

**SCHOOL DISTRICT OF THE  
BOROUGH OF WANAQUE  
COUNTY OF PASSAIC, NEW JERSEY  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**

PREPARED BY  
**WANAQUE BOARD OF EDUCATION  
FINANCE OFFICE**

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

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## **INTRODUCTORY SECTION**

# WANAQUE BOROUGH PUBLIC SCHOOLS

NANCY DI BARTOLO  
BUSINESS  
ADMINISTRATOR/  
BOARD SECRETARY

PATRICK J. MCQUEENEY  
SUPERINTENDENT OF  
SCHOOLS/DIRECTOR OF  
CURRICULUM AND INSTRUCTION

MARC PECK  
DIRECTOR OF  
STUDENT SERVICES

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December 8, 2023

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

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

The Annual Comprehensive Financial Report of the School District of the Borough of Wanaque (“District”) for the fiscal year ended **June 30, 2023**, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial positions and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: (1) Introductory; (2) Financial; (3) Statistical; and (4) Single Audit. The **Introductory** section includes this transmittal letter, the District’s organizational chart, and a list of principal officials. The **Financial** section includes the general-purpose financial statements and schedules, as well as the auditor’s report thereon. The **Statistical** section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance and the State Treasury Circular Letter 15-08 OMB, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments”. Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the **Single Audit** section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through eight, including regular education as well as special education programs. Future enrollment is expected to increase. As of November 2023, we have 887 students on roll. The following details the changes in the student enrollment of the District over the last ten years as of June.



Fiscal Year	Student Enrollment	Percent Change
2022/2023	883	2.08%
2021/2022	865	-0.46%
2020/2021	869	-3.56%
2019/2020	901	1.34%
2018/2019	889	-3.23%
2017/2018	919	-4.17%
2016/2017	959	-0.72%
2015/2016	966	0.21%
2014/2015	964	0.00%
2013/2014	964	-1.43%
2012/2013	978	0.62%

## 2. ECONOMIC CONDITION AND OUTLOOK

Wanaque Borough is a rural/suburban residential community with its working population primarily employed by local businesses and other businesses in the surrounding area. The 2020 census reported a population in the Borough of 11,357.

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

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

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

## 3. MAJOR EVENTS AND INITIATIVES

### Curriculum Initiatives:

For the 2022-2023 school year, the Wanaque School District's focus was on providing the best resources, as well as the highest level of social, emotional, and academic support to students and educators, many of whom were virtual or on a hybrid schedule due to the pandemic. This "new" schooling type structure, required educators to have different types of professional learning needs than in years past. Therefore, equipping teachers with digital skills, as well as addressing their mental health and the mental health of students, as well as their unique academic needs, were at the forefront of the 2022-23 school year.

All aspects of district technology were examined to improve efficiency and effectiveness. To that end, the district purchased additional Chromebook carts, to ensure all students had access to technology in their homes. All educators infused Google technology into instruction.

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

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

To address the social emotional needs of students, the district purchased the Social Emotional content from the platform Nearpod. This provides educators with lessons to assist in monitoring our students' mental health and equip them with skills to overcome challenges faced.

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

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

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

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

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

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

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

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

## 6. ACCOUNTING SYSTEM AND REPORTS

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

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

## 7. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in Note 2. The District has adopted a cash management plan 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. 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, cyber liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

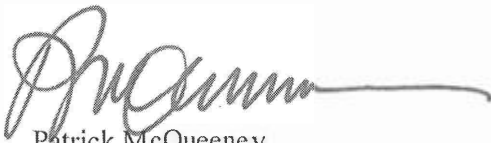
## 9. OTHER INFORMATION

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

## 10. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Wanaque Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative, financial and secretarial staff.

