u>
Total Liabilities	<u>2,465</u>
NET POSITION:	
Net Investment in Capital Assets	16,806
Unrestricted	208,139
Total Net Position	<u>\$ 224,945</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WHARTON BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Miscellaneous Revenue	\$ 1,430
Total Operating Revenue	<u>1,430</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	178,915
Salaries	168,382
Benefits & Payroll Taxes	34,034
Management Fee	10,300
Miscellaneous Expenses	15,451
Depreciation Expense	<u>5,814</u>
Total Operating Expenses	<u>412,896</u>
Operating Loss	(411,466)
Non-Operating Income:	
Local Sources:	
Interest Income	151
State Sources:	
Seamless Summer Option	9,487
Federal Sources:	
Seamless Summer Option	459,450
P-EBT Reimbursement	1,242
COVID Emergency Operational Cost Reimbursement	17,144
Food Distribution Program	<u>18,028</u>
Total Non-Operating Income	<u>505,502</u>
Change in Net Position	94,036
Net Position - Beginning of Year	<u>130,909</u>
Net Position - End of Year	<u><u>\$ 224,945</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WHARTON BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 976
Payments to Employees	(53,248)
Payments to Food Service Vendor	(349,170)
Payments to Suppliers	(9,145)
Net Cash Used for Operating Activities	<u>(410,587)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(9,593)
Net Cash Used for Capital and Related Financing Activities	<u>(9,593)</u>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Revenue	151
State Sources:	
Seamless Summer Program	10,312
Federal Sources:	
Seamless Summer Program	449,244
P-EBT Reimbursement	1,242
COVID Emergency Operational Cost Reimbursement	17,144
Interfund Advanced - General Fund	(1,615)
Net Cash Provided by Noncapital Financing Activities	<u>476,478</u>
Net Increase in Cash and Cash Equivalents	56,298
Cash and Cash Equivalents, July 1	<u>110,650</u>
Cash and Cash Equivalents, June 30	<u>\$ 166,948</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (411,466)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	5,814
Food Distribution Program	18,028
Changes in Assets and Liabilities:	
Increase in Inventory	1,727
(Decrease) in Unearned Revenue - Donated Commodities	(1,645)
(Decrease) in Compensated Absences Payable	(1,235)
(Decrease) in Unearned Revenue - Prepaid Sales	(454)
(Decrease) in Accounts Payable	(21,356)
Net Cash Used for Operating Activities	<u>\$ (410,587)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$18,028 and utilized U.S.D.A Commodities valued at \$16,383 for the fiscal year ended June 30, 2022.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Wharton Board of Education (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

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. Separate statements for each fund category – governmental and proprietary - 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 governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported 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 NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 and report the proceeds of specific revenue from sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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. 6:20-2A.2(m)1.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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 generally accepted accounting principles, with the exception of the 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.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the two last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. Grants are recognized in full the year the grants are awarded on the budgetary basis; but, are not recognized on the GAAP basis until they are expended and submitted for reimbursement.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 19,176,853	\$ 2,312,244
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	503,153	102,576
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(591,153)</u>	<u>(121,500)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 19,088,853</u>	<u>\$ 2,293,320</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,254,528	\$ 2,376,579
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 17,254,528	\$ 2,376,579
		Capital Projects Fund
Committed Fund Balance - Budgetary Basis		\$ 38,525
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis		(16,266)
Fund Balance per Governmental Funds (GAAP)		\$ 22,259

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type 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 District 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.

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 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 of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed, and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary changes necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	50 years
Site Improvements	20 years
Furniture, Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond premiums as revenue in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after ten years of service. These employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's applicable employee contracts/agreements.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

P. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

R. Fund Balance Appropriated:

General Fund: Of the \$12,992,332 General Fund balance at June 30, 2022, \$67,136 is assigned for year end encumbrances; \$208,324 is unassigned fund balance, which is \$591,153 less than the budgetary year end fund balance due to the final two state aid payments which are not recognized until the following fiscal year; \$9,500,637 is restricted in the capital reserve account; \$590,012 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; \$670,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, C.73(S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024; \$670,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the year ended June 30, 2023; \$1,036,223 is restricted for unemployment compensation.

Special Revenue Fund: Of the (\$80,403) deficit fund balance in the Special Revenue Fund at June 30, 2022, \$41,097 is restricted for student activities and (\$121,500) is a deficit in unassigned fund balance. The deficit is due to the last two state aid payments, which are not recognized on a GAAP basis until the fiscal year ended June 30, 2023.

Capital Projects Fund: The \$22,259 fund balance in the Capital Projects Fund at June 30, 2022 is committed.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Restricted 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 restrict 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 their subsequent year's budget. The District has excess surplus at June 30, 2022 as noted on the prior page.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources related to pensions at June 30, 2022.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, an emergency reserve, a maintenance reserve, debt service, unemployment compensation and student activities.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2022.

U. Deficit Fund Balance/Net Position:

The District has a deficit in the unrestricted net position of \$1,555,717 in its governmental activities, which is primarily due to net pension liability and the related deferred inflows and outflows and compensated absences. The District has a \$121,500 deficit unassigned fund balance in the Special Revenue Fund due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2023. These deficits do not indicate that the District is in financial difficulties and are a permitted practice under generally accepted accounting principles.

V. Revenue - Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the 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.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

W. Operating Revenue and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

X. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Y. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalent		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 1,806,074	\$ 11,417,969	\$ 13,224,043
New Jersey Cash Management Fund	9,015		9,015
	\$ 1,815,089	\$ 11,417,969	\$ 13,233,058

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$13,233,058 and the bank balance was \$14,015,135. The \$9,015 balance in the New Jersey Cash Management Fund is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board 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). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Balance at June 30,	\$	7,831,107
Increased by:		
Board Resolution June 2022		2,396,559
Interest Earned		8,265
Unexpended Withdrawal Returned to Capital Reserve		18,906
Decreased by Budgeted Withdrawal		(754,200)
Balance at June 30, 1899	\$	9,500,637

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2022 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan ("LRFP"). The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Balance 6/30/2021	Increases	Adjustments/ Decreases	Balance 6/30/2022
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 164,279			\$ 164,279
Construction in Progress	960,006			960,006
Total Capital Assets not Being Depreciated	1,124,285			1,124,285
Capital Assets Being Depreciated:				
Site Improvements	1,594,778			1,594,778
Buildings and Building Improvements	12,414,777	\$ 502,205		12,916,982
Machinery and Equipment	239,340	355,871	\$ (5,626)	589,585
Total Capital Assets Being Depreciated	14,248,895	858,076	(5,626)	15,101,345
Governmental Activities Capital Assets	15,373,180	858,076	(5,626)	16,225,630
Less Accumulated Depreciation for:				
Site Improvements	(585,416)	(80,899)		(666,315)
Buildings and Building Improvements	(6,658,536)	(344,308)		(7,002,844)
Machinery and Equipment	(132,189)	(20,754)	3,812	(149,131)
Total Accumulated Depreciation	(7,376,141)	(445,961)	3,812	(7,818,290)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 7,997,039	\$ 412,115	\$ (1,814)	\$ 8,407,340
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 57,975	\$ 9,593		\$ 67,568
Less Accumulated Depreciation	(44,948)	(5,814)		(50,762)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	13,027	3,779	\$ -0-	16,806
GRAND TOTAL	\$ 8,010,066	\$ 415,894	\$ (1,814)	\$ 8,424,146

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	187,302
Special Education		84,733
Other Instruction		13,379
Student and Related Services		62,435
General Administration		17,838
School Administration		13,379
Central Services		8,919
Administrative Information Technology		4,460
Plant Operations and Maintenance		40,137
Pupil Transportation		13,379
	\$	445,961

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District made transfers into capital outlay accounts in the amount of \$28,461. \$3,461 was for equipment which did not require approval of the County Superintendent. \$25,000 was for facilities acquisitions and construction services which was approved by the County Superintendent.

NOTE 7. LONG-TERM LIABILITIES:

During the fiscal year ended June 30, 2022, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2021</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2022</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences Payable	\$ 388,618	\$ 16,684	\$ 47,259	\$ 358,043	
Net Pension Liability	1,313,118		355,144	957,974	
Bonds Payable	673,000		231,000	442,000	\$ 226,000
	2,374,736	16,684	633,403	1,758,017	226,000
Business-type Activities:					
Compensated Absences Payable	1,635		1,235	400	
	\$ 2,376,371	\$ 16,684	\$ 634,638	\$ 1,758,417	\$ 226,000

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be retired through the Debt Service Fund.

The District has bonds outstanding as of June 30, 2022 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
School Refunding Bonds	7/1/2023	1.900%	<u>\$ 442,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 226,000	\$ 6,251	\$ 232,251
2024	<u>216,000</u>	<u>2,052</u>	<u>218,052</u>
	<u>\$ 442,000</u>	<u>\$ 8,303</u>	<u>\$ 450,303</u>

On April 30, 2015, the Wharton Board of Education issued \$1,996,000 refunding bonds with an interest rate of 1.90% to advance refund \$1,930,000 school bonds with interest rates of 3.75% to 4.00%. The refunding bonds mature on July 1, 2015 through 2023. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's financial statements. As a result of the refunding, the District reduced its total debt service requirement by \$147,359, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$135,916, or a 6.809% net present value savings.

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board has no bonds authorized but not issued.

C. Financed Purchase Payable:

The District did not have any financed purchases payable at June 30, 2022.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability and will be liquidated through the General Fund. The current portion of the compensated absences balance of the governmental funds is \$0 and \$358,043 represents the long-term liability balance of compensated absences.

The \$400 compensated absences liability in the District's Enterprise Fund is long-term and will be liquidated by this Fund.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$957,974. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP) a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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. The following represents the membership tiers for PERS:

Tier	Definition
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 1/55th 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 1/60th 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 with 25 or more years of service credit before age 62 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.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$94,703 for fiscal year 2022.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2022, the District reported a liability of \$957,974 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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 members, actuarially determined. At June 30, 2021, the District's proportion was 0.008%, which was an increase of 0.00003% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$62,273. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ 40,485
	2018	5.63		75,899
	2019	5.21		66,956
	2020	5.16		157,705
	2021	5.13	\$ 4,989	<u>341,045</u>
Changes in Proportion	2017	5.48	7,059	
	2018	5.63	8,361	
	2019	5.21	15,702	
	2020	5.16	127,103	
	2021	5.13	6,018	<u>164,243</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	<u>Deferral</u> <u>Year</u>	<u>Amortization</u> <u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Net Difference Between Projected and Actual	2018	5.00		\$ 7,484
Investment Earnings on Pension Plan Investments	2019	5.00		(2,415)
	2020	5.00		(54,417)
	2021	5.00		301,704
				252,356
Difference Between Expected and Actual	2017	5.48	\$ 1,204	
Experience	2018	5.63		2,890
	2019	5.21	5,118	
	2020	5.16	8,786	
	2021	5.13		3,968
			15,108	6,858
District Contribution Subsequent to the				
Measurement Date	2021	1.00	102,848	
			\$ 287,188	\$ 600,259

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the district contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2022	\$ (226,041)
2023	(161,392)
2024	(110,042)
2025	(82,719)
2026	32
	\$ (580,162)

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) 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' target asset allocation as of June 30, 2021 are summarized in the following table:

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2021</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the Net Pension Liability	\$ 1,305,288	\$ 957,974	\$ 664,209

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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. Members are always 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:

Tier	Definition
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 1/55th 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 1/60th 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 with 25 or more years of service credit before age 62 and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. 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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$2,212,729 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$606,673.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$25,782,456. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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 members, actuarially determined. At June 30, 2021, the District's proportion was 0.0536%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>25,782,456</u>
Total	<u>\$ 25,782,456</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$606,673 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
				<u>5,289,559,561</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605.00
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
				<u>171,234,070</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows: will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) 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' target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 30,504,952	\$ 25,782,456	\$ 21,815,856

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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.

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 Chapter 103, 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.

For DCRP, the District recognized pension expense of \$17,537 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$22,397 for the fiscal year ended June 30, 2022.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health benefit coverage through the NJ State Health Benefits Plan.

Property and Liability

The District maintains coverage for student accident and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of School Alliance Insurance Fund ("SAIF") and the New Jersey Schools Insurance Group ("NJSIG"). The SAIF provides the District with comprehensive general liability, automobile liability, property, and boiler and machinery insurance. The NJSIG provides the District with workers' compensation insurance.

The SAIF and NJSIG are risk-sharing public entity risk pools that are insured and self-administered groups of school districts established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the SAIF and NJSIG are elected.