Respectfully submitted,

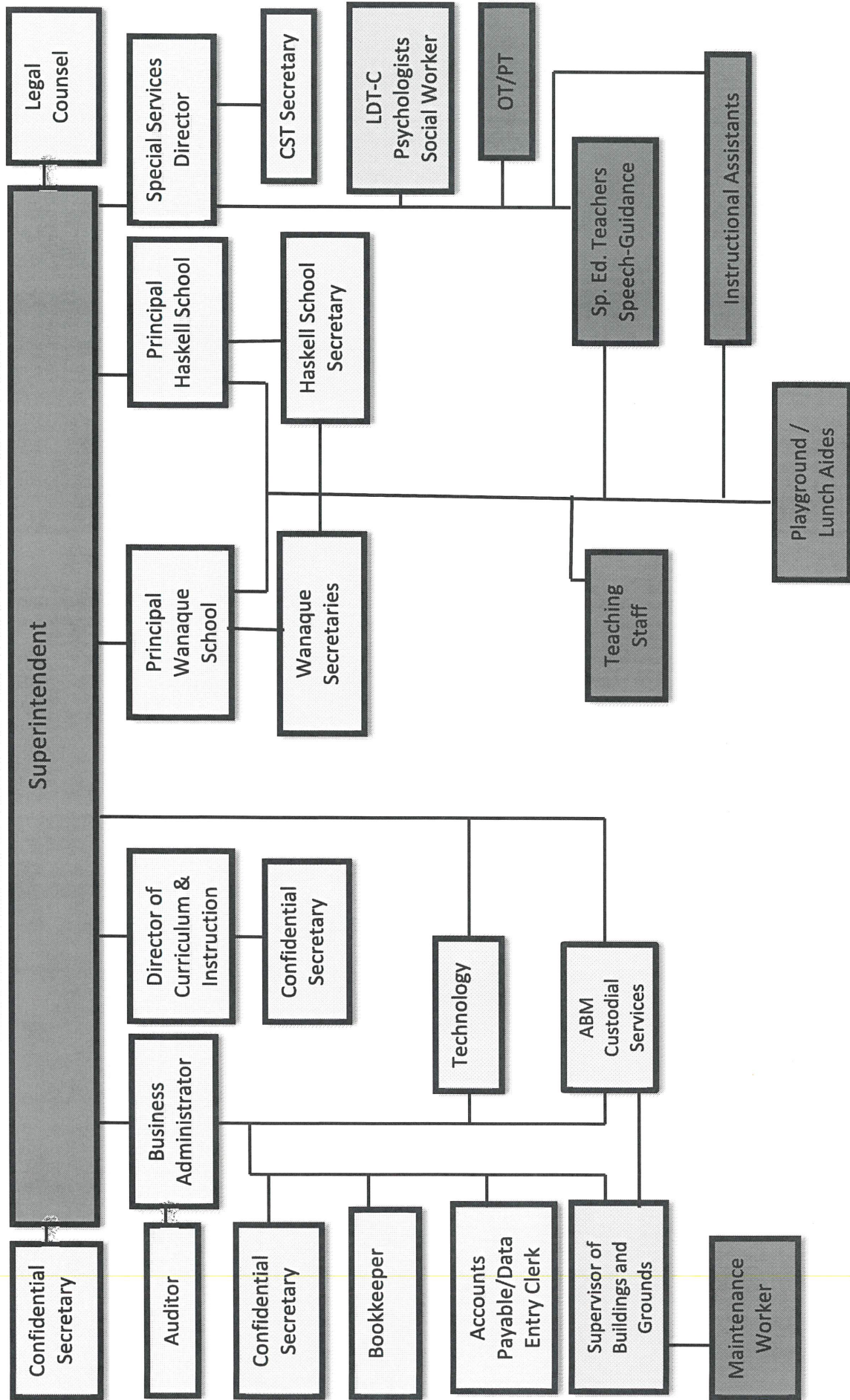


Patrick McQueeney  
Superintendent of Schools



Mrs. Nancy Di Bartolo  
Business Administrator -  
Board Secretary

# WANAQUE BOARD OF EDUCATION



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

**ROSTER OF OFFICIALS  
JUNE 30, 2023**

**Members of the Board of Education**

**Term Expires**

Angela Demetriou, President	December 31, 2024
Jason Velante, Vice President	December 31, 2025
Robert Barnhardt	December 31, 2024
Carolyn Bruenjes	December 31, 2023
Nick Bastean	December 21, 2025
Barry Hain	December 31, 2023
Richard McFarlane	December 31, 2024
Erika Reid	December 31, 2025
Richard Tully	December 31, 2023

**Superintendent of Schools**

Patrick McQueeney

**Business Administrator/Board Secretary**

Nancy Di Bartolo

**WANAQUE BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Wielkocz & Company, LLC  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442

**Board Attorney**

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

**Labor Negotiators**

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

**Official Depository**

Lakeland Bank  
Ringwood Avenue  
Wanaque, New Jersey 07465

**FINANCIAL SECTION**



# WIELKOTZ & COMPANY L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. MCNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE  
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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Wanaque School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Wanaque Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Wanaque Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 Borough of Wanaque Board of Education's ability to continue as a going concern for the next 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 generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement 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.



Honorable President and  
Members of the Board of Education  
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- 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 Wanaque Board of Education'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wanaque Board of Education'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.

### *Other Matters*

#### *Required Supplementary Information*

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



Honorable President and  
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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Wanaque Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal 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* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal 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* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal 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* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Honorable President and  
Members of the Board of Education  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 on our consideration of the Borough of Wanaque Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wanaque Board of Education's internal control over financial reporting and compliance.

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 8, 2023



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Wanaque Public School District's ("District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

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

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

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

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

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

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

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

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2022/23?” The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

## **Enterprise Fund**

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

## **Financial Highlights**

Key financial highlights for 2022/23 are as follows:

- ◆ General revenues on the Schedule of Activities (Exhibit A-2) accounted for \$23,481,765 in revenue or 91.76% of all revenues. Program specific revenues in the form of operating grants and charges for services accounted for \$2,109,200 or 8.24% of total revenues of \$25,590,965.
- ◆ The District had \$23,370,340 in expenses related to Governmental Activities and Business-Type Activities; \$2,109,200 of these expenses were offset by charges for services, grants or contributions. General revenues, comprised primarily of property taxes and federal and state aid in the amounts of \$16,482,470 and \$6,565,451, respectively, were adequate to provide for these programs.
- ◆ Among governmental funds, the General Fund had \$23,890,656 in revenues and other financing sources and \$23,070,511 in expenditures and transfers. As a result, the General Fund's balance increased \$820,145 over 2022.
- ◆ In the year ended June 30, 2023, the District made scheduled principal and interest payments of \$1,153,250 on the debt issued pursuant to the August 5, 2014 Refunding Bond Sale.



## The District as a Whole

Recall that the Statement of Net Position provides a perspective of the District as a whole. The following provides a summary of the District's net position as of June 30, 2023, as compared to the prior year:

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Assets:</b>						
Current and Other Assets	\$5,363,912	\$4,673,678	\$194,715	\$204,619	\$5,558,627	\$4,878,297
Capital Assets, Net	<u>15,094,208</u>	<u>14,953,550</u>	<u>152,825</u>	<u>146,378</u>	<u>15,247,033</u>	<u>15,099,928</u>
Total Assets	<u>20,458,120</u>	<u>19,627,228</u>	<u>347,540</u>	<u>350,997</u>	<u>20,805,660</u>	<u>19,978,225</u>
<b>Deferred Outflows</b>						
Deferred Outflows of Resources Related to PERS	<u>1,225,747</u>	<u>710,066</u>	<u>-</u>	<u>-</u>	<u>1,255,747</u>	<u>710,066</u>
<b>Liabilities:</b>						
Current Liabilities	491,307	630,971	48,311	69,301	539,618	700,272
Noncurrent Liabilities	<u>13,448,423</u>	<u>13,137,164</u>	<u>-</u>	<u>-</u>	<u>13,448,423</u>	<u>13,137,164</u>
Total Liabilities	<u>13,939,730</u>	<u>13,768,135</u>	<u>48,311</u>	<u>69,301</u>	<u>13,988,041</u>	<u>13,837,436</u>
<b>Deferred Inflows</b>						
Deferred Inflows of Resources Related to PERS	<u>709,493</u>	<u>1,707,607</u>	<u>-</u>	<u>-</u>	<u>709,493</u>	<u>1,707,607</u>
<b>Net Position</b>						
Invested in Capital Assets	5,779,546	4,763,808	152,825	146,378	5,932,371	4,910,186
Restricted	3,792,653	3,784,577	-	-	3,780,537	3,784,577
Unrestricted	<u>(2,507,556)</u>	<u>(3,686,834)</u>	<u>146,404</u>	<u>135,513</u>	<u>(2,349,036)</u>	<u>(3,551,321)</u>
Total Net Position	<u>\$7,064,644</u>	<u>\$4,861,551</u>	<u>\$299,229</u>	<u>\$281,891</u>	<u>\$</u>	<u>\$5,143,442</u>

The following shows the changes in net position in the fiscal years ended June 30, 2023 and 2022, respectively:

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$97,336	\$93,328	\$327,365	\$79,392	\$424,701	\$172,720
Operating Grants and Contributions	1,043,331	1,016,570	248,351	629,440	1,291,683	1,646,010
Capital Grants and Contributions	392,816	-	-	-	392,816	-
<b>General Revenues:</b>						
Taxes:						
Property Taxes	16,482,470	16,190,461	-	-	16,482,470	16,190,461
Grants and Entitlements	6,565,451	6,888,434	-	-	6,565,451	6,888,434
Other	<u>480,632</u>	<u>409,088</u>	<u>(46,789)</u>	<u>(46,704)</u>	<u>433,483</u>	<u>362,384</u>
Total Revenues	<u>25,062,037</u>	<u>24,597,881</u>	<u>528,927</u>	<u>662,128</u>	<u>25,590,964</u>	<u>25,260,009</u>
<b>Functions/Programs:</b>						
<b>Instruction</b>	13,762,714	14,329,654	-	-	13,762,714	14,329,654
<b>Support Services:</b>						
Student & Instruction Related Services	4,203,671	3,860,792	-	-	4,203,671	3,860,792
Administration, Business and Other Support Services	1,833,226	2,099,423	-	-	1,833,226	2,099,423
Operations and Maintenance of Facilities	1,694,296	1,539,351	-	-	1,694,296	1,539,351
Pupil Transportation	1,025,233	788,152	-	-	1,025,233	788,152
Interest on Debt	339,806	379,683	-	-	339,806	379,683
Food Service	<u>-</u>	<u>-</u>	<u>511,395</u>	<u>658,622</u>	<u>511,395</u>	<u>658,622</u>
Total Expenditures	<u>22,858,945</u>	<u>22,997,055</u>	<u>511,395</u>	<u>658,622</u>	<u>23,370,339</u>	<u>23,655,677</u>
Increase or (Decrease) In Net Position	<u>\$2,203,092</u>	<u>\$1,600,826</u>	<u>\$17,533</u>	<u>\$3,506</u>	<u>\$2,220,625</u>	<u>\$1,604,332</u>