As a member of the SAIF and NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF and NJSIG were to be exhausted, members would become responsible for their respective shares of the SAIF and NJSIG liabilities. The SAIF and NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Selected, summarized financial information as of June 30, 2022 are as follows:

	<u>NJ Schools Insurance Group</u>	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 12,133,641	\$ 52,198,217
Net Position	\$ 7,494,542	\$ 20,990,635
Total Revenue	\$ 3,715,390	\$ 48,576,664
Total Expenses	\$ 3,715,752	\$ 48,577,544
Change in Net Position	\$ (1,115,092)	\$ (880)
Members Dividends	\$ 1,114,730	\$ - 0 -

Financial statements for the SAIF and NJSIG are available at their respective Executive Director's Office:

SAIF:
Risk and Loss Managers Inc.
51 Everett Drive Suite 40B
West Windsor, NJ 08550
(609) 275-1140

NJSIG:
6000 Midlantic Drive
Suite 300 North
Mount Laurel, New Jersey 08054
(609) 386-6060

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

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 unemployment compensation restricted fund balance for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of interest earnings and District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s unemployment compensation restricted fund balance for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ 1,216	\$ -0-	\$ 12,945	\$ -0-	\$ 1,036,223
2020-2021	967	-0-	12,151	9,259	1,022,062
2019-2020	5,644	-0-	12,230	5,401	1,018,203

NOTE 10. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 11. 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, permit 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:

AXA Equitable	Lincoln National Insurance
Metropolitan Life Insurance	VALIC

NOTE 12. CONTINGENT LIABILITIES

Litigation

The District is periodically involved in other pending lawsuits. The District estimates that the potential claims against it resulting from such other litigation and not covered by insurance would not materially affect the financial position of the District.

Grant Programs

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. CONTINGENT LIABILITIES (Cont'd)

Arbitrage

The District is not subject to liability for arbitrage payable to the federal government relative to its \$1,996,000 Refunding School Bonds dated April 30, 2015 as the District is considered a small issuer with debt under \$15,000,000.

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds.

	Governmental Activities		
	General	Special	Total
	Fund	Revenue Fund	
Vendors	\$ 67,136	\$ -0-	\$ 67,136

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten- day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 14. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$104,000 was established by inclusion of \$104,000 in the 2009-2010 budget. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building. Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 14. MAINTENANCE RESERVE ACCOUNT (Cont'd)

In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget.

The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Balance at June 30, 2021	\$	590,012
Balance at June 30, 2022	\$	<u>590,012</u>

NOTE 15. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution by inclusion of \$250,000 for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated General Fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the General Fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1st and June 30th of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or for a withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1. The balance as of June 30, 2022 is \$250,000.

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2022:

	Governmental Funds		Total Governmental Funds	District Contribution	Total Governmental Activities
	Special Revenue Fund	General Fund		Subsequent to the Measure- ment Date	
Vendors	\$ 54,267	\$ 11,153	\$ 65,420		\$ 65,420
Payroll Deductions and Withholdings		23,704	23,704		23,704
Accrued Salaries & Wages		218,285	218,285		218,285
Due State of New Jersey				\$ 102,848	102,848
	\$ 54,267	\$ 253,142	\$ 307,409	\$ 102,848	\$ 410,257

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-op eb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2020, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	150,427
Active Plan Members	213,901
Total	364,328

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

Actuarial Assumptions and Other Inputs

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%		
	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

The actuarial assumptions used in the June 30, 2020 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.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2020	\$ 33,227,476
Changes for Year:	
Service Cost	1,558,966
Interest on the Total OPEB Liability	768,041
Change in Benefit Terms	(31,513)
Difference between Actual and Expected Experiences	(5,359,664)
Changes of Assumptions	29,210
Gross Benefit Payments by the State	(605,001)
Contributions from Members	19,635
Net Changes	(3,620,326)
Balance at June 30, 2021	\$ 29,607,150

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate (Cont'd)

	June 30, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
Total OPEB Liability Attributable to the District	\$ 35,464,718	\$ 29,607,150	\$ 24,994,667

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 23,967,084	\$ 29,607,150	\$ 37,181,342

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$1,673,828 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2021, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,663,931
	2018	9.51		1,512,640
	2019	9.29	\$ 207,847	
	2020	9.24	4,788,582	
	2021	9.24	26,049	
			<u>5,022,478</u>	<u>3,176,571</u>
Differences Between Expected and Actual Experience	2018	9.51		1,429,916
	2019	9.29		2,446,371
	2020	9.24	4,463,146	
	2021	9.24		5,009,345
			<u>4,463,146</u>	<u>8,885,632</u>
Changes in Proportion	N/A	N/A	<u>1,088,469.00</u>	<u>718,910</u>
			<u>\$ 10,574,093</u>	<u>\$ 12,781,113</u>

N/A - Not Available

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (583,336)
2023	(583,336)
2024	(583,336)
2025	(583,336)
2026	(414,744)
Thereafter	<u>171,509</u>
	<u>\$ (2,576,579)</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 18. TAX ABATEMENTS

As of December 31, 2021, the Borough provides a tax abatement to a redeveloper for its 248 residential apartment unit property in the Borough pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Borough and the redeveloper. The agreement is for a period of 30 years. 2011 was the first year in which the payments under this agreement was effective. In consideration of the Borough granting the redeveloper this tax abatement the developer will be required to pay to the Borough an annual service charge as follows: Stage One (years 1-15) – the annual service charge will be the greater of the minimum annual service charge or 10% of gross revenue; Stage Two (years 16-21) – the annual service charge as defined in Stage One or 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 3 (years 22-27) – the annual service charge as defined in Stage One or 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 4 (years 28-29) – the annual service charge as defined in Stage One or 60% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 5 (year 30) – the annual service charge as defined in Stage One or 80% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater.

The minimum annual service charge per the agreement shall be the amount of total taxes levied against all real property in the area covered under this tax abatement in the last full tax year in which that area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the other provisions of the financial agreement would result in less than the minimum annual service charge being paid. In the event that the net profits on the redevelopment property exceed the allowable net profits for such period the redeveloper shall pay such excess net profits to the Borough as an additional service charge. Additionally, the Borough shall remit to the County of Morris on a quarterly basis, 5% of the Annual Service Charge received from the redeveloper in accordance with N.J.S.A. 40A:20-12b. The Borough recognized revenue in the amount of \$583,681 from this annual service charge or payment in lieu of taxes recorded as miscellaneous revenue not anticipated in the Current Fund. The taxes which would have been paid on this property for 2021 without the abatement would have been \$977,848 of which \$434,101 would have been for the local District school tax.

In the event that the redeveloper fails to make the required Annual Service Charge payment within the required period of time which would constitute a breach of the agreement, the Borough has the right as one of the allowable remedies to proceed against the redeveloper pursuant to the In-Rem Foreclosure Act. Upon the termination or expiration of this agreement the property under this agreement shall be assessed and taxed as applicable to other taxable property within the Borough.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

WHARTON BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0070699927%	0.0064729489%	0.0064692621%	0.0068389966%	0.0069669858%	0.0071304218%	0.0080522908%	0.0080865586%
District's proportionate share of the net pension liability	\$ 1,323,696	\$ 1,453,047	\$ 1,916,010	\$ 1,592,009	\$ 1,371,765	\$ 1,284,794	\$ 1,313,118	\$ 957,974
District's covered employee payroll	415,449	423,928	458,576	421,918	374,542	490,840	530,714	522,827
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	318.62%	342.76%	417.82%	377.33%	366.25%	261.75%	247.42%	183.23%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WHARTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 58,284	\$ 55,650	\$ 58,632	\$ 65,685	\$ 70,022	\$ 70,208	\$ 88,088	\$ 94,703
Contributions in relation to the contractually required contribution	<u>(58,284)</u>	<u>(55,650)</u>	<u>(58,632)</u>	<u>(65,685)</u>	<u>(70,022)</u>	<u>(70,208)</u>	<u>(88,088)</u>	<u>(94,703)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 423,928	\$ 458,576	\$ 421,918	\$ 374,542	\$ 490,840	\$ 530,714	\$ 522,827	\$ 525,362
Contributions as a percentage of covered employee payroll	13.75%	12.14%	13.90%	17.54%	14.27%	13.23%	16.85%	18.03%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WHARTON BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
 TEACHERS' PENSION AND ANNUITY FUND
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportionate share of the net pension liability attributable to the District	0.0496142880%	0.0496142880%	0.0536104240%	0.0558708368%	0.0556483733%	0.0564506103%	0.0557136940%	0.0536294429%
State's proportionate share of the net pension liability attributable to the District	\$ 31,358,349	\$ 31,358,349	\$ 42,173,373	\$ 37,670,151	\$ 35,402,298	\$ 34,644,272	\$ 36,686,797	\$ 25,782,456
District's covered employee payroll	\$ 5,282,418	\$ 5,282,418	\$ 5,608,402	\$ 5,638,943	\$ 5,956,268	\$ 5,871,431	\$ 6,145,514	\$ 5,925,235
State's proportionate share of the net pension liability attributable to the district as a percentage of the District's covered employee payroll	593.64%	593.64%	751.97%	668.04%	594.37%	590.05%	596.97%	435.13%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WHARTON BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE CONTRIBUTIONS -
 TEACHERS' PENSION AND ANNUITY FUND
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 1,529,466	\$ 1,914,710	\$ 3,168,742	\$ 2,609,597	\$ 2,063,830	\$ 2,043,412	\$ 2,281,341	\$ 606,673
Contributions in relation to the contractually required contribution	(268,233)	(429,226)	(604,464)	(819,504)	(1,110,248)	(1,222,015)	(1,558,943)	(2,212,729)
Contribution deficiency/(excess)	\$ 1,261,233	\$ 1,485,484	\$ 2,564,278	\$ 1,790,093	\$ 953,582	\$ 821,397	\$ 722,398	\$ (1,606,056)
District's covered employee payroll	\$ 5,282,418	\$ 5,608,402	\$ 5,638,943	\$ 5,956,268	\$ 5,871,431	\$ 6,145,514	\$ 5,925,235	\$ 6,209,185
Contributions as a percentage of covered employee payroll	7.65%	10.72%	13.76%	18.91%	19.88%	19.88%	26.31%	35.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WHARTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB
LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 1,137,954	\$ 947,043	\$ 816,826	\$ 858,851	\$ 1,558,966
Interest on the Total OPEB Liability	833,055	965,390	858,804	719,736	768,041
Change of Benefit Terms					(31,513)
Difference between Expected and Actual Experiences		(3,493,475)	(3,064,560)	6,157,223	(5,359,664)
Changes in Assumptions	(3,471,269)	(2,486,660)	297,949	6,069,518	29,210
Contributions from Members	22,428	20,026	18,184	17,533	(605,001)
Gross Benefit Payments by the State	(609,080)	(579,429)	(613,421)	(578,463)	19,635
Net Change in Total OPEB Liability	(2,086,912)	(4,627,105)	(1,686,218)	13,244,398	(3,620,326)
Total OPEB Liability - Beginning	28,383,313	26,296,401	21,669,296	19,983,078	33,227,476
Total OPEB Liability - Ending	<u>\$ 26,296,401</u>	<u>\$ 21,669,296</u>	<u>\$ 19,983,078</u>	<u>\$ 33,227,476</u>	<u>\$ 29,607,150</u>
District's Covered Employee Payroll *	\$ 5,706,346	\$ 6,066,978	\$ 6,060,861	\$ 6,330,810	\$ 6,362,271
Total OPEB Liability as a Percentage of Covered Employee Payroll	461%	357%	330%	525%	465%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2021 are based on the payroll on the June 30, 2016 - 2020 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

WHARTON BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2021 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2021 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2021 was 2.16%. The discount rate for June 30, 2020 was 2.21%, a change of -.05%.

The salary increases for TPAF/ABP for thereafter were 1.55 – 4.45% in the valuation as of June 30, 2020 while the salary increases for TPAF/ABP for thereafter are 2.75 – 5.65% in the valuation as of June 30, 2021.

The salary increases for PFRS for thereafter were applied to all future years in the valuation as of June 30, 2020 while the salary increases for PFRS for thereafter are not applicable in the valuation as of June 30, 2021.