### Governmental Activities

The unique nature of property taxes and school funding in New Jersey creates the need to periodically seek voter approval for District operations. Property taxes made up 65.77% percent of revenues for governmental activities for the District for the fiscal year ended June 30, 2023. Federal, state and local grants accounted for another 31.93%, while the balance came from interest and other sources. The District's total revenues were \$25,062,037 for the fiscal year ended June 30, 2023.

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

	<b>Total cost of services, Year ended June 30,</b>		<b>Net cost of services, Year ended June 30,</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Instruction	\$13,762,714	\$14,329,654	\$12,697,725	\$13,464,778
Support services:				
Student and instruction related services	4,203,671	3,860,791	3,735,177	3,615,769
Administration, business and other support services	1,833,226	2,099,424	1,833,226	2,099,423
Operation and maintenance of facilities	1,694,296	1,539,351	1,694,296	1,539,351
Pupil transportation	1,025,233	788,152	1,025,233	788,152
Interest on Debt	339,806	379,683	339,806	379,683
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses	<u>\$22,858,945</u>	<u>\$22,997,055</u>	<u>\$21,325,462</u>	<u>\$21,877,156</u>

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

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

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

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

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

### **Business-Type Activities**

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

- ◆ In the fiscal year ended June 30, 2023, food service revenues exceeded expenses by \$17,533. In the fiscal year ended June 30, 2022, expenditures exceeded revenues by \$3,506.
- ◆ Charges for services represented \$327,365 of revenue in the year ended June 30, 2023, compared to \$79,392 in the prior fiscal year. This represents amounts paid by patrons for daily food services.

## Business-Type Activities (Continued)

- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$248,351 and \$629,440 in the fiscal years ended June 30, 2023 and 2022, respectively.

## The District's Funds

The District's funds are accounted for using a modified accrual basis of accounting. All governmental funds (i.e., general, special revenue and debt service funds presented in the fund-based statements) had total revenues of \$26,437,389, expenditures of \$25,752,407 and \$140,000 of other financing sources for the fiscal year ended June 30, 2023.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of governmental funds for the fiscal years ended June 30, 2023 and 2022, respectively:

	Year ended June 30, 2023		Year ended June 30, 2022	
	Amount	% of total	Amount	% of total
Local sources	\$17,032,037	64.42%	\$16,648,352	67.32%
State sources	7,986,361	30.21%	6,853,691	27.72%
Federal sources	<u>1,418,991</u>	<u>5.37%</u>	<u>1,226,506</u>	<u>4.96%</u>
Total revenues	<u>\$26,437,389</u>	<u>100.00%</u>	<u>\$24,728,549</u>	<u>100.00%</u>

The following schedule presents a summary of the expenditures of governmental funds for the fiscal years ended June 30, 2023 and 2022, respectively:

	Year ended June 30, 2023		Year ended June 30, 2022	
	Amount	% of total	Amount	% of total
Instruction	\$9,193,159	35.70%	\$9,334,139	38.39%
Support services	14,833,086	57.60%	13,601,144	55.94%
Capital outlay	579,912	2.22%	202,699	0.83%
Debt service:				
Principal	800,000	3.11%	785,000	3.23%
Interest	<u>353,250</u>	<u>1.37%</u>	<u>392,875</u>	<u>1.62%</u>
Total expenses	<u>\$25,752,407</u>	<u>100.00%</u>	<u>\$24,315,827</u>	<u>100.00%</u>

## General Fund Budgeting Highlights

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

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

## Capital Assets

At the end of the fiscal year, the District had \$15,094,208 invested in land, construction in progress, buildings, furniture and equipment, and vehicles. The following shows capital asset balances, net of accumulated depreciation, as of June 30, 2023 and 2022, respectively:

	<b>Capital Assets June 30,</b>				<b>Total</b>	
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>                    </u>	
	2023	2022	2023	2022	2023	2022
Land	\$47,304	\$ 47,304	\$ -	\$ -	\$47,304	\$ 47,304
Building and Improvements	13,657,658	13,949,177	-	-	13,657,658	13,949,177
Machinery and Equipment	<u>1,389,246</u>	<u>957,069</u>	<u>152,825</u>	<u>146,378</u>	<u>1,542,071</u>	<u>1,103,447</u>
	<u>\$15,094,208</u>	<u>\$14,953,550</u>	<u>\$152,825</u>	<u>\$146,378</u>	<u>\$                    </u>	<u>\$15,099,928</u>

## Debt Administration

At year end, the district had \$7,790,000 in Bonds Outstanding. A reduction of \$800,000 from last year (more detailed information about the District's Long-Term Liabilities presented in Note 7 to the Basic Financial Statements.)

Other long-term debt includes liabilities for compensated absences of \$702,346 and \$694,120 as of June 30, 2023 and 2022, respectively and financed purchases obligations totaling \$1,524,662 and \$1,599,742 as of June 30, 2023 and 2022, respectively and net pension liability for PERS of \$3,431,416 and \$2,253,302 as of June 30, 2023 and 2022, respectively.

## **For the Future**

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

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

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

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

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

# **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**



**WANAQUE BOROUGH SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	1,099,670	171,233	1,270,902
Receivables, net	1,698,783	16,807	1,715,590
Inventory	-	6,675	6,675
Restricted assets:			
Capital reserve account - cash	1,820,131	-	1,820,131
Maintenance reserve account - cash	745,329	-	745,329
Capital assets:			
Land	47,304	-	47,304
Other capital assets, net	15,046,904	152,825	15,199,729
Total Assets	<u>20,458,120</u>	<u>347,540</u>	<u>20,805,660</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred Outflows of Resources Related to PERS	<u>1,255,747</u>	<u>-</u>	<u>1,255,747</u>
<b>LIABILITIES</b>			
Accounts payable:			
Other	84,038	38,000	122,038
Related to Pensions	295,260	-	295,260
Accrued Interest Payable	112,009	-	112,009
Unearned revenue	-	10,311	10,311
Noncurrent liabilities:			
Due within one year	948,774	-	948,774
Due beyond one year	12,499,649	-	12,499,649
Total liabilities	<u>13,939,730</u>	<u>48,311</u>	<u>13,988,041</u>
<b>DEFERRED INFLOWS</b>			
Deferred Inflows of Resources Related to PERS	<u>709,493</u>	<u>-</u>	<u>709,493</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	5,779,546	152,825	5,932,371
Restricted for:			
Debt service	1	-	1
Capital reserves	1,832,247	-	1,832,247
Maintenance reserves	745,329	-	745,329
Other purposes	986,975	-	986,975
Unemployment Compensation	147,054	-	147,054
Student Activities	81,047	-	81,047
Unrestricted	<u>(2,507,556)</u>	<u>146,404</u>	<u>(2,361,152)</u>
Total net position	<u><u>7,064,644</u></u>	<u><u>299,229</u></u>	<u><u>7,363,873</u></u>