The mortality rates in the valuation as of June 30, 2021 were based on the following:

Pre-retirement 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-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

WHARTON BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement 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-2020.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven 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 rate 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 9,676,578		\$ 9,676,578	\$ 9,676,578	
Tuition From Other LEAs Within the State	60,000		60,000	3,146	\$ (56,854)
Unrestricted Miscellaneous Revenues	65,000		65,000	16,054	(48,946)
Interest Earned on Maintenance Reserve	1		1		(1)
Interest Earned on Capital Reserve Funds	1		1	8,265	8,264
Other Restricted Miscellaneous Revenues				14,161	14,161
Total Revenues from Local Sources	<u>9,801,580</u>		<u>9,801,580</u>	<u>9,718,204</u>	<u>(83,376)</u>
Revenues from State Sources:					
School Choice Aid	486,405		486,405	486,405	
Categorical Transportation Aid	62,576		62,576	62,576	
Extraordinary Aid				234,610	234,610
Categorical Special Education Aid	647,293		647,293	647,293	
Equalization Aid	4,551,194		4,551,194	4,551,194	
Categorical Security Aid	242,102		242,102	242,102	
TPAF Post Retirement Contributions (Non-Budgeted)				524,277	524,277
TPAF Pension Contributions (Non-Budgeted)				2,212,729	2,212,729
TPAF Non-Contributory Insurance (Non-Budgeted)				31,219	31,219
TPAF Long-Term Disability Insurance (Non-Budgeted)				759	759
Reimbursed TPAF Social Security Contributions				447,296	447,296
Total Revenues from State Sources	<u>5,989,570</u>		<u>5,989,570</u>	<u>9,440,460</u>	<u>3,450,890</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	35,120		35,120	18,189	(16,931)
Total Revenues from Federal Sources	<u>35,120</u>		<u>35,120</u>	<u>18,189</u>	<u>(16,931)</u>
TOTAL REVENUE	<u>15,826,270</u>		<u>15,826,270</u>	<u>19,176,853</u>	<u>3,350,583</u>

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 216,410	\$ 80,527	\$ 296,937	\$ 287,159	\$ 9,778
Grades 1-5 - Salaries of Teachers	2,164,333	(80,527)	2,083,806	2,041,885	41,921
Grades 6-8 - Salaries of Teachers	1,506,160		1,506,160	1,469,318	36,842
Regular Programs - Home Instruction:					
Salaries of Teachers	13,000		13,000	6,128	6,872
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	75,325		75,325	44,273	31,052
Unused Vacation Payment to Terminated/Retired Staff					
Purchased Professional-Educational Services	50,000		50,000	20,535	29,465
Purchased Technical Services	54,333	925	55,258	55,258	
Other Purchased Services (400-500 series)	275,000	(22,626)	252,374	143,234	109,140
General Supplies	646,934		646,934	354,716	292,218
Textbooks	179,000		179,000	62,841	116,159
Total Regular Programs - Instruction	5,180,495	(21,701)	5,158,794	4,485,347	673,447
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	71,498		71,498	70,494	1,004
Other Salaries for Instruction	35,597		35,597	34,629	968
General Supplies	3,000		3,000	1,602	1,398
Total Learning and/or Language Disabilities	110,095		110,095	106,725	3,370
Multiple Disabilities:					
Salaries of Teachers	140,726	125	140,851	139,269	1,582
Other Salaries for Instruction	116,364		116,364	83,314	33,050
Purchased Professional-Educational Services	4,000		4,000	248	3,752
General Supplies	9,000	(125)	8,875	4,208	4,667
Total Multiple Disabilities	270,090		270,090	227,039	43,051

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,235,539		\$ 1,235,539	\$ 1,028,237	\$ 207,302
Other Salaries for Instruction	86,776		86,776	60,980	25,796
General Supplies	5,000	\$ (2,150)	2,850	955	1,895
Textbooks	900		900		900
Total Resource Room/Resource Center	1,328,215	(2,150)	1,326,065	1,090,172	235,893
Preschool Disabilities - Part-Time:					
Salaries of Teachers	90,274	(90,274)			
General Supplies	5,000	(5,000)			
Total Preschool Disabilities - Part-Time	95,274	(95,274)			
Preschool Disabilities - Full-Time:					
Salaries of Teachers	96,474	362	96,836	94,979	1,857
Other Salaries for Instruction	58,825	7,852	66,677	66,630	47
Purchased Professional-Educational Services	2,500		2,500	2,500	
Other Purchased Services (400-500 series)	3,000	(3,000)			
General Supplies	5,000	(3,505)	1,495	1,495	
Total Preschool Disabilities - Full-Time	165,799	1,709	167,508	165,604	1,904
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,969,473	(95,715)	1,873,758	1,589,540	284,218
Bilingual Education - Instruction:					
Salaries of Teachers	185,915		185,915	182,370	3,545
General Supplies	500		500	190	310
Total Bilingual Education - Instruction	186,415		186,415	182,560	3,855

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 70,000		\$ 70,000	\$ 42,313	\$ 27,687
Supplies and Materials	5,500	\$ (1,500)	4,000		4,000
Other Objects	5,500	(2,750)	2,750		2,750
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	81,000	(4,250)	76,750	42,313	34,437
School-Sponsored Athletics - Instruction:					
Salaries		32,550	32,550	31,542	1,008
Purchased Services (300-500 series)		15,000	15,000	15,000	
Supplies and Materials		13,250	13,250	9,833	3,417
Other Objects		1,200	1,200	1,095	105
Total School-Sponsored Athletics - Instruction		62,000	62,000	57,470	4,530
Before/After School Programs - Instruction:					
Salaries of Teachers	45,000		45,000	21,948	23,052
Total Before/after School Programs - Instruction	45,000		45,000	21,948	23,052
Other Instructional Programs - Instruction:					
Salaries	33,000		33,000	17,769	15,231
Purchased Services (300-500 series)	20,000		20,000		20,000
Other Objects	5,000		5,000	2,600	2,400
Total Other Instructional Programs - Instruction	58,000		58,000	20,369	37,631
TOTAL INSTRUCTION	7,520,383	(59,666)	7,460,717	6,399,547	1,061,170
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	51,000	(41,444)	9,556		9,556
Tuition to Other LEAs Within the State-Special	109,700	(105,150)	4,550		4,550
Tuition to Priv. Sch. for the Handicap. W/I State	470,470	242,308	712,778	595,355	117,423
Total Undistributed Expenditures - Instruction	631,170	95,714	726,884	595,355	131,529

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Attend. & Social Work:					
Salaries	\$ 20,499		\$ 20,499	\$ 20,479	\$ 20
Total Undist. Expend. - Attendance and Social Work	20,499		20,499	20,479	20
Undistributed Expenditures - Health Services:					
Salaries	93,646	\$ 884	94,530	90,078	4,452
Purchased Professional and Technical Services	11,000		11,000	9,781	1,219
Supplies and Materials	3,500	(884)	2,616	1,616	1,000
Total Undist. Expenditures - Health Services	108,146		108,146	101,475	6,671
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	159,211	93,137	252,348	248,994	3,354
Purchased Professional - Educational Services	175,000	(95,072)	79,928	37,206	42,722
Supplies and Materials	2,786		2,786	2,358	428
Total Undist. Expend. - Speech, OT, PT, Related Svcs	336,997	(1,935)	335,062	288,558	46,504
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	54,744	1,936	56,680	40,356	16,324
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	54,744	1,936	56,680	40,356	16,324
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	155,876		155,876	153,470	2,406
Salaries of Secretarial and Clerical Assistants	57,629		57,629	57,574	55
Other Purchased Prof. and Tech. Services	500		500	500	0
Other Purchased Services (400-500 series)	100		100	100	0
Supplies and Materials	1,600		1,600	1,452	148
Total Undist Expend. - Guidance	215,705		215,705	212,496	3,209

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 89,967	\$ 5,752	\$ 95,719	\$ 95,718	\$ 1
Salaries of Secretarial and Clerical Assistants	38,833	343	39,176	38,795	381
Purchased Professional - Educational Services	592,100	(39,644)	552,456	495,857	56,599
Other Purchased Prof. and Tech. Services	22,832	24,210	47,042	34,700	12,342
Other Purchased Services (400-500 series)	851	140	991	950	41
Supplies and Materials	7,750	6,000	13,750	12,302	1,448
Other Objects	600		600		600
Total Undist Expend. - Child Study Team	<u>752,933</u>	<u>(3,199)</u>	<u>749,734</u>	<u>678,322</u>	<u>71,412</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	106,974	105	107,079	107,000	79
Salaries of Other Professional Staff	20,400		20,400	13,198	7,202
Salaries of Secretarial and Clerical Assistants		26,736	26,736	4,597	22,139
Purchased Professional - Educational Services	38,500	(26,736)	11,764	10,625	1,139
Supplies and Materials	350		350	276	74
Other Objects	950	(105)	845	845	
Total Undist. Expend.-Improv. of Inst. Serv.	<u>167,174</u>		<u>167,174</u>	<u>136,541</u>	<u>30,633</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	82,721		82,721	81,598	1,123
Salaries of Technology Coordinators	59,978	2	59,980	59,979	1
Purchased Professional and Technical Services	4,000		4,000	775	3,225
Other Purchased Services (400-500 series)	8,000		8,000	500	7,500
Supplies and Materials	35,501	(2)	35,499	7,294	28,205
Total Undist Expend.-Edu. Media Serv./Sch. Library	<u>190,200</u>		<u>190,200</u>	<u>150,146</u>	<u>40,054</u>

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	\$ 2,000		\$ 2,000		\$ 2,000
Other Purchased Services (400-500 series)	142,000		142,000	7,361	134,639
Supplies and Materials	1,100		1,100		1,100
Total Undist. Expend.-Instructional Staff Training Services	<u>145,100</u>		<u>145,100</u>	<u>7,361</u>	<u>137,739</u>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	249,790	\$ 13,108	262,898	256,950	5,948
Legal Services	36,000		36,000	15,502	20,498
Audit Fees	33,000		33,000	30,855	2,145
Architectural/Engineering Services	18,000	(7,161)	10,839		10,839
Other Purchased Professional Services	19,500	(7,698)	11,802	6,451	5,351
Communications / Telephone	49,000	(2,000)	47,000	10,129	36,871
BOE Other Purchased Services	5,000		5,000	3,600	1,400
Other Purch. Serv. (400-500 series other than 530 & 585)	39,629	2,000	41,629	27,446	14,183
General Supplies	2,000	1,751	3,751	2,662	1,089
Judgments Against The School District	20,000		20,000		20,000
Miscellaneous Expenditures	3,500		3,500	2,743	757
BOE Membership Dues and Fees	8,500		8,500	8,255	245
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>483,919</u>		<u>483,919</u>	<u>364,593</u>	<u>119,326</u>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	264,581		264,581	258,664	5,917
Salaries of Secretarial and Clerical Assistants	95,467	2,308	97,775	97,746	29
Purchased Professional and Technical Services	4,000	(1,700)	2,300	1,505	795
Other Purchased Services (400-500 series)	1,600	(608)	992		992
Supplies and Materials	12,407	(80)	12,327	3,887	8,440
Other Objects	1,900	80	1,980	1,338	642
Total Undist. Expend.-Support Serv.-School Adm.	<u>379,955</u>		<u>379,955</u>	<u>363,140</u>	<u>16,815</u>

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 186,067	\$ 7,698	\$ 193,765	\$ 185,286	\$ 8,479
Purchased Professional Services	51,225	(100)	51,125	39,585	11,540
Miscellaneous Purchased Services (400-500 series other than 594)	19,000	(7,798)	11,202	9,193	2,009
Supplies and Materials	3,000	153	3,153	3,118	35
Other Objects	2,500	47	2,547	2,537	10
Total Undist. Expend. - Central Services	261,792		261,792	239,719	22,073
Undist. Expend. - Admin. Info. Technology:					
Salaries	59,979	1	59,980	59,979	1
Purchased Technical Services	42,000	(1)	41,999	23,874	18,125
Other Purchased Services (400-500 series)	20,000		20,000		20,000
Supplies and Materials	10,000		10,000	3,785	6,215
Total Undist. Expend. - Admin. Info. Technology	131,979		131,979	87,638	44,341
Undist. Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	434,153	(25,000)	409,153	123,962	285,191
General Supplies	70,000		70,000	8,630	61,370
Other Objects	6,000		6,000		6,000
Total Undist. Expend.- Required Maint. for School Facilities	510,153	(25,000)	485,153	132,592	352,561
Undist. Expend.-Custodial Services:					
Salaries of Non-Instructional Aides		22	22	22	
Purchased Professional and Technical Services	530,000	(22)	529,978	480,496	49,482
Cleaning, Repair, and Maintenance Services	9,000		9,000	7,326	1,674
Other Purchased Property Services	40,000		40,000	24,310	15,690
Insurance	56,094	3,240	59,334	56,834	2,500
Miscellaneous Purchased Services	12,000	(3,240)	8,760	4,634	4,126
General Supplies	50,000	(261)	49,739	5,170	44,569

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services: (Cont'd)					
Energy (Natural Gas)	\$ 129,000		\$ 129,000	\$ 109,864	\$ 19,136
Energy (Electricity)	210,000		210,000	79,312	130,688
Total Undist. Expend.-Custodial Services	<u>1,036,094</u>	<u>\$ (261)</u>	<u>1,035,833</u>	<u>767,968</u>	<u>267,865</u>
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	20,500		20,500	10,277	10,223
General Supplies	4,090		4,090	153	3,937
Other Objects	5,600		5,600		5,600
Total Care And Upkeep Of Grounds	<u>30,190</u>		<u>30,190</u>	<u>10,430</u>	<u>19,760</u>
Security:					
Purchased Professional and Technical Services	51,645		51,645	8,229	43,416
Total Security	<u>51,645</u>		<u>51,645</u>	<u>8,229</u>	<u>43,416</u>
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	<u>1,628,082</u>	<u>(25,261)</u>	<u>1,602,821</u>	<u>919,219</u>	<u>683,602</u>
Undist. Expend.-Student Transportation Serv.:					
Cleaning, Repair, and Maint. Services	1,000		1,000	60	940
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis	27,000		27,000	19,000	8,000
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	56,500		56,500	15,287	41,213
Contract. Serv.(Spl. Ed. Students)-ESCs & CTASs	400,000		400,000	322,797	77,203
Transportation Supplies	2,290		2,290	290	2,000
Total Undist. Expend.-Student Trans. Serv.	<u>486,790</u>		<u>486,790</u>	<u>357,434</u>	<u>129,356</u>
UNALLOCATED BENEFITS					
Social Security Contributions	195,000		195,000	155,311	39,689
Other Retirement Contributions - PERS	102,848		102,848	94,703	8,145
Other Retirement Contributions - Regular	26,000		26,000	17,537	8,463

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS (Cont'd)					
Unemployment Compensation	\$ 90,000		\$ 90,000		\$ 90,000
Workers Compensation	96,000		96,000	\$ 67,862	28,138
Health Benefits	1,879,696		1,879,696	1,821,936	57,760
Tuition Reimbursement	40,000		40,000	17,702	22,298
Other Employee Benefits	413,254		413,254	99,890	313,364
TOTAL UNALLOCATED BENEFITS	2,842,798		2,842,798	2,274,941	567,857
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				524,277	(524,277)
TPAF Pension Contributions (Non-Budgeted)				2,212,729	(2,212,729)
TPAF Non-Contributory Insurance (Non-Budgeted)				31,219	(31,219)
TPAF Long-Term Disability Insurance (Non-Budgeted)				759	(759)
Reimbursed TPAF Social Security Contributions				447,296	(447,296)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,216,280	(3,216,280)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,842,798		2,842,798	5,491,221	(2,648,423)
TOTAL UNDISTRIBUTED EXPENDITURES	8,837,983	\$ 67,255	8,905,238	10,054,053	(1,148,815)
TOTAL GENERAL CURRENT EXPENSE	16,358,366	7,589	16,365,955	16,453,600	(87,645)
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
Auditory Impairments		3,200	3,200		3,200
Undistributed:					
Undist. Expend. - Custodial Services	20,000	261	20,261	14,573	5,688
Total Equipment	20,000	3,461	23,461	14,573	8,888

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Other Purchased Prof. and Tech. Services	\$ 118,200		\$ 118,200	\$ 118,124	\$ 76
Construction Services	543,000	\$ 13,971	556,971	518,778	38,193
Supplies and Materials	93,000	11,029	104,029	98,393	5,636
Assessment for Debt Service on SDA Funding	4,402		4,402	4,402	
Total Facilities Acquisition and Const. Serv.	<u>758,602</u>	<u>25,000</u>	<u>783,602</u>	<u>739,697</u>	<u>43,905</u>
TOTAL CAPITAL OUTLAY	<u>778,602</u>	<u>28,461</u>	<u>807,063</u>	<u>754,270</u>	<u>52,793</u>
Transfer of Funds to Charter Schools	24,977	21,700	46,677	46,658	19
TOTAL EXPENDITURES	<u>17,219,695</u>		<u>17,219,695</u>	<u>17,254,528</u>	<u>(34,833)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,393,425)		(1,393,425)	1,922,325	3,385,417
Other Financing Sources/(Uses):					
Local Contrib. - Trans to Special Rev- Inclusion	(86,786)		(86,786)	(83,436)	(3,350)
Other Financing Sources/(Uses)	<u>(86,786)</u>		<u>(86,786)</u>	<u>(83,436)</u>	<u>(3,350)</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,480,211)		(1,480,211)	1,838,889	3,382,067
Fund Balance, July 1	11,744,596		11,744,596	11,744,596	
Fund Balance, June 30	<u>\$ 10,264,385</u>	<u>\$ -0-</u>	<u>\$ 10,264,385</u>	<u>\$ 13,583,485</u>	<u>\$ 3,382,067</u>

WHARTON BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024	\$ 670,000				
Excess Surplus - Restricted For 2022-2023	670,000				
Capital Reserve	9,500,637				
Maintenance Reserve	590,012				
Emergency Reserve	250,000				
Unemployment Compensation	1,036,223				
Assigned Fund Balance:					
Year End Encumbrances				67,136	
Unassigned Fund Balance				799,477	
				<u>13,583,485</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(591,153)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 12,992,332</u>	

WHARTON BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 5,000	\$ 27,477	\$ 32,477	\$ 32,378	\$ (99)
State Sources	1,598,276	(8,836)	1,589,440	1,355,742	(233,698)
Federal Sources	733,109	3,157,547	3,890,656	924,124	(2,966,532)
Total Revenue	<u>2,336,385</u>	<u>3,176,188</u>	<u>5,512,573</u>	<u>2,312,244</u>	<u>(3,200,329)</u>
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	86,786	(3,350)	83,436	83,436	
Total Revenues and Other Financing Sources	<u>2,423,171</u>	<u>3,172,838</u>	<u>5,596,009</u>	<u>2,395,680</u>	<u>(3,200,329)</u>
Expenditures:					
Instruction:					
Salaries of Teachers	156,091	(37,655)	118,436	118,436	
Purchased Professional - Educational Services	18,169	21,551	39,720	21,807	17,913
Purchased Professional - Technical Services	22,793	9,579	32,372	14,930	17,442
Other Purchased Services		496,620	496,620	68,197	428,423
Tuition	261,711	61,962	323,673	236,887	86,786
General Supplies	81,416	43,741	125,157	1,680	123,477
Textbooks	2,150	311	2,461	2,461	
Total Instruction	<u>542,330</u>	<u>596,109</u>	<u>1,138,439</u>	<u>464,398</u>	<u>674,041</u>
Support Services:					
Salaries of Other Professional Staff	39,798	492,521	532,319	99,831	432,488
Personal Services - Employee Benefits	62,436	(9,139)	53,297	53,297	
Purchased Professional - Educational Services	1,355,904	822,549	2,178,453	1,386,992	791,461
Purchased Professional - Technical Services	32,855	380,662	413,517	164,589	248,928
Purchased Property Services		226,533	226,533	67,492	159,041
Cleaning, Repair & Maintenance Services	75,000		75,000		75,000
Contracted Services - Transportation (Field Trips)	25,000		25,000		25,000
Miscellaneous Purchased Services	35,000		35,000		35,000
Supplies and Materials	249,848	281,725	531,573	75,314	456,259
Student Activities	5,000	8,277	13,277	13,277	
Total Support Services	<u>1,880,841</u>	<u>2,203,128</u>	<u>4,083,969</u>	<u>1,860,792</u>	<u>2,223,177</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		354,500	354,500	51,389	303,111
Total Facilities Acquisition and Construction Services		<u>354,500</u>	<u>354,500</u>	<u>51,389</u>	<u>303,111</u>
Total Expenditures	<u>2,423,171</u>	<u>3,153,737</u>	<u>5,576,908</u>	<u>2,376,579</u>	<u>3,200,329</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ 19,101</u>	<u>\$ 19,101</u>	<u>\$ 19,101</u>	<u>\$ -0-</u>

WHARTON BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 19,176,853	\$ 2,312,244
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	503,153	102,576
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(591,153)	(121,500)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 19,088,853	\$ 2,293,320
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,254,528	\$ 2,376,579
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 17,254,528	\$ 2,376,579

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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. 6:20-2A.2(m)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 generally accepted accounting principles, with the exception of the 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.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund and Special Revenue Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	SDA				Title IV	
	Preschool Education Aid	Emergency/ Capital Maint. Needs	Elementary and Secondary Education Act			
			Title I	Title II A	Title III Immigrant	
REVENUE:						
Local Sources						
State Sources	\$ 1,303,911	\$ 16,533	\$ 196,353	\$ 21,992	\$ 4,754	\$ 8,125
Federal Sources			196,353	21,992	4,754	8,125
Total Revenue	<u>1,303,911</u>	<u>16,533</u>	<u>196,353</u>	<u>21,992</u>	<u>4,754</u>	<u>8,125</u>
Other Financing Sources:						
Board Contribution - General Fund	83,436					
Total Revenue and Other Financing Sources	<u>1,387,347</u>	<u>16,533</u>	<u>196,353</u>	<u>21,992</u>	<u>4,754</u>	<u>8,125</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers			118,436			2,850
Purchased Professional - Educational Services						
Purchased Professional - Technical Services						
Other Purchased Services						
Tuition						
General Supplies						
Textbooks						
Total Instruction			<u>118,436</u>			<u>2,850</u>
Support Services:						
Salaries of Other Professional Staff			19,979		754	687
Personal Services - Employee Benefits			53,297			
Purchased Professional - Educational Services	1,386,992			18,825	4,000	
Purchased Professional - Technical Services		16,533				
Purchased Property Services						
Supplies and Materials	355		4,641	3,167		4,588
Total Support Services	<u>1,387,347</u>	<u>16,533</u>	<u>77,917</u>	<u>21,992</u>	<u>4,754</u>	<u>5,275</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	<u>\$ 1,387,347</u>	<u>\$ 16,533</u>	<u>\$ 196,353</u>	<u>\$ 21,992</u>	<u>\$ 4,754</u>	<u>\$ 8,125</u>

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic Supplemental Instruction	Nonpublic Handicapped Svcs Examination & Classification	Nonpublic Auxiliary Svcs Compensatory Education	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Security	Nonpublic Technology Initiative
REVENUE:							
Local Sources							
State Sources	\$ 2,891	\$ 3,412	\$ 8,062	\$ 2,461	\$ 4,592	\$ 12,200	\$ 1,680
Federal Sources							
Total Revenue	2,891	3,412	8,062	2,461	4,592	12,200	1,680
Other Financing Sources:							
Board Contribution - General Fund							
Total Revenue and Other Financing Sources	2,891	3,412	8,062	2,461	4,592	12,200	1,680
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional - Educational Services	2,891	3,412	8,062		4,592	12,200	
Purchased Professional - Technical Services							
Other Purchased Services							
Tuition							
General Supplies							1,680
Textbooks				2,461			
Total Instruction	2,891	3,412	8,062	2,461	4,592	12,200	1,680
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services							
Purchased Professional - Technical Services							
Purchased Property Services							
Supplies and Materials							
Total Support Services							
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	\$ 2,891	\$ 3,412	\$ 8,062	\$ 2,461	\$ 4,592	\$ 12,200	\$ 1,680

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	ARP - IDEA Part B		IDEA Part B	
	Basic	Preschool	Basic	Preschool
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 36,943	\$ 3,269	\$ 202,744	\$ 7,427
Total Revenue	36,943	3,269	202,744	7,427
Other Financing Sources:				
Board Contribution - General Fund				
Total Revenue and Other Financing Sources	36,943	3,269	202,744	7,427
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional - Educational Services				
Purchased Professional - Technical Services				
Other Purchased Services				
Tuition	36,943	3,269	196,675	7,427
General Supplies				
Textbooks				
Total Instruction	36,943	3,269	196,675	7,427
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits				
Purchased Professional - Educational Services				
Purchased Professional - Technical Services			6,069	
Purchased Property Services				
Supplies and Materials				
Total Support Services			6,069	
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 36,943	\$ 3,269	\$ 202,744	\$ 7,427

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	CARES Emergency Relief	Coronavirus Relief Fund	ESSER II	CRRSA Learning Acceleration	Mental Health	Student Activities Fund	Total
REVENUE:							
Local Sources						\$ 32,378	\$ 32,378
State Sources	\$ 88,947	\$ 5,695	\$ 270,795	\$ 33,672	\$ 40,000		1,355,742
Federal Sources	88,947	5,695	270,795	33,672	40,000	32,378	924,124
Total Revenue							2,312,244
Other Financing Sources:							
Board Contribution - General Fund	88,947	5,695	270,795	33,672	40,000	32,378	83,436
Total Revenue and Other Financing Sources							2,395,680
EXPENDITURES:							
Instruction:							
Salaries of Teachers							118,436
Purchased Professional - Educational Services							21,807
Purchased Professional - Technical Services				2,730			14,930
Other Purchased Services			46,787	13,983			68,197
Tuition							236,887
General Supplies							1,680
Textbooks							2,461
Total Instruction			46,787	16,713			464,398
Support Services:							
Salaries of Other Professional Staff	29,442		29,933	16,959			99,831
Personal Services - Employee Benefits							53,297
Purchased Professional - Educational Services		5,695	90,000		40,000		1,386,992
Purchased Professional - Technical Services			50,959				164,589
Purchased Property Services			1,727				67,492
Supplies and Materials	59,505						75,314
Student Activities						13,277	13,277
Total Support Services	88,947	5,695	172,619	16,959	40,000	13,277	1,860,792
Facilities Acquisition and Construction Services:							
Instructional Equipment			51,389				51,389
Total Facilities Acquisition and Construction Services			51,389				51,389
Total Expenditures	\$ 88,947	\$ 5,695	\$ 270,795	\$ 33,672	\$ 40,000	\$ 13,277	\$ 2,376,579

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Support services:			
Purchased Educational Services:			
Contracted Pre-K	\$ 1,273,436	\$ 1,266,088	\$ 7,348
Head Start	120,904	120,904	
Other Purchased Professional Services	45,000		45,000
Cleaning, Repair & Maintenance Services	36,440		36,440
Contracted Services - Transportation (Field Trips)	25,000		25,000
Miscellaneous Purchased Services	35,000		35,000
Supplies and Materials	64,260	355	63,905
	<u>1,600,040</u>	<u>1,387,347</u>	<u>\$ 212,693</u>
Total Support Services			
	<u>1,600,040</u>	<u>1,387,347</u>	<u>\$ 212,693</u>
Total Expenditures	<u>\$ 1,600,040</u>	<u>\$ 1,387,347</u>	<u>\$ 212,693</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-22 Preschool Education Allocation	\$ 1,215,004
Actual Preschool Education Aid Carryover (June 30, 2021)	301,600
Add: Budgeted Transfer from General Fund	<u>83,436</u>
Total Preschool Aid Funds Available for 2021-22 Budget	1,600,040
Less: 2021-22 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(1,600,040)</u>
Available & Unbudgeted Preschool Aid Funds as of June 30, 2022	-0-
Add: 2021-22 Unexpended Preschool Education Aid	<u>\$ 212,693</u>
2021-22 Preschool Education Aid Carryover Budgeted in 2022-23	<u>\$ 212,693</u>