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

WANAQUE BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>								
Instruction:								
Regular	5,784,138	2,842,685	-	672,173	392,816	(7,561,834)	-	(7,561,834)
Special education	2,875,626	1,448,680	-	-	-	(4,324,306)	-	(4,324,306)
Other special instruction	450,555	157,818	-	-	-	(608,373)	-	(608,373)
Other instruction	82,840	120,371	-	-	-	(203,211)	-	(203,211)
Support services:								
Tuition	828,611	-	-	-	-	(828,611)	-	(828,611)
Student & instruction related services	2,576,723	798,337	97,336	371,158	-	(2,906,566)	-	(2,906,566)
General administrative services	449,971	148,953	-	-	-	(598,923)	-	(598,923)
School administrative service	392,553	200,302	-	-	-	(592,855)	-	(592,855)
Central Services and Admin. Infor. Tech.	402,735	238,713	-	-	-	(641,448)	-	(641,448)
Plant operations and maintenance	1,549,805	144,491	-	-	-	(1,694,296)	-	(1,694,296)
Pupil transportation	1,025,233	-	-	-	-	(1,025,233)	-	(1,025,233)
Interest on long-term debt	339,806	-	-	-	-	(339,806)	-	(339,806)
Total governmental activities	16,758,595	6,100,350	97,336	1,043,331	392,816	(21,325,462)	-	(21,325,462)
<b>Business-type activities:</b>								
Food Service	511,395	-	327,365	248,351	-	-	64,322	64,322
Total business-type activities	511,395	-	327,365	248,351	-	-	64,322	64,322
Total primary government	17,269,990	6,100,350	424,701	1,291,683	392,816	(21,325,462)	64,322	(21,261,140)
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes, net						15,721,325	-	15,721,325
Taxes levied for debt service						761,145	-	761,145
Federal and State aid not restricted						6,214,244	-	6,214,244
State Aid - Restricted for Debt Service						392,105	-	392,105
Tuition Received						281,044	-	281,044
Transportation Fees from Individuals						16,200	-	16,200
Interest and Investment Earnings - Unrestricted						13,969	3,211	17,180
Interest and Investment Earnings - Restricted						3,530	-	3,530
Miscellaneous Income						74,991	-	74,991
Transfers						50,000	(50,000)	-
Total general revenues, special items, extraordinary items and transfers						23,528,554	(46,789)	23,481,765
Change in Net Position						2,203,092	17,533	2,220,625
Net Position - July 1						4,861,552	281,696	5,143,248
Net Position - June 30						7,064,644	299,229	7,363,873

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

**FUND FINANCIAL STATEMENTS**

WANAQUE BOROUGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	1,018,621	81,048	1	1,099,670
Interfund receivable	33,955	-	-	33,955
Intergovernmental Accounts Receivable - State	1,642,794	-	-	1,642,794
Intergovernmental Accounts Receivable - Federal	-	29,854	-	29,854
Intergovernmental Accounts Receivable - Other	22,034	4,100	-	26,134
Restricted cash and cash equivalents:				
Capital Reserve Account	1,820,131	-	-	1,820,131
Maintenance Reserve Account	745,329	-	-	745,329
<b>Total assets</b>	<u>5,282,864</u>	<u>115,002</u>	<u>1</u>	<u>5,397,867</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	329	-	-	329
Other Current Liabilities	21,200	-	-	21,200
Payroll Deductions and Withholdings Payable	38,624	-	-	38,624
Unemployment Compensation Claims Payable	23,885	-	-	23,885
Interfund payable	-	33,955	-	33,955
<b>Total liabilities</b>	<u>84,038</u>	<u>33,955</u>	<u>-</u>	<u>117,993</u>
<b>Fund Balances:</b>				
<b>Assigned to:</b>				
Other Purposes - Encumbrances	86,975	-	-	86,975
<b>Restricted for:</b>				
Excess Surplus	450,000	-	-	450,000
Excess Surplus Designated for				
Subsequent Year's Expenditures	450,000	-	-	450,000
Capital Reserve Account	1,832,247	-	-	1,832,247
Maintenance Reserve Account	745,329	-	-	745,329
Unemployment Compensation	147,054	-	-	147,054
Student Activities	-	81,047	-	81,047
Debt Service	-	-	1	1
Unassigned	1,487,221	-	-	1,487,221
<b>Total fund balances</b>	<u>5,198,826</u>	<u>81,047</u>	<u>1</u>	<u>5,279,874</u>
<b>Total liabilities and fund balances</b>	<u>5,282,864</u>	<u>115,002</u>	<u>1</u>	

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

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(112,009)
Accounts Payable for subsequent Pension payment is not a payable in the funds	(295,260)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,108,820 and the accumulated depreciation is \$10,014,612.	15,094,208
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	1,255,747
Deferred Inflows of Resources Related to PERS Pension Liability	(709,493)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(13,448,423)
Net position of governmental activities	<u>7,064,644</u>

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

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Local tax levy	15,721,325	-	761,145	16,482,470
Tuition From Individuals	132,100	-	-	132,100
Tuition - Other LEA Within The State	148,944	-	-	148,944
Tuition - From Other Sources	-	-	-	-
Transportation Fees form Individuals	16,200	-	-	16,200
Interest Earned on Capital Reserve Funds	13,969	-	-	13,969
Other Restricted Miscellaneous Revenues	3,530 *	-	-	3,530
Unrestricted Miscellaneous Revenues	74,991	118,935 **	-	193,926
Total - Local Sources	<u>16,111,059</u>	<u>118,935</u>	<u>761,145</u>	<u>16,991,139</u>
State sources	7,616,053	19,101	392,105	8,027,259
Federal sources	23,544	1,395,447	-	1,418,991
Total revenues	<u>23,750,656</u>	<u>1,533,483</u>	<u>1,153,250</u>	<u>26,437,389</u>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	5,111,964	672,173	-	5,784,138
Special education instruction	2,875,626	-	-	2,875,626
Other special instruction	450,555	-	-	450,555
Other instruction	82,840	-	-	82,840
Support services and undistributed costs:				
Tuition	828,611	-	-	828,611
Student & instruction related services	2,113,067	463,657 ***	-	2,576,723
General administrative services	449,971	-	-	449,971
School administrative services	392,553	-	-	392,553
Central Services and administrative Info. Tech.	567,816	-	-	567,816
Plant operations and maintenance	1,549,805	-	-	1,549,805
Pupil transportation	1,025,233	-	-	1,025,233
Unallocated employee benefits	7,442,375	-	-	7,442,375
Debt Service:				
Principal	-	-	800,000	800,000
Interest and other charges	-	-	353,250	353,250
Capital outlay	180,096	392,816	-	572,912
Total expenditures	<u>23,070,511</u>	<u>1,528,646</u>	<u>1,153,250</u>	<u>25,752,407</u>
Excess (Deficiency) of revenues over expenditures	<u>680,145</u>	<u>4,837</u>	<u>-</u>	<u>684,982</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	50,000	-	-	50,000
Financed Purchases (non-budgeted)	90,000	-	-	90,000
Total other financing sources and uses	<u>140,000</u>	<u>-</u>	<u>-</u>	<u>140,000</u>
Net change in fund balances	820,145	4,837	-	824,982
Fund balance—July 1	<u>4,378,681</u>	<u>76,210</u>	<u>1</u>	<u>4,454,892</u>
Fund balance—June 30	<u>5,198,826</u>	<u>81,047</u>	<u>1</u>	<u>5,279,874</u>