CAPITAL PROJECTS FUND

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Fund Balance - Beginning Balance	\$ 38,525
Fund Balance - Ending Balance	<u>\$ 38,525</u>
<u>Recapitulation:</u>	
Committed Fund Balance	\$ 38,525
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(16,266)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 22,259</u>

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
DUFFY ELEMENTARY SCHOOL - VARIOUS UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
SDA Grant				\$ 270,336
Transfer from Capital Outlay	\$ 24,136		\$ 24,136	288,821
Total Revenues and Other Financing Sources	<u>24,136</u>		<u>24,136</u>	<u>559,157</u>
Expenditures:				
Purchased Professional and Technical Services				328,800
Construction Services				20,000
Equipment Purchases				210,357
Total Expenditures				<u>559,157</u>
Excess of Revenue and Other Financing Sources Over Expenditures	<u>\$ 24,136</u>	<u>\$ -0-</u>	<u>\$ 24,136</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	SP#5770-040-09-1001
Authorization Date	5/11/2009
State Share	\$ 270,336
Local Share	<u>288,821</u>
Original Authorized Cost	559,157
Additional Authorized Cost	<u>-0-</u>
Revised Authorized Cost	<u>\$ 559,157</u>
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2014

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
DUFFY ELEMENTARY SCHOOL - CORRIDOR CERAMIC TILE REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
SDA Grant	\$ 16,266		\$ 16,266	\$ 16,266
Capital Outlay	18,447		18,447	18,447
Transfer from Capital Reserve	77,592		77,592	77,592
Total Revenues and Other Financing Sources	112,305		112,305	112,305
Expenditures :				
Purchased Professional and Technical Services	21,986		21,986	27,713
Construction Services	80,351		80,351	84,592
Total Expenditures	102,337		102,337	112,305
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 9,968</u>	<u>\$ -0-</u>	<u>\$ 9,968</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	SP#5770-040-09-1002
Authorization Date	5/11/2009
State Share	\$ 16,266
Local Share	18,447
Original Authorized Cost	34,713
Additional Authorized Cost - Capital Reserve	77,592
Revised Authorized Cost	<u>\$ 112,305</u>

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	91%
Original Target Completion Date	6/30/2014
Revised Target Completion Date	N/A

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MACKINNON HVAC ROOFTOP UNITS AND BUILDING MANAGEMENT SYSTEMS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 964,427		\$ 964,427	\$ 964,427
Total Revenues	<u>964,427</u>		<u>964,427</u>	<u>964,427</u>
Expenditures:				
Purchased Professional and Technical Services	23,250		23,250	27,671
Construction Services	936,756		936,756	936,756
Total Expenditures	<u>960,006</u>		<u>960,006</u>	<u>964,427</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 4,421</u>	<u>\$ -0-</u>	<u>\$ 4,421</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	SP#5770-040-09-1 002
Authorization Date	5/11/2009
State Share	
Local Share	<u>\$ 950,112</u>
Original Authorized Cost	950,112
Additional Authorized Cost	14,314
Revised Authorized Cost	<u>\$ 964,426</u>
Percentage Increase over Original Authorized Cost	1.51%
Percentage Completion	99.54%
Original Target Completion Date	6/30/2021

PROPRIETARY FUNDS

WHARTON BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 166,948
Interfund Receivable	1,615
Intergovernmental Accounts Receivable:	
Federal	34,299
State	673
Inventories	7,069

Total Current Assets	<u>210,604</u>
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Non-Current Assets:

Capital Assets	<u>16,806</u>
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Total Non-Current Assets	<u>16,806</u>
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Total Assets	<u>227,410</u>
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LIABILITIES:

Current Liabilities:

Unearned Revenue - Prepaid Sales	403
Unearned Revenue - Donated Commodities	1,662
Total Current Liabilities	<u>2,065</u>

Non-Current Liabilities:

Compensated Absences Payable	<u>400</u>
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Total Liabilities	<u>2,465</u>
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NET POSITION:

Net Investment in Capital Assets	16,806
Unrestricted	<u>208,139</u>

Total Net Position	<u>\$ 224,945</u>
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WHARTON BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Operating Revenue:	
Miscellaneous Revenue	\$ 1,430
Total Operating Revenue	<u>1,430</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	178,915
Salaries	168,382
Benefits & Payroll Taxes	34,034
Management Fee	10,300
Miscellaneous	15,451
Depreciation Expense	<u>5,814</u>
Total Operating Expenses	<u>412,896</u>
Operating Loss	(411,466)
Non-Operating Revenue:	
Local Sources:	
Interest Revenue	151
State Sources:	
Seamless Summer Option	9,487
Federal Sources:	
Seamless Summer Option	459,450
P-EBT Reimbursement	1,242
COVID Emergency Operational Cost Reimbursement	17,144
Food Distribution Program	<u>18,028</u>
Total Non-Operating Revenue	<u>505,502</u>
Change in Net Position	94,036
Net Position - Beginning of Year	<u>130,909</u>
Net Position - End of Year	<u>\$ 224,945</u>

WHARTON BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 976
Payments to Employees	(53,248)
Payments to Food Service Vendor	(349,170)
Payments to Suppliers	(9,145)
	<hr/>
Net Cash Used for Operating Activities	(410,587)
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(9,593)
	<hr/>
Net Cash Used for Capital and Related Financing Activities	(9,593)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Revenue	151
State Sources:	
Seamless Summer Option	10,312
Federal Sources:	
Seamless Summer Option	449,244
P-EBT Reimbursement	1,242
COVID Emergency Operational Cost Reimbursement	17,144
Interfund Advanced - General Fund	(1,615)
	<hr/>
Net Cash Provided by Noncapital Financing Activities	476,478
	<hr/>
Net Increase in Cash and Cash Equivalents	56,298
Cash and Cash Equivalents, July 1	110,650
	<hr/>
Cash and Cash Equivalents, June 30	\$ 166,948
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (411,466)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	5,814
Food Distribution Program	18,028
Changes in Assets and Liabilities:	
Increase in Inventory	1,727
(Decrease) in Unearned Revenue - Donated Commodities	(1,645)
(Decrease) in Compensated Absences Payable	(1,235)
(Decrease) in Unearned Revenue - Prepaid Sales	(454)
(Decrease) in Accounts Payable	(21,356)
	<hr/>
Net Cash Used for Operating Activities	\$ (410,587)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$18,028 and utilized U.S.D.A Commodities valued at \$16,383 for the fiscal year ended June 30, 2022.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

WHARTON BOARD OF EDUCATION
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding 6/30/2022		Interest Rate	Retired or Matured	Balance July 1, 2021	Balance June 30, 2022
			Date	Amount				
Refunding School Bonds Series 2015	4/30/2015	\$ 1,996,000	7/1/2022	\$ 226,000	1.900%	\$ 231,000	\$ 442,000	
			7/1/2023	216,000	1.900%	\$ 673,000	\$ 442,000	
						<u>\$ 673,000</u>	<u>\$ 442,000</u>	

WHARTON BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 160,724		\$ 160,724	\$ 160,724	
State Sources:					
Debt Service Aid Type II	64,714		64,714	64,714	
Total Revenues	<u>225,438</u>		<u>225,438</u>	<u>225,438</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	10,592		10,592	10,592	
Redemption of Principal	231,000		231,000	231,000	
Total Regular Debt Service	<u>241,592</u>		<u>241,592</u>	<u>241,592</u>	
Total Expenditures	<u>241,592</u>		<u>241,592</u>	<u>241,592</u>	
Deficit of Revenues Under Expenditures	(16,154)		(16,154)	(16,154)	
Fund Balance, July 1	<u>16,154</u>	<u>\$ -0-</u>	<u>16,154</u>	<u>16,154</u>	<u>\$ -0-</u>
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Recapitulation of Fund Balance at June 30, 2022</u>					
Restricted				<u>\$ -0-</u>	

STATISTICAL SECTION
(Unaudited)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.

J-16 thru J-20

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

WHARTON BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
 (Accrual Basis of Accounting)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 2,441,360	\$ 4,061,526	\$ 3,930,297	\$ 4,979,520	\$ 5,537,678	\$ 6,104,371	\$ 6,262,066	\$ 6,781,065	\$ 7,324,039	\$ 7,965,340
Restricted	3,831,767	4,063,996	5,261,025	5,558,458	5,478,489	5,965,733	7,506,318	9,267,375	11,071,331	12,757,969
Unrestricted/(Deficit)	(32,963)	(1,240,198)	(1,296,576)	(1,430,055)	(1,501,803)	(1,785,845)	(1,808,134)	(1,495,954)	(1,791,542)	(1,555,717)
Total Governmental Activities Net Position	\$ 6,240,164	\$ 6,885,324	\$ 7,894,746	\$ 9,107,923	\$ 9,514,364	\$ 10,284,259	\$ 11,960,250	\$ 14,552,486	\$ 16,603,828	\$ 19,167,592
Business-Type Activities:										
Investment in Capital Assets	\$ 4,281	\$ 1,428						\$ 6,445	\$ 13,027	\$ 16,806
Unrestricted	110,005	93,596	97,790	144,175	87,641	99,570	79,762	137,695	117,882	208,139
Total Business-Type Activities Net Position	\$ 114,286	\$ 95,024	\$ 97,790	\$ 144,175	\$ 87,641	\$ 99,570	\$ 79,762	\$ 144,140	\$ 130,909	\$ 224,945
District-Wide:										
Net Investment in Capital Assets	\$ 2,445,641	\$ 4,062,954	\$ 3,930,297	\$ 4,979,520	\$ 5,537,678	\$ 6,104,371	\$ 6,262,066	\$ 6,787,510	\$ 7,337,066	\$ 7,982,146
Restricted	3,831,767	4,063,996	5,261,025	5,558,458	5,478,489	5,965,733	7,506,318	9,267,375	11,071,331	12,757,969
Unrestricted/(Deficit)	77,042	(1,146,602)	(1,198,786)	(1,285,880)	(1,414,162)	(1,686,275)	(1,728,372)	(1,358,259)	(1,673,660)	(1,347,578)
Total District-Wide Net Position	\$ 6,354,450	\$ 6,980,348	\$ 7,992,536	\$ 9,252,098	\$ 9,602,005	\$ 10,383,829	\$ 12,040,012	\$ 14,696,626	\$ 16,734,737	\$ 19,392,537

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 5,926,911	\$ 5,984,273	\$ 7,482,805	\$ 7,511,041	\$ 8,178,991	\$ 8,711,712	\$ 7,805,295	\$ 7,241,936	\$ 7,150,135	\$ 7,484,046
Special Education	2,136,825	2,236,521	2,750,730	2,997,502	3,928,950	4,209,197	3,694,463	3,407,458	3,239,032	2,891,879
Other Instruction	305,716	202,473	271,083	422,908	531,035	548,488	552,791	490,367	399,027	542,859
Support Services:										
Tuition	227,630	308,897	227,982	240,662	414,885	410,281	315,147	359,002	372,202	595,355
Student & Instruction Related Services	1,457,923	1,417,537	1,730,120	1,775,976	1,742,506	1,833,008	1,761,267	2,925,496	3,936,653	4,061,032
General Administration Services	384,360	376,851	387,309	503,252	424,627	484,372	442,054	603,181	569,236	550,517
School Administration Services	428,652	411,514	513,234	517,485	612,901	698,412	639,633	559,754	611,035	584,713
Central Services	243,498	258,339	253,247	208,324	258,598	291,044	260,317	339,335	385,031	374,976
Plant Operations and Maintenance	753,625	1,018,812	788,112	795,040	896,478	817,351	862,300	1,081,010	1,003,479	959,363
Pupil Transportation	222,511	288,254	348,667	277,677	365,199	143,428	229,219	247,932	230,708	370,813
Administrative Information Technology	109,005	82,353	61,144	110,181	164,230	286,039	158,415	145,473	152,872	110,137
Interest On Long-Term Debt	105,800	96,200	120,426	18,620	34,666	29,564	24,605	19,779	15,086	10,592
Charter School		13,407	13,691	23,603	47,616	57,045	10,152	11,147	22,553	46,658
Capital Outlay		98,018	61,240	4,402	4,402	4,402	4,402	4,402	4,402	4,402
Unallocated Depreciation	329,028	329,028	270,773	270,773	358,173	340,877	382,758			
Total Governmental Activities Expenses	12,631,484	13,122,477	15,280,563	15,677,446	17,963,257	18,865,220	17,142,818	17,436,272	18,091,451	18,587,342
Expenses:										
Business-Type Activities:										
Food Service	312,784	365,088	340,918	318,046	417,167	351,643	378,985	285,603	233,474	412,896
Total Business-Type Activities Expenses	312,784	365,088	340,918	318,046	417,167	351,643	378,985	285,603	233,474	412,896
Total District-Wide Expenses	\$ 12,944,268	\$ 13,487,565	\$ 15,621,481	\$ 15,995,492	\$ 18,380,424	\$ 19,216,863	\$ 17,521,803	\$ 17,721,875	\$ 18,324,925	\$ 19,000,238
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 327,487	\$ 244,394	\$ 205,551	\$ 157,392	\$ 106,559	\$ 243,623	\$ 140,817	\$ 99,901	\$ 82,402	\$ 35,524
Operating Grants and Contributions	2,541,735	2,240,448	2,348,085	2,551,518	2,718,920	3,063,126	5,223,918	5,034,378	5,839,363	5,965,043
Total Governmental Activities Program Revenues	2,869,222	2,484,842	2,553,636	2,708,910	2,825,479	3,306,749	5,364,735	5,134,279	5,921,765	6,000,567
Business-Type Activities:										
Charges for Services:										
Food Service	99,163	99,911	98,235	97,213	104,560	112,544	116,731	83,977	6,083	1,430
Operating Grants and Contributions	237,391	245,834	245,377	267,125	255,899	250,504	242,199	229,743	214,053	505,351
Total Business Type Activities Program Revenues	336,554	345,745	343,612	364,338	360,459	363,048	358,930	313,720	220,136	506,781
Total District-Wide Program Revenues	3,205,776	2,830,587	2,897,248	3,073,248	3,185,938	3,669,797	5,723,665	5,447,999	6,141,901	6,507,348
Net Expenses/(Revenue):										
Governmental Activities	\$ 9,762,262	\$ 10,637,635	\$ 12,726,927	\$ 12,968,536	\$ 15,137,778	\$ 15,558,471	\$ 11,778,083	\$ 12,301,993	\$ 12,169,686	\$ 12,586,775
Business-Type Activities	(23,770)	19,343	(2,694)	(46,292)	56,708	(11,405)	20,055	(28,117)	13,338	(93,885)
Total District-Wide Net (Expenses)/Revenue	\$ 9,738,492	\$ 10,656,978	\$ 12,724,233	\$ 12,922,244	\$ 15,194,486	\$ 15,547,066	\$ 11,798,138	\$ 12,273,876	\$ 12,183,024	\$ 12,492,890

WHARTON BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 7,994,103	\$ 8,299,551	\$ 8,465,542	\$ 8,634,852	\$ 8,807,549	\$ 8,983,700	\$ 9,163,374	\$ 9,346,641	\$ 9,533,574	\$ 9,676,578
Taxes Levied for Debt Service	260,421	249,657	242,630	232,014	228,115	216,392	205,441	198,979	188,222	160,724
Federal and State Aid Not Restricted	3,515,266	3,703,327	4,997,074	5,275,776	6,479,445	7,043,101	4,011,533	4,249,757	4,478,310	5,274,757
Investment Earnings	3,928	3,761	1,218	3,761	3,476	9,645	52,729	47,812	13,467	14,558
Miscellaneous Income	41,163	196,813	29,885	35,310	25,634	75,528	20,997	2,198	7,455	23,922
Total Governmental Activities General Revenues & Other Changes in Net Position	11,814,881	12,453,109	13,736,349	14,181,713	15,544,219	16,328,366	13,454,074	13,845,387	14,221,028	15,150,539
Business-Type Activities:										
Investment Earnings	66	81	72	93	174	524	247	581	107	151
Reappraisal of Capital Assets										
Cancellation of Prior Year Interfund								35,680		
Total Business-Type Activities General Revenues & Other Changes in Net Position	66	81	72	93	174	524	247	36,261	107	151
Total District-Wide General Revenues & Other Changes in Net Position	\$ 11,814,947	\$ 12,453,190	\$ 13,736,421	\$ 14,181,806	\$ 15,544,393	\$ 16,328,890	\$ 13,454,321	\$ 13,881,648	\$ 14,221,135	\$ 15,150,690
Change in Net Position:										
Governmental Activities	\$ 2,052,619	\$ 1,815,474	\$ 1,009,422	\$ 1,213,177	\$ 406,441	\$ 769,895	\$ 1,675,991	\$ 1,543,394	\$ 2,051,342	\$ 2,563,764
Business-Type Activities	23,836	(19,262)	2,766	46,385	(56,534)	11,929	(19,808)	64,378	(13,231)	94,036
Total District-Wide Change in Net Position	\$ 2,076,455	\$ 1,796,212	\$ 1,012,188	\$ 1,259,562	\$ 349,907	\$ 781,824	\$ 1,656,183	\$ 1,607,772	\$ 2,038,111	\$ 2,657,800

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 3,849,052	\$ 4,063,995	\$ 5,254,757	\$ 5,524,466	\$ 5,444,497	\$ 5,931,741	\$ 6,522,214	\$ 9,220,582	\$ 11,033,181	\$ 12,716,872
Assigned	307,867	229,945	202,591	165,483	199,615	94,225	73,170	543,237	56,013	67,136
Unassigned					14,706				152,249	208,324
Total General Fund	\$ 4,156,919	\$ 4,293,940	\$ 5,457,348	\$ 5,689,949	\$ 5,658,818	\$ 6,025,966	\$ 6,595,384	\$ 9,763,819	\$ 11,241,443	\$ 12,992,332
All Other Governmental Funds:										
Restricted	\$ 1			\$ 16,154	\$ 16,154	\$ 16,154	\$ 16,154	\$ 46,793	\$ 38,150	\$ 41,097
Committed	17,838	\$ 17,838	\$ 17,838	17,838	17,838	17,838	967,950	22,259	22,259	22,259
Unassigned/(Deficit)	(35,124)	(26,788)	(19,722)	(17,703)	(13,666)	(51,103)	(43,892)	(88,097)	(102,576)	(121,500)
Total All Other Governmental Funds/(Deficit)	\$ (17,285)	\$ (8,950)	\$ (1,884)	\$ 16,289	\$ 20,326	\$ (17,111)	\$ 940,212	\$ (19,045)	\$ (42,167)	\$ (58,144)
Total Governmental Funds:										
Restricted	\$ 3,849,053	\$ 4,063,996	\$ 5,254,757	\$ 5,524,466	\$ 5,444,497	\$ 5,931,741	\$ 6,522,214	\$ 8,218,533	\$ 11,071,331	\$ 12,757,969
Committed	67,354	17,838	17,838	17,838	17,838	17,838	17,838	22,259	22,259	22,259
Assigned	60,400	307,867	228,472	202,591	199,615	94,225	94,225	543,237	56,013	67,136
Unassigned/(Deficit)	(54,870)	(35,124)	(19,722)	(17,703)	1,040	(51,103)	(43,892)	(88,097)	49,673	86,824
Total All Governmental Funds	\$ 4,139,634	\$ 4,284,990	\$ 5,455,464	\$ 5,706,238	\$ 5,679,144	\$ 6,008,855	\$ 7,535,596	\$ 9,744,774	\$ 11,199,276	\$ 12,934,188

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Tax Levy	\$ 8,254,524	\$ 8,549,208	\$ 8,708,172	\$ 8,866,866	\$ 9,035,664	\$ 9,200,092	\$ 9,368,815	\$ 9,545,620	\$ 9,721,796	\$ 9,837,302
Tuition Charges	327,487	244,394	205,551	157,392	106,559	243,623	140,817	99,901	68,765	3,146
Interest on Capital Reserve	3,928	3,761	1,218	3,761	3,476	9,645	15,078	22,268	5,263	8,265
Miscellaneous	46,163	197,267	29,885	35,310	25,634	75,528	58,648	27,742	29,296	62,593
State Sources	5,403,254	5,420,143	5,463,912	5,772,212	6,050,229	6,787,151	7,444,168	7,829,424	8,885,383	10,753,992
Federal Sources	648,746	523,179	620,014	569,599	585,858	467,152	467,650	694,530	807,481	942,313
Total Revenue	14,684,102	14,937,952	15,028,752	15,405,140	15,807,420	16,783,191	17,495,176	18,219,485	19,517,984	21,607,611
Expenditures:										
Instruction:										
Regular Instruction	4,553,108	4,548,219	4,910,471	4,566,042	4,503,745	4,734,653	4,810,764	4,395,576	4,320,802	4,705,431
Special Education Instruction	1,544,501	1,643,643	1,757,402	1,888,117	2,097,789	2,148,105	2,120,140	2,007,874	1,947,468	1,833,854
Other Instruction	222,300	142,987	159,932	224,155	270,771	266,734	279,773	269,347	220,045	324,660
Support Services:										
Tuition	227,630	308,897	227,982	240,662	414,885	410,281	315,147	359,002	372,202	595,355
Student & Instruction Related Services	1,231,744	1,214,213	1,400,885	1,486,320	1,415,009	1,372,131	1,366,733	2,257,703	3,186,802	3,496,526
General Administrative Services	339,104	329,684	369,936	436,974	346,574	397,662	367,653	345,233	366,329	364,593
School Administrative Services	284,729	295,382	308,100	332,075	339,205	338,830	333,903	370,315	383,022	363,140
Central Services	214,442	241,022	208,700	152,653	198,524	196,535	224,556	261,807	255,111	239,719
Administrative Information Technology	97,982	81,763	55,112	95,236	132,426	111,695	130,466	115,063	131,457	87,638
Plant Operations And Maintenance	753,625	1,018,812	779,469	785,764	810,199	889,223	923,817	941,137	966,688	919,219
Pupil Transportation	221,455	288,152	348,503	277,424	364,354	285,790	227,503	229,968	169,585	357,434
Unallocated Benefits	2,727,849	2,518,277	2,950,195	3,281,481	3,839,856	4,363,823	4,337,187	4,258,790	4,758,475	5,491,221
Capital Outlay	281,688	1,807,138	36,500	1,063,114	747,895	585,409	240,036	964,408	705,857	805,659
Debt Service:										
Principal	245,000	240,000	240,000	271,000	271,000	266,000	256,000	252,000	242,000	231,000
Interest And Other Charges	110,700	101,000	91,400	29,746	34,666	29,564	24,605	19,779	15,086	10,592
Transfer of funds to Charter Schools		13,407	13,691	23,603	47,616	57,045	10,152	11,147	22,553	46,658
Total Expenditures	13,055,857	14,779,189	13,844,587	15,130,763	15,834,514	16,453,480	15,968,435	17,059,149	18,063,482	19,872,699
Excess(Deficiency) of Revenues Over(Under) Expenditures	\$ 1,628,245	\$ 1,588,763	\$ 1,184,165	\$ 274,377	\$ (27,094)	\$ 329,711	\$ 1,526,741	\$ 1,160,336	\$ 1,454,502	\$ 1,734,912
Net Change In Fund Balances	\$ 1,628,245	\$ 1,588,763	\$ 1,184,165	\$ 274,377	\$ (27,094)	\$ 329,711	\$ 1,526,741	\$ 1,160,336	\$ 1,454,502	\$ 1,734,912
Debt Service as a Percentage of Noncapital Expenditures	2.78%	2.63%	2.40%	2.14%	2.03%	1.86%	1.78%	1.69%	1.48%	1.27%

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Other Misc.	Total
2013	\$ 3,928	\$ 327,487	\$ 41,163	\$ 372,578
2014	3,761	244,394	197,267	445,422
2015	1,218	205,551	29,885	236,654
2016	3,761	157,392	35,310	196,463
2017	3,476	106,559	25,634	135,669
2018	9,645	243,623	75,528	328,796
2019	15,078	140,817	58,648	214,543
2020	47,812	99,901	2,198	149,911
2021	13,467	68,765	7,455	89,687
2022	15,771	3,146	22,709	41,626

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	\$ 12,263,900	\$ 489,338,100	\$ 625,200	\$ 101,295,100	\$ 101,991,700	\$ 23,202,000	\$ 728,716,000	\$ -0-	\$ 728,716,000	\$ 66,891,500	1.11	\$ 745,985,600
2013	12,816,300	431,026,500	575,200	93,914,900	97,860,000	21,698,800	657,891,700	-0-	657,891,700	67,532,300	1.30	696,476,498
2014	12,324,900	422,510,400	566,600	93,341,300	97,616,100	21,819,500	648,178,800	-0-	648,178,800	67,252,000	1.34	669,610,331
2015	11,789,600	427,569,800	580,400	92,610,400	97,716,600	21,914,000	652,180,800	-0-	652,180,800	96,632,800	1.36	673,503,608
2016	12,991,500	431,891,600	581,100	92,517,600	96,320,200	22,465,700	656,767,700	-0-	656,767,700	97,154,200	1.40	663,528,365
2017	12,993,400	434,199,800	581,100	92,741,300	98,448,800	22,649,900	661,618,300	-0-	668,396,422	101,972,200	1.35	663,528,365
2018	12,873,400	446,757,300	598,200	93,118,800	105,321,100	22,772,700	681,441,500	-0-	681,445,500	102,182,300	1.35	675,041,790
2019	13,857,600	460,137,300	616,300	94,940,200	105,912,700	23,065,000	698,529,100	-0-	698,529,100	102,579,700	1.37	716,029,500
2020	15,400,200	478,323,300	632,700	98,332,800	111,845,100	23,475,200	728,009,300	-0-	728,009,300	110,236,300	1.34	747,194,562
2021	14,406,400	498,177,500	659,100	100,490,100	115,222,600	26,040,200	754,995,900	-0-	754,995,900	109,439,100	1.30	763,011,808

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 of assessed value.