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

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

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

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

**WANAQUE BOROUGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total net change in fund balances - governmental funds (from B-2)		824,982
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
	Depreciation expense	(432,254)
	Capital outlay	<u>572,912</u>
		140,658
<p>In the statement of activities, certain operating expenses, e.g., compensated absence are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
	(Increase)/Decrease in Compensated Absences Payable	(8,226)
<p>Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
<p>In the current year, these amounts consist of:</p>		
	Principal Payments on Capital Leases	165,081
	Principal Payments on Bond Payables	800,000
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
	District Pension Contributions	286,732
	Less: Pension Expense	<u>(70,421)</u>
	(Increase)/Decrease in Pension Expense	357,153
<p>Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements</p>		
	Decrease in On-behalf TPAF Pension Revenue	(2,098,438)
	Decrease in On-behalf TPAF Pension Expense	2,098,438
<p>Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements</p>		
	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	673,086
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(673,086)
<p>Proceeds from debt issues are a financing source in the government funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
	Financed Purchase Proceeds	(90,000)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is a (increase)/decrease in the reconciliation.</p>		
		<u>13,444</u>
Change in net position of governmental activities		<u><u>2,203,092</u></u>

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

**WANAQUE BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities</b>
	<u><b>Enterprise Funds</b></u>
	<u><b>Food</b></u>
	<u><b>Service</b></u>
 <u>ASSETS</u> 	
CURRENT ASSETS	
Cash and cash equivalents	171,233
Intergovernmental receivables:	
State aid	458
Federal aid	10,868
Other accounts receivable	5,481
Inventories	6,675
Total current assets	<u>194,715</u>
FIXED ASSETS:	
Furniture, machinery & equipment	241,014
Less accumulated depreciation	<u>(88,189)</u>
Total fixed assets	<u>152,825</u>
TOTAL ASSETS	<u><u>347,540</u></u>
 <u>LIABILITIES AND NET ASSETS</u> 	
CURRENT LIABILITIES	
Accounts payable	38,000
Unearned revenue:	
Prepaid sales	6,666
Federal food distribution program	3,645
TOTAL CURRENT LIABILITIES	<u>48,311</u>
NET POSITION	
Invested in capital assets net of	
Related debt	152,825
Unrestricted	146,404
TOTAL NET POSITION	<u>299,229</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>347,540</u></u>

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

**WANAQUE BOROUGH SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u><b>Business-type Activities - Enterprise Fund Food Service</b></u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	289,039
Daily sales - non-reimbursable programs	26,987
Miscellaneous	11,339
Total operating revenues	<u>327,365</u>
Operating expenses:	
Purchased services	207,425
Management Fees	43,383
General supplies	15,304
Depreciation	11,765
Cost of sales reimbursable	206,932
Cost of sales- non-reimbursable	24,133
Miscellaneous	2,453
Total operating expenses	<u>511,395</u>
Operating loss	<u>(184,030)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	6,539
State school breakfast program	547
Federal sources:	
National school lunch program	142,235
National school breakfast program	25,301
Special milk program	196
Supply chain assistance program	31,298
Food distribution program	42,235
Interest	3,211
Total nonoperating revenues (expenses)	<u>251,562</u>
Net income (loss) before operating transfers	67,533
Operating transfer out - General Fund	<u>(50,000)</u>
Change in net position	17,533
Total Net Position - Beginning of Year	<u>281,696</u>
Total net position—ending	<u><u>299,229</u></u>

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



**WANAQUE BOROUGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u><b>Business-type Activities - Enterprise Funds Food Service</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	324,511
Payments to suppliers for goods and services	(522,214)
Net cash used for operating activities	<u>(197,703)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	7,708
Federal Sources	292,351
Net cash provided by (used for) non-capital financing activities	<u>300,059</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of equipment	(18,212)
Net cash provided by (used for) capital and related financing activities	<u>(18,212)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on cash equivalents	3,211
Net cash provided by (used for) investing activities	<u>3,211</u>
Net increase (decrease) in cash and cash equivalents	87,355
Operating Transfer Out - General fund	(50,000)
Balances—beginning of year	<u>133,878</u>
Balances—end of year	<u><u>171,233</u></u>
Reconciliation of operating income (loss) to net cash (used for) by operating activities:	
Operating loss	(184,030)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	11,765
(Increase)/decrease in interfund receivables	(5,481)
(Increase)/decrease in inventory	1,041
Increase /(decrease) in accounts payable	(23,625)
(Increase) decrease in deferred revenue	2,627
Total adjustments	<u>(13,673)</u>
Net cash provided by (used for) operating activities	<u><u>(197,703)</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

The Board of Education (“Board”) of the Borough of Wanaque School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Wanaque School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**A. Basis of Presentation**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

**District-wide Financial Statements**

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

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

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

**Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Fund Financial Statements** (continued)

fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**GOVERNMENTAL FUNDS**

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

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

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

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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

**PROPRIETARY FUNDS**

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

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

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

**FIDUCIARY FUNDS**

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**B. Measurement Focus**

**District-wide Financial Statements**

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

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**C. Basis of Accounting**

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

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

**Expenses/Expenditures**

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

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

**D. Budgets/Budgetary Control**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments



**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

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

**Encumbrances**

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

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Tuition Revenues/Receivable**

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

**Tuition Payable**

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

**Inventories**

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

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

**Lease Receivable**

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Short-Term Interfund Receivables/Payables**

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

**Capital Assets**

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

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

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

**Compensated Absences**

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Compensated Absences** (continued)

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

**Unearned Revenue**

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

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

**Accrued Liabilities and Long-term Obligations**

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

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

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. 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 proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Borough of Wanaque School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Bond Discounts/Premiums**

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, which is deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**Financing Agreements**

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Right to Use Assets**

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

**Fund Balances**

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

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

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

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

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

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

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

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

**Fund Balances** (continued)

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

**Net Position**

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

**Operating Revenues and Expenses**

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

**Extraordinary and Special Items**

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

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, medical and dental benefits and TPAF on-behalf contributions were allocated based on salaries of that program. Changes in compensating absences have not been allocated



**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Allocation of Indirect Expenses** (continued)

and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Use of Estimates**

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

**New Accounting Standards:**

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

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025 although earlier application is encouraged. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$-0- of the District's bank balance of \$4,222,851 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2023 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Activities</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$1,601,896	\$458	\$1,602,355
Federal Aid	29,854	10,868	40,722
Other	67,032	5,481	72,513
Interfunds	<u>33,955</u>	<u>-</u>	<u>-</u>
Gross Receivables	1,732,738	16,807	1,715,590
Less Allowance for Uncollectables	<u>-</u>	<u>-</u>	<u>-</u>
Total Receivables Net	<u><u>\$1,732,738</u></u>	<u><u>\$16,807</u></u>	<u><u>\$1,715,590</u></u>

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2023 consist of the following:

Due to General Fund from Special Revenue Fund for cash deficit which will be reimbursed as grant monies are received.	<u>\$33,955</u>
	<u>\$33,955</u>

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 6. CAPITAL ASSETS**

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

	<u>Balance 6/30/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/23</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated				
Land	47,304			47,304
Construction in Progress	_____	_____	_____	_____
Total Capital assets not being Depreciated	<u>47,304</u>	_____	_____	<u>47,304</u>
Capital Assets Being Depreciated				
Building and Building Improvements	22,664,764	59,363	-	22,724,127
Machinery and Equipment	<u>2,033,638</u>	<u>513,549</u>	<u>(209,798)</u>	<u>2,337,389</u>
Total Capital Assets Being Depreciated	<u>24,698,402</u>	<u>572,912</u>	<u>(209,798)</u>	_____
Less Accumulated Depreciation:				
Building and Improvements	(8,715,587)	(350,882)	-	(9,066,496)
Machinery and Equipment	<u>(1,076,569)</u>	<u>(81,372)</u>	<u>209,798</u>	<u>(948,143)</u>
Total Accumulated Depreciation	<u>(9,792,156)</u>	<u>(432,254)</u>	<u>209,798</u>	<u>(10,014,612)</u>
Total Capital Assets, Being Depreciated, Net of accumulated depreciation	<u>14,906,246</u>	<u>140,658</u>	_____	<u>15,046,904</u>
Governmental Activities, Capital Assets, Net	<u>14,953,550</u>	<u>140,658</u>	_____	<u>15,094,208</u>
<b>Business-Type Activity</b>				
Equipment	224,992	18,212	(2,190)	241,014
Less accumulated depreciation for: Equipment	<u>(78,614)</u>	<u>(11,765)</u>	<u>2,190</u>	<u>(88,189)</u>
Business-Type Activity Capital Assets, Net	<u>146,378</u>	<u>6,447</u>	_____	<u>152,825</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

Depreciation expense was charged to functions as follows:

Instruction:

Regular Education	\$358,261
Student and Instruction Related Services	17,618
General Administration	12,932
School Administration	11,257
Plant Operations and Maintenance	<u>32,186</u>
 Total Depreciation Expense	 <u>\$432,254</u>

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

Changes in long-term obligations for the fiscal year ended June 30, 2023 are as follows:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>	Long-Term <u>Portion</u>
Financed Purchases payable	\$ 1,599,742.21	\$90,000.00	(165,080.56)	1,524,661.65	\$133,774.00	1,390,887.65
Liability-PERS	2,253,302.00	1,178,114.00	-	3,431,416.00	-	3,431,416.00
Compensated Absences payable	694,119.69	85,225.89	-	702,345.58		702,345.58
Bonds Payable	<u>8,590,000.00</u>	<u>                    </u>	<u>(800,000.00)</u>	<u>7,790,000.00</u>	<u>815,000.00</u>	<u>6,975,000.00</u>
	<u>\$13,137,163.90</u>	<u>\$1,276,339.89</u>	<u>\$(965,080.56)</u>	<u>\$13,448,423.23</u>	<u>\$948,774.00</u>	<u>\$12,499,649.23</u>

(1) Net of days allowed and days used.

A. Bonds Payable:

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

A. Bonds Payable (continued):

Outstanding Bonds Payable at June 30, 2023 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance at June 30, 2023</u>
2014 Refunding Bonds	8/26/14	12,430,000.00	2.000 - 5.000%	9/01/2016	<u>\$7,790,000.00</u>

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$815,000.00	\$312,875.00	\$1,127,875.00
2025	835,000.00	271,625.00	1,106,625.00
2026	850,000.00	229,500.00	1,079,500.00
2027	875,000.00	186,375.00	1,061,375.00
2028	890,000.00	142,250.00	1,032,250.00
2029-2032	<u>3,325,000.00</u>	<u>240,887.50</u>	<u>3,765,887.50</u>
	<u>\$7,790,000.00</u>	<u>\$1,383,512.50</u>	<u>\$9,173,512.50</u>

B. Financed Purchases

The District has financed purchases agreements for leasing technology equipment totaling \$321,095. Additionally, on December 15, 2020 the district financed the acquisition and installation of boilers, LED lighting, unit ventilator, weather treatment, transformer, vending machine and control equipment including design, financing and relative costs in the amount of \$1,160,000.00.

The following is a schedule of the future minimum financed purchases payments under these financed purchases agreements and the present value of the net minimum financed purchases payments at June 30, 2023:

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

B. Financed Purchases (continued):

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	\$168,391.93
2025	170,648.92
2026	172,955.91
2027	113,129.35
2028	115,529.34
2029-2033	615,429.74
2034-2036	<u>401,407.04</u>
Total Minimum Financed Purchases Payments	1,757,492.23
Less: Amount representing interest	<u>(232,830.58)</u>
Present Value of net minimum financed purchases payments	<u>\$1,524,661.65</u>

The general fund will be used to liquidate the financed purchases.

Maturities of financed purchases payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$133,774.00
2025	139,497.70
2026	145,416.16
2027	89,350.91
2028	93,671.95
2029-2033	538,319.40
2034-2036	<u>384,631.53</u>
	<u>\$1,524,661.65</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 8. PENSION PLANS**

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

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

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**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

Defined Contribution Retirement Program (continued)

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

Contributions Requirements Fund Based Statements

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

<u>Year Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/23	\$286,732	\$1,913
6/30/22	222,756	1,682
6/30/21	222,369	1,875

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

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTD Liability</u>
6/30/23	\$3,047,032	\$811,553	\$42,274	\$1,291
6/30/22	2,937,643	696,036	41,446	1,298
6/30/21	2,248,171	717,947	42,774	1,767

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$635,262 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

**Public Employees Retirement System (PERS)**

At June 30, 2023 the District had a liability of \$3,431,416 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was 0.0227375956 percent, which was an increase of 0.0000371677 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$(70,421). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$24,766	\$21,840
Changes of assumptions	10,632	513,819
Net difference between projected and actual earnings on pension plan investments	142,023	-
Changes in proportion	783,066	173,834
District contributions subsequent to the measurement date	<u>295,260</u>	<u>                    </u>
Total	<u>\$1,255,747</u>	<u>\$709,493</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

The \$295,260 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(294,343)
2024	(149,958)
2025	(73,132)
2026	159,546
2027	(350)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Additional Information**

Local Group Collective balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,846,499,172
District s Proportion	0.0227375956%	0.0190208278%

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Actuarial Assumptions**

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

**Mortality Rates**

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Long-Term Rate of Return**

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Discount Rate**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2022</u>		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$4,445,699	\$3,431,416	\$2,622,013



**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Pension Plan Fiduciary Net Position**

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

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

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$-0-
State's proportionate share associated with the District	<u>36,817,738</u>
	<u>\$36,817,738</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was 0.0713599284%.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$990,868 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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	2.75-5.65% (based on years of service)
Investment Rate of Return	7.00%

**Mortality Rates**

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Long-Term Expected Rate of Return**

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

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

**Discount Rate**

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

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

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

**NOTE 9. POST EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*Total OPEB Liability*

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [nj.gov/treasury/omb/fr.shtml](http://nj.gov/treasury/omb/fr.shtml).

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>32,669,658</u>
	<u>\$32,669,658</u>

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<b><u>TPAF/ABP</u></b>	<b><u>PERS</u></b>
Salary increases:	2.75 – 4.25%	2.75 - 6.55%
	based on service years	based on service years

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

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

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

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

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**(b) *Discount Rate***

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

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

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

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

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

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$673,086 for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 10. DEFERRED COMPENSATION**

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

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

**NOTE 11. RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$3,530	\$12,616	\$17,443	\$170,939
2021-2022	422	19,323	0	172,236
2020-2021	318	16,806	7,417	152,491



**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 12. CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$1,653,379
Interest earned	13,969
Deposit per Board Resolution	164,899
Transfer from Capital Projects	<u>-</u>
Ending balance June 30, 2023	<u>\$1,832,247</u>

The balance in the capital reserve account at June 30, 2023 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 13. MAINTENANCE RESERVE ACCOUNT**

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

The activity of the maintenance reserve account for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$764,500
Deposit per Board resolution	<u>250,000</u>
	1,014,500
Less: Budgeted Withdrawal	<u>(269,171)</u>
Ending balance, June 30, 2023	<u>\$745,329</u>

**NOTE 14. INVENTORY**

Inventory on the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$1,774
Commodities	3,645
Supplies	<u>1,256</u>
	<u>\$6,675</u>

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

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The excess fund balance at June 30, 2023 is \$900,000, of this amount \$450,000 is the result of current year's operations.

**Borough of Wanaque School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund (B-1)** - Of the \$5,198,826 General Fund fund balance at June 30, 2023, \$86,975 is reserved for encumbrances, \$900,000 is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7*, \$450,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$1,832,247 has been reserved in the Capital Reserve Account; \$147,054 has been reserved in the unemployment compensation account; \$745,329 has been reserved in the Maintenance Reserve Account; and \$1,487,221 is unreserved and undesignated.

**Special Revenue Fund (B-1)** - \$81,047 is restricted for Student Activities.

**Debt Service Fund (B-1)** - \$1 is restricted for Debt Service.

**NOTE 17. CONTINGENT LIABILITIES**

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

**Litigation** – Counsel has advised us that no pending or threatened litigation, claims, or assessments exist that are material to the District’s Financial position.

**NOTE 18. SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through December 8, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	15,721,325	-	15,721,325	15,721,325	-
Tuition From Individuals	53,000	-	53,000	132,100	79,100
Tuition From Other LEA's Within the State	33,003	-	33,003	148,944	115,941
Transportation Fees from Individuals	5,000	-	5,000	16,200	11,200
Interest Earned on Maintenance Reserve	100	-	100	-	(100)
Interest Earned on Capital Reserve Funds	1,500	-	1,500	13,969	12,469
Restricted Miscellaneous Revenues	-	-	-	3,530 *	3,530
Unrestricted Miscellaneous Revenues	21,000	-	21,000	74,991	53,991
<b>Total - Local Sources</b>	<b>15,834,928</b>	<b>-</b>	<b>15,834,928</b>	<b>16,111,059</b>	<b>276,131</b>
State Sources:					
Categorical Transportation Aid	11,642	-	11,642	11,642	-
Extraordinary Aid	350,000	-	350,000	337,884	(12,116)
Categorical Special Education Aid	547,530	-	547,530	547,530	-
Equalization Aid	831,967	-	831,967	831,967	-
Categorical Security Aid	23,490	-	23,490	23,490	-
Stabilization Aid	-	-	-	57,530	57,530
Maintenance of Equity Aid	-	-	-	1,187,136	1,187,136
Homeless Tuition Reimbursement	-	-	-	40,898	40,898
Non Public Transportation Aid	-	-	-	11,856	11,856
On-behalf TPAF Pension (non-budgeted)	-	-	-	3,047,032	3,047,032
On-behalf TPAF LTDI Contribution (non-budget)	-	-	-	1,291	1,291
On-behalf TPAF NCGI Premium (non-budget)	-	-	-	42,274	42,274
On-behalf TPAF Post Retirement Medical (non-budget)	-	-	-	811,553	811,553
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	635,262	635,262
<b>Total State Sources</b>	<b>1,764,629</b>	<b>-</b>	<b>1,764,629</b>	<b>7,587,345</b>	<b>5,822,716</b>
Federal Sources:					
Medicaid Reimbursements	24,348	-	24,348	21,037	(3,311)
FFCRA/SEMI	-	-	-	2,507	2,507
<b>Total Federal Sources</b>	<b>24,348</b>	<b>-</b>	<b>24,348</b>	<b>23,544</b>	<b>(804)</b>
<b>Total Revenues</b>	<b>17,623,905</b>	<b>-</b>	<b>17,623,905</b>	<b>23,721,948</b>	<b>6,098,043</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	66,541	(0)	66,541	66,540	1
Kindergarten - Salaries of Teachers	457,351	28,800	486,151	486,151	0
Grades 1-5 - Salaries of Teachers	2,395,628	(45,626)	2,350,002	2,334,564	15,438
Grades 6-8 - Salaries of Teachers	1,932,823	1,246	1,934,069	1,919,579	14,490
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	7,012	9,012	8,332	680
Other Purchased Services (400-500 series)	500	(500)	-	-	-
General Supplies	400	(400)	-	-	-
Regular Programs - Undistributed Instruction					
Other Purchased Services (400-500 series)	121,362	14,087	135,449	135,448	1
General Supplies	75,484	(14,185)	61,298	60,725	574
Textbooks	100,000	254	100,254	100,086	168
Other Objects	900	(360)	540	540	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>5,152,989</b>	<b>(9,674)</b>	<b>5,143,315</b>	<b>5,111,964</b>	<b>31,351</b>
Learning and/or Language Disabilities Mild or Moderate:					
Salaries of Teachers	330,234	7,915	338,149	338,149	0
Other Salaries for Instruction	105,729	37,532	143,261	142,725	536
General Supplies	1,000	-	1,000	383	617
<b>Total Learning and/or Language Disabilities</b>	<b>436,963</b>	<b>45,447</b>	<b>482,410</b>	<b>481,257</b>	<b>1,153</b>
Emotional Regulation Impairment:					
Salaries of Teachers	171,723	3,000	174,723	174,723	-
Other Salaries for Instruction	70,486	22,396	92,882	92,338	544
General Supplies	400	0	400	153	247
<b>Total Emotional Regulation Impairment</b>	<b>242,609</b>	<b>25,396</b>	<b>268,005</b>	<b>267,214</b>	<b>791</b>

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	1,068,299	(7,017)	1,061,282	1,056,222	5,061
Other Salaries for Instruction	321,937	27,314	349,251	348,899	352
General Supplies	2,400	-	2,400	1,373	1,027
Total Resource Room/Resource Center	1,392,636	20,298	1,412,934	1,406,493	6,440
Autism:					
Salaries of Teachers	273,937	0	273,937	271,646	2,291
Other Salaries for Instruction	143,597	(4,318)	139,279	134,720	4,560
General Supplies	600	-	600	558	42
Total Autism	418,134	(4,317)	413,817	406,924	6,893
Preschool Disabilities - Part-Time:					
Salaries of Teachers	95,451	(0)	95,451	95,451	0
Other Salaries for Instruction	107,354	1,755	109,109	108,930	179
General Supplies	881	-	881	583	297
Total Preschool Disabilities - Part-Time	203,686	1,755	205,441	204,964	476
Preschool Disabilities - Full-Time:					
Salaries of Teachers	60,770	(10,255)	50,515	50,515	0
Other Salaries for Instruction	71,486	(17,479)	54,007	53,113	894
General Supplies	400	-	400	-	400
Total Preschool Disabilities - Full-Time	132,656	(27,734)	104,922	103,628	894
Home Instruction:					
Salaries of Teachers	10,500	(1,000)	9,500	5,146	4,355
Other Purchased Services (400-500 series)	250	-	250	-	250
Total Home Instruction:	10,750	(1,000)	9,750	5,146	4,605
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>2,837,434</b>	<b>59,845</b>	<b>2,897,279</b>	<b>2,875,626</b>	<b>21,252</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	425,997	(75,332)	350,665	301,647	49,018
General Supplies	1,000	-	1,000	952	48
Total Basic Skills/Remedial - Instruction	426,997	(75,332)	351,665	302,599	49,066
Bilingual Education - Instruction					
Salaries of Teachers	151,700	-	151,700	147,608	4,092
General Supplies	400	-	400	348	52
Total Bilingual Education - Instruction	152,100	-	152,100	147,956	4,144
School-Spon. Co/Extra Curr. Actvts. - Inst					
Salaries	80,000	969	80,969	79,869	1,100
Supplies and Materials	375	-	375	375	-
Total School-Spon. Co/Extra Curr. Actvts. - Inst	80,375	969	81,344	80,244	1,100
Before/After School Program - Instruction:					
Salaries of Teachers	-	2,596	2,596	2,596	0
Total Before/After School Program - Instruction	-	2,596	2,596	2,596	0
Total Instruction	8,649,895	(21,597)	8,628,298	8,520,985	106,913
Undistributed Expenditures - Instruction (Tuition)					
Tuition to Other LEAS Within the State - Special	32,000	(32,000)	-	-	-
Tuition to Priv.Sch. For the Disabled W/I State	962,384	(94,438)	867,946	828,611	39,335
Total Undistributed Expenditures - Instruction (Tuition)	994,384	(126,438)	867,946	828,611	39,335

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Attend. & Social Work					
Salaries	14,445	(196)	14,249	14,249	0
Total Undistributed Expend. - Attend. & Social Work	14,445	(196)	14,249	14,249	0
Undist. Expenditures - Health Services					
Salaries	159,360	5,343	164,703	164,703	-
Purchased Professional and Technical Services	987	195	1,182	1,182	0
Supplies and Materials	5,000	(1,234)	3,766	3,766	-
Total Undist. Expenditures - Health Services	165,347	4,305	169,652	169,651	0
Undist. Expend.-Speech, OT, PT and Related Svcs					
Salaries	328,520	2,066	330,586	330,439	147
Purchased Professional - Educational Services	106,500	14,202	120,702	120,442	260
Supplies and Materials	1,200	(10)	1,190	1,142	48
Total Undist. Expend.-Speech, OT, PT and Related Svcs	436,220	16,257	452,477	452,024	454
Undist Expend-Oth Supp Serv Std-Extra Serv					
Salaries	53,200	(47,548)	5,652	-	5,652
Purchased Professional - Educational Services	276,135	134,483	410,618	410,099	519
Total Undist Expend-Oth Supp Serv Std-Extra Serv	329,335	86,935	416,270	410,099	6,171
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	136,040	-	136,040	136,040	-
Supplies and Materials	1,170	1,320	2,490	2,306	184
Other Objects	17,000	(1,420)	15,580	14,528	1,052
Total Undist. Expenditures - Guidance	154,210	(100)	154,110	152,874	1,236
Undist. Expenditures - Child Study Teams					
Salaries of Other Professional Staff	582,669	(14,398)	568,271	568,269	2
Salaries of Secretarial and Clerical Assistants	42,320	-	42,320	42,320	0
Purchased Professional - Educational Services	2,500	-	2,500	2,150	350
Other Purchased Services (400-500 series)	839	(369)	471	289	182
Supplies and Materials	4,548	7,399	11,947	11,625	322
Other Objects	1,345	(200)	1,145	1,145	-
Total Undist. Expenditures - Child Study Teams	634,221	(7,568)	626,654	625,797	856
Undist. Expend.-Improv. Of Inst. Serv.					
Sal of Supervisor of Instruction	135,911	(27,586)	108,325	108,325	-
Sal of Secr and Clerical Assist.	49,886	973	50,859	50,859	-
Other Purch Services (400-500)	27,439	1,896	29,335	29,311	24
Supplies and Materials	1,200	1,700	2,900	2,841	59
Total Undist. Expend.-Improv. Of Inst. Serv	214,436	(23,017)	191,418	191,335	83
Undist. Expend.-Edu. Media Serv./Library					
Salaries	91,279	-	91,279	91,279	-
Other Purchased Services (400-500 Series)	500	-	500	-	500
Supplies and Materials	5,200	-	5,200	5,154	46
Total Undist. Expend.-Edu. Media Serv./Library	96,979	-	96,979	96,433	546
Undist. Expend.-Instr. Staff Training Serv.					
Other Purchased Services (400-500 series)	21,000	(529)	20,471	605	19,866
Total Undist. Expend.-Instr. Staff Training Serv.	21,000	(529)	20,471	605	19,866
Undist. Expend.-Support Serv.-Gen. Admin.					
Salaries	254,983	5,002	259,985	259,985	0
Legal Services	87,163	(35,523)	51,640	28,691	22,949
Audit Fees	45,450	1,000	46,450	22,950	23,500
Architectural/Engineering Services	-	3,400	3,400	2,536	864
Other Purchased Professional Services	9,000	(100)	8,900	8,898	2
Communications/Telephone	42,883	1,566	44,449	43,033	1,416
BOE Other Purchased Services	1,500	1,100	2,600	2,574	26
Misc