* Revaluation effective this year.

Source: Morris County Abstract of Ratables and Municipal Tax Assessor.

WHARTON BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Wharton Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Borough			
	Basic Rate ^a	Obligation Debt ^b	Total Direct	Regional School	of Wharton	Morris County	
2012	\$ 1.08	\$ 0.03	\$ 1.11	\$ 0.62	\$ 0.63	\$ 0.25	\$ 2.61
2013	1.26	0.04	1.30	0.66	0.58	0.28	2.82
2014	1.31	0.04	1.34	0.68	0.60	0.28	2.90
2015	1.32	0.04	1.36	0.67	0.61	0.26	2.89
2016	1.37	0.03	1.40	0.63	0.61	0.26	2.90
2017	1.32	0.03	1.35	0.68	0.62	0.26	2.91
2018	1.32	0.03	1.35	0.68	0.61	0.26	2.90
2019	1.34	0.03	1.37	0.68	0.61	0.27	2.92
2020	1.31	0.03	1.34	0.75	0.61	0.27	2.96
2021	1.28	0.02	1.30	0.78	0.57	0.24	2.89

Note: NJSA 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.

* Revaluation effective in this year.

Source: Borough of Wharton Tax Collector and School Business Administrator.

WHARTON BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2021		2012	
	Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
Wharton Investors III LP	\$	89,632,400		
Glass Paramus		20,162,600		N/A
Costco		19,000,000		
CCKK, LLC		17,000,000		
Bayview Gardens		8,900,000		
Wharton Mall		7,300,000		
National Retail Properties, LP		6,200,000		
Brentwood Associates LLC		6,100,000		
Wharton Apartment Associates		4,460,000		
13 Broad LLC		4,291,000		
Total	\$	183,046,000		
				% of Total District Net Assessed Value
				11.87%
				2.67%
				2.52%
				2.25%
				1.18%
				0.97%
				0.82%
				0.81%
				0.59%
				0.57%
				24.24%

N/A - Not Available

Source: Borough of Wharton Tax Assessor.

WHARTON BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal</u> <u>Year of the Levy</u> ^a		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2013	\$ 8,254,524	\$ 8,254,524	100.00%	\$ -0-
2014	8,549,208	8,549,208	100.00%	-0-
2015	8,708,172	8,708,172	100.00%	-0-
2016	8,866,866	8,866,866	100.00%	-0-
2017	9,035,664	9,035,664	100.00%	-0-
2018	9,200,092	9,200,092	100.00%	-0-
2019	9,368,815	9,368,815	100.00%	-0-
2020	9,545,620	9,545,620	100.00%	-0-
2021	9,721,796	9,721,796	100.00%	-0-
2022	9,837,302	9,837,302	100.00%	-0-

^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.

Source: Wharton Borough School District's records including the Certificate and Report of School Taxes (Form A4F).

WHARTON BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Financed Purchases/ Leases			
2013	\$ 2,645,000	\$ -0-	\$ 3,028	\$ 2,648,028	0.50%	\$ 403.66
2014	2,405,000	-0-	-0-	2,405,000	0.44%	367.68
2015	2,231,000	-0-	-0-	2,231,000	0.39%	341.13
2016	1,960,000	-0-	-0-	1,960,000	0.33%	300.80
2017	1,689,000	-0-	-0-	1,689,000	0.28%	260.05
2018	1,423,000	-0-	-0-	1,423,000	0.23%	220.89
2019	1,167,000	-0-	-0-	1,167,000	0.18%	183.38
2020	915,000	-0-	-0-	915,000	0.14%	141.58
2021	673,000	-0-	-0-	673,000	0.09%	92.97
2022	442,000	-0-	-0-	442,000	0.06%	61.06

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

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

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 2,645,000	\$ -0-	\$ 2,645,000	0.36%	\$ 403.20
2014	2,405,000	-0-	2,405,000	0.37%	367.68
2015	2,231,000	-0-	2,231,000	0.34%	341.13
2016	1,960,000	-0-	1,960,000	0.30%	300.80
2017	1,689,000	-0-	1,689,000	0.26%	260.05
2018	1,423,000	-0-	1,423,000	0.21%	220.89
2019	1,167,000	-0-	1,167,000	0.17%	183.38
2020	915,000	-0-	915,000	0.13%	141.58
2021	673,000	-0-	673,000	0.09%	92.97
2022	442,000	-0-	442,000	0.06%	61.06

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

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b Population data can be found on Exhibit J-14. This ratio is calculated using valuation data for the prior calendar year

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Wharton	\$ 1,000,000	100.00%	\$ 1,000,000
Other Debt:			
Morris County General Obligation Debt	235,030,042	0.782%	1,837,295
Morris Hills Regional District Debt	26,095,000	8.005%	<u>2,088,876</u>
Subtotal, Overlapping Debt			4,926,171
Borough of Wharton School District Direct Debt			<u>442,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 5,368,171</u></u>

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 the Borough of Wharton. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

WHARTON BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2022

		<u>Wharton</u>	<u>Borough</u>
Equalized Valuation Basis			
2021	\$ 803,785,691		
2020	758,343,021		
2019	740,045,662		
		<u>\$2,302,174,374</u>	
		<u>\$ 767,391,458</u>	
Average Equalized Valuation of Taxable Property			
	\$ 23,021,744		
	<u>442,000</u>		
	<u>\$ 22,579,744</u>		

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 22,574,785	\$ 21,634,054	\$ 20,868,029	\$ 20,412,829	\$ 19,935,913	\$ 19,856,492	\$ 20,454,907	\$ 21,210,567	\$ 22,093,386	\$ 23,021,744
Total Net Debt Applicable to Limit	2,645,000	2,405,000	2,231,000	1,960,000	1,689,000	1,423,000	1,167,000	915,000	673,000	442,000
Legal Debt Margin	<u>\$ 19,929,785</u>	<u>\$ 18,827,224</u>	<u>\$ 18,637,029</u>	<u>\$ 18,452,829</u>	<u>\$ 18,246,913</u>	<u>\$ 18,433,492</u>	<u>\$ 19,287,907</u>	<u>\$ 20,295,567</u>	<u>\$ 21,420,386</u>	<u>\$ 22,579,744</u>

Total Net Debt Applicable to the Limit	11.72%	13.31%	10.69%	9.60%	8.47%	7.17%	5.71%	4.31%	3.05%	1.92%
As a Percentage of Debt Limit										

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

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

WHARTON BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year Ended December 31,	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2013	\$ 6,560	\$ 81,026	\$ 531,530,560	8.40%
2014	6,541	84,287	551,321,267	6.00%
2015	6,540	88,298	577,468,920	5.00%
2016	6,516	91,252	594,598,032	5.00%
2017	6,495	93,544	607,568,280	4.60%
2018	6,442	97,244	626,445,848	4.20%
2019	6,364	99,140	630,926,960	4.20%
2020	6,463	102,227	660,693,101	11.00%
2021	7,239	102,227 **	740,021,253 ***	7.20%
2022	7,239 *	102,227 **	740,021,253 ***	N/A

* - Latest Morris County population available (2021) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2020) was used for calculation purposes.

***- Latest available population data (2021) and latest Morris County per capita personal income (2020) was used for calculation purposes

N/A - Not Available

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

WHARTON BOARD OF EDUCATION
PRINCIPAL EMPLOYERS - MORRIS COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2021		2012		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Atlantic Health Systems		7,642	Novartis	6,200	2.25%
US Army Armament Research & Development		6,000	US Army Armament Research & Development	5,274	1.91%
Novartis		5,200	Atlantic Health Systems	5,013	1.82%
Bayer Healthcare, LLC		3,483	ADP, Inc.	1,947	0.71%
Barclays		2,560	County of Morris	1,914	0.69%
ADP, Inc.		2,400	St. Clare's	1,841	0.67%
Accenture		1,826	Accenture	1,498	0.54%
Honeywell		1,704	Wyndham Worldwide	1,444	0.52%
St. Clare's		1,638	Chilton Memorial	1,440	0.52%
County of Morris		1,469	BASF Corporation	1,400	0.51%
Total		<u>33,922</u>		<u>27,971</u>	<u>10.13%</u>
Total County Labor Force		<u>262,719</u>		<u>275,962</u>	

* - Employment data provided by the NJ Department of Labor and Workforce Development

Source: Morris County Treasurer's Office

WHARTON BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</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>	<u>2022</u>
Instruction:										
Regular	48.5	49.5	56.3	56.1	56.1	56.1	56.1	56.1	55.7	50.2
Special Education	16.0	16.5	16.6	16.5	16.5	16.5	16.5	16.5	17.0	21.4
Other Special Education	11.4	16.5	14.9	15.0	15.0	15.0	15.0	15.0	14.1	16.4
Other Instruction	2.7	3.0	3.0	3.0	2.3	2.5	2.5	2.5	2.5	2.5
Support Services:										
Student & Instruction Related Services	9.3	9.3	16.1	16.1	16.1	16.1	14.6	14.6	14.0	15.2
General Administration	5.1	5.6	5.5	5.5	5.5	5.5	5.0	5.0	3.4	3.5
School Administrative Services	6.7	6.2	4.7	4.7	4.7	5.0	5.0	5.0	4.3	5.9
Other Administrative Services	1.0									1.0
Central Services	3.6	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.0	
Pupil Transportation	0.2	0.2	0.2	0.2	0.2	0.2				
Other Support Services	2.1	2.4	2.4	2.4	3.3	3.0	3.0	3.0	2.4	
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.8
Total	107.9	111.5	123.0	122.8	123.0	123.2	120.81	120.81	117.17	118.80

Source: Borough of Wharton District Personnel Records.

WHARTON BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2013	807	\$ 12,418,469	\$ 15,388	-3.10%	76	11.1	7.7	786	755	-1.74%	96.06%
2014	780	12,631,051	16,194	5.23%	78	10.3	8.4	777	756	1.16%	97.30%
2015	789	13,476,687	17,081	5.48%	79	9.5	10.8	803	770	-3.24%	95.89%
2016	786	13,766,903	17,515	2.54%	78	9.1	10.4	786	754	2.16%	95.93%
2017	781	14,712,351	18,838	7.55%	78	9.0	10.5	782	751	0.51%	95.59%
2018	741	14,485,324	19,548	3.77%	78	10.2	8.8	745	710	4.97%	95.30%
2019	744	15,447,794	20,763	6.21%	78	10.3	8.4	744	704	0.13%	94.59%
2020	750	15,822,962	21,097	1.61%	80	10.0	11.0	752	729	-1.10%	96.94%
2021	740	17,100,539	23,109	9.53%	81	10.2	11.1	689	675	9.19%	97.51%
2022	704	18,825,448	26,741	15.72%	81	8.8	11.0	694	646	-0.72%	93.18%

Note: Enrollment based on annual October District count.

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^b Costs per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other cost per pupil calculations.
- ^c Teaching staff includes only full-time equivalents of certificated staff.
- ^d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Borough of Wharton School District records.

WHARTON BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Buildings</u>										
<u>Elementary</u>										
Marie V. Duffy Elementary (1962)	35,173	35,173	35,173	35,173	35,173	35,173	35,173	35,173	35,173	35,173
Square Feet										
Mackinnon North Wing (1974)										
Square Feet	36,291	36,291	36,291	36,291	36,291	36,291	36,291	36,291	36,291	36,291
Combined Capacity (Students)	617	617	617	617	617	617	617	617	617	617
Combined Enrollment	478	478	478	478	478	470	469	456	469	431
<u>Middle</u>										
Mackinnon Middle School (2000)										
Square Feet	28,654	28,654	28,654	28,654	28,654	28,654	28,654	28,654	28,654	28,654
Capacity (Students)	259	259	259	259	259	259	259	259	259	273
Enrollment	213	213	213	213	213	266	271	294	271	273
<u>Other</u>										
Child Study Team Addition (1994)	1,469	1,469	1,469	1,469	1,469	1,469	1,469	1,469	1,469	1,469
Maint. Garage/Recreation Annex(1982)	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561

Number of Schools at June 30, 2022:

Elementary = 1
Middle = 1

Note: Year of original construction is shown in parentheses.
Enrollment is based on the annual October District count.

Source: Wharton Board of Education Facilities Office.

WHARTON BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures:
 Required Maintenance for School Facilities*
 11-000-261-XXXX

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Facilities										
Wharton Public Schools	\$ 141,197	\$ 230,270	\$ 93,160	\$ 118,613	\$ 141,921	\$ 186,551	\$ 187,430	\$ 186,682	\$ 151,564	\$ 132,592

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

Source: Borough of Wharton School District Reports.

WHARTON BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund:			
School Package Policy:	\$ 500,000,000	Occurrence	
Building & Personal Property			\$ 2,500
Auto Physical Damage			1,000
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurrence			
Product/Completed Ops			
Medical Expenses(excluding students taking part in athletics)	10,000		
Automobile Coverage			
Environmental Impairment Liability	1,000,000		10,000
excludes mold/fungi/fungus/legionella	25,000,000 Fund Agg.		
	100,000		
Crime Coverage	50,000 Inside/Outside		1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler & Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal Liability(SLPL)	5,000,000		10,000
Cyber Liability	2,000,0000 per Occurrence/Agg		10,000
	Statutory		
NJSIG:			
Workers Compensation - Employer's Liability	3,000,000		
Supplemental Indemnity	Statutory waiting period 7 days		
Selective Insurance:			
Surety Bonds:			
Treasurer	200,000		
Board Secretary/Business Administrator	200,000		
Bollinger Insurance			
Student Accident	All students		1,000,000

Source: Borough of Wharton School District Records.

SINGLE AUDIT SECTION

Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Wharton Board of Education
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wharton Board of Education, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable President and Members
of the Board of Education
Wharton Board of Education
Page 2

Report on Compliance and Other Matters

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

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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 31, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Wharton Board of Education
County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Wharton Board of Education (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

The Honorable President and Members
of the Board of Education
Wharton Board of Education
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Wharton Board of Education
Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

January 31, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Cash Received	Budgetary Expenditures	Adjustment	Balance June 30, 2022		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amount Paid to Subrecipients
U.S. Department of Agriculture													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
Federal Food Distribution Program	10.555	N/A	7/1/20-6/30/21	\$ 11,220		\$ 3,307	\$ 16,383	\$ (3,307)				\$ 1,662	
Federal Food Distribution Program	10.555	N/A	7/1/21-6/30/22	16,383			24,093	(14,721)					
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	194,291	\$ (24,093)		425,151	(459,450)			\$ (34,299)		
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	459,450			17,144	(17,144)					
Emergency Operational Cost Program	10.555	N/A	7/1/21-6/30/22	17,144	(24,093)	3,307	482,771	(494,622)			(34,299)	1,662	
Total Child Nutrition Cluster				1,242	(24,093)	3,307	1,242	(1,242)			(34,299)	1,662	
Pandemic Electronic Benefits Transfer	10.649	N/A	7/1/21-6/30/22	1,242	(24,093)	3,307	484,013	(495,864)			(34,299)	1,662	
Total U.S. Department of Agriculture													
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Elementary and Secondary Education Act:													
Title I	84.010A	ESEA-5770-19	7/1/18-9/30/19	330,432	(69)				\$ 69				
Title I	84.010A	ESEA-5770-21	7/1/20-9/30/21	275,971	(62,351)		62,436	(196,353)	(85)		(80,439)		
Title I	84.010A	ESEA-5770-22	7/1/21-9/30/22	246,147	(62,420)		115,914	(196,353)	(16)		(80,439)		
Total Title I							178,350	(21,992)			(16)		
Title II A	84.367A	ESEA-5770-22	7/1/21-9/30/22	40,127			16,042	(196,353)			(80,439)		
Title III	84.365A	ESEA-5770-22	7/1/21-9/30/22	18,320			4,316	(4,754)			(438)		
Title III - Immigrant	84.365A	ESEA-5770-21	7/1/20-9/30/21	7,728	(140)		140						
Title III - Immigrant	84.365A	ESEA-5770-22	7/1/21-9/30/22	10,511	(140)		1,842	(3,408)			(1,566)		
Total Title III - Immigrant					(140)		1,982	(3,408)			(1,566)		
Title IV	84.424	ESEA-5770-21	7/1/20-9/30/21	38,479	(12,155)		12,155	(8,125)			(3,542)		
Title IV	84.424	ESEA-5770-22	7/1/21-9/30/22	36,607	(12,155)		4,583	(8,125)			(3,542)		
Total Title IV							16,738	(8,125)			(3,542)		
Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027	IDEA-5770-21	7/1/20-9/30/21	224,335	(357)		357	(202,744)			(2,184)		
I.D.E.A. Part B, Basic	84.027	IDEA-5770-22	7/1/21-9/30/22	204,928			200,560	(36,943)					
ARP - I.D.E.A. Part B, Basic	84.027X	IDEA-5770-22	7/1/21-9/30/22	38,492			36,943	(7,427)					
I.D.E.A. Part B, Preschool	85.173	IDEA-5770-22	7/1/21-9/30/22	7,427			3,269	(3,269)					
ARP - I.D.E.A. Part B, Preschool	85.173X	IDEA-5770-22	7/1/21-9/30/22	3,269			248,556	(250,383)			(2,184)		
Subtotal Special Education Cluster					(357)						(2,184)		

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Cash Received	Budgetary Expenditures	Adjustment	Balance June 30, 2022		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amount Paid to Subrecipients
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: Education Stabilization Fund: COVID-19 - CARES Emergency Relief COVID-19 - CRRSA: ESSER II Learning Acceleration Mental Health Subtotal Education Stabilization Fund	84.425D	CARES109020	3/13/20-9/30/22	\$ 257,210	\$ (188)	\$ 88,945	\$ (88,947)	\$ (190)					
	84.425D	S425D210027	3/13/20-9/30/23	888,383		223,767	(270,795)	(47,028)					
	84.425D	S425D210027	3/13/20-9/30/23	57,012		21,882	(33,672)	(11,790)					
	84.425D	S425D210027	3/13/20-9/30/23	45,000		40,000	(40,000)						
					(188)	374,594	(433,414)	(59,008)					
Total U.S. Department of Education / Special Revenue Fund					(75,260)	840,578	(918,429)	(153,127)	(16)				
U.S. Department of Treasury - Passed-through State Department of Education: Special Revenue Fund: COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-9/30/21	63,353	\$ 5,695		(5,695)						
Total U.S. Department of Treasury					5,695		(5,695)						
U.S. Department of Health and Human Services: Medicaid Assistance Program	93.778	N/A	7/1/21-6/30/22	18,189		18,189	(18,189)						
Total U.S. Department of Health and Human Services						18,189	(18,189)						
Total Federal Financial Awards					\$ (99,353)	\$ 9,002	\$ (1,438,177)	\$ (187,426)	\$ (16)	\$ 1,662	\$ -0-		

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2021		Balance June 30, 2022			MEMO		
				Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor
NJ Department of Education:											
General Fund:											
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 4,551,194	\$ (358,393)	\$ 4,102,005	\$ (4,551,194)				\$ (449,189)	\$ 4,551,194
Transportation Aid	21-495-034-5120-014	7/1/21-6/30/22	62,576	(6,163)	56,400	(62,576)				(6,176)	3,639,194
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	647,293	(63,746)	583,407	(647,293)				(63,886)	62,576
Security Aid	21-495-034-5120-084	7/1/21-6/30/22	242,102	(23,843)	218,207	(242,102)				(23,895)	647,293
School Choice Aid	22-495-034-5120-068	7/1/21-6/30/22	486,405	(51,008)	438,398	(486,405)				(48,007)	242,102
Extraordinary Aid	21-100-034-5120-473	7/1/21-6/30/22	102,630	(102,630)	102,630	(234,610)			\$ (234,610)	(234,610)	486,405
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	447,296	(41,800)	425,314	(447,296)				(21,982)	517,950
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	426,872	(41,800)	41,800	(524,277)				(21,982)	234,610
On-Behalf TPAF Post Retirement Contributions	22-495-034-5097-001	7/1/21-6/30/22	524,277		524,277	(524,277)					102,630
On-Behalf TPAF Pension Contributions	22-495-034-5097-002	7/1/21-6/30/22	2,212,729		2,212,729	(2,212,729)					447,296
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5097-004	7/1/21-6/30/22	31,219		31,219	(31,219)					426,872
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5097-004	7/1/21-6/30/22	759		759	(759)					524,277
Total General Fund State Aid			16,533	(647,583)	9,240,298	(9,440,460)				(847,745)	15,079,077
Special Revenue Fund:											
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	1,215,004		1,093,504	(1,215,004)				(121,500)	1,215,004
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	1,025,718	199,024	102,576	(88,907)			\$ 212,693		813,025
Nonpublic Handicapped Services:											
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	7,205		7,205	(3,412)				\$ 3,793	3,412
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	5,761		4,956	(2,891)				2,065	4,089
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	4,857		890			890			2,891
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	930		930					930	3,967
Auxiliary Services:											
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	13,437		13,437	(8,062)				5,375	8,062
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	13,064		21,000	(12,200)				8,800	4,870
Nonpublic Security Aid	22-100-034-5120-070	7/1/21-6/30/22	23,275		425	(2,461)					12,200
Nonpublic Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	2,461		2,461	(4,592)				42	22,850
Nonpublic Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	2,688		1,722	(1,680)					2,461
Nonpublic Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	1,722		1,722	(1,680)					2,624
Technology Initiative	22-100-034-5120-373	7/1/21-6/30/22	16,533		16,533	(16,533)					4,592
School Development Authority:											1,680
Emergency & Capital Maintenance Needs	N/A	7/1/21-6/30/22	16,533		16,533	(16,533)					16,533
Total Special Revenue Fund			199,024	11,245	1,268,916	(1,355,742)			212,693	(121,500)	3,000,155

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2021		Balance June 30, 2022			MEMO					
				Unearned Revenue/(Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
NJ Department of Education:														
Capital Projects Fund:														
School Development Authority:														
Corridor Ceramic Tile Replacement Project	5770-040-09-1002	7/1/10-6/30/12	\$ 16,266	\$ (16,266)	\$ 11,245	\$ 10,509,214	\$ (10,796,202)	\$ 11,245	\$ (256,592)	\$ 212,693	\$ 21,005	\$ (16,266)	\$ 16,266	
Total NJ Department of Education														
NJ Department of Agriculture:														
Enterprise Fund:														
Seamless Summer Program	22-100-010-3350-023	7/1/21-6/30/22	9,487		\$ 8,814		(9,487)		(673)				9,487	
Seamless Summer Program	21-100-010-3350-023	7/1/20-6/30/21	8,197	(1,498)	1,498								8,197	
Total Enterprise Fund				(1,498)	10,312		(9,487)		(673)			(673)	20,758	
Debt Service Fund:														
Debt Service Aid Type II	22-100-034-5120-124	7/1/21-6/30/22	64,714		64,714		(64,714)						64,714	
Total State Awards Subject to Single Audit Determination				\$ (482,589)	\$ 11,245	\$ 10,584,240	\$ (10,870,403)	\$ 11,245	\$ (257,265)	\$ 212,693	\$ 21,005	\$ (1,002,450)	\$ 18,197,236	
Less: State Awards Not Subject to Single Audit Major Program Determination														
On-Behalf TPAF Pension System Contributions:														
On-Behalf TPAF Post Retirement Contributions	22-495-034-5097-001	7/1/21-6/30/22	(524,277)				\$ 524,277							
On-Behalf TPAF Pension Contributions	22-495-034-5097-002	7/1/21-6/30/22	(2,212,729)				2,212,729							
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5097-004	7/1/21-6/30/22	(31,219)				31,219							
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5097-004	7/1/21-6/30/22	(759)				759							
Subtotal - On-Behalf TPAF Pension System Contributions							2,768,984							
Total State Awards Subject to Single Audit Major Program Determination							\$ (8,101,419)							

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WHARTON BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Wharton Board of Education, under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC 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 last two 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 last two state aid payments in the subsequent year. The special revenue fund also does not recognize the June state aid payments in the current 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$88,000) for the general fund and (\$18,924) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented on the following page.

WHARTON BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 18,189	\$ 9,352,460	\$ 9,370,649
Special Revenue Fund	924,124	1,336,818	2,260,942
Debt Service Fund		64,714	64,714
Food Service Fund	495,864	9,487	505,351
	<u>\$ 1,438,177</u>	<u>\$ 10,763,479</u>	<u>\$ 12,201,656</u>

NOTE 5. 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 6. FEDERAL AND STATE LOANS OUTSTANDING

Wharton Borough School District had no loan balances outstanding at June 30, 2022.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 8. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

The District has an active grant in the amount of \$16,266 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2022, \$16,266 of the grant funds have not been expended or drawn down on a GAAP basis on this grant. In the Capital Projects Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and is realizing the grant revenue on a GAAP basis as it is expended and submitted for reimbursement.

WHARTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/20-6/30/21	\$ 11,220	\$ 3,307
Food Distribution Program	10.555	7/1/21-6/30/22	16,383	14,721
COVID-19 Seamless Summer Option	10.555	7/1/21-6/30/22	459,450	459,450
COVID-19 Emergency Operational Costs	10.555	7/1/21-6/30/22	17,144	17,144
<u>State:</u>				
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	4,551,194	4,551,194
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	647,293	647,293
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	242,102	242,102
School Choice Aid	22-495-034-5120-068	7/1/21-6/30/22	486,405	486,405

- The threshold for distinguishing between federal and state Type A and Type B programs was \$750,000.
- The District was determined to be a "low-risk" auditee for federal and state programs.

WHARTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

WHARTON BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior year audit findings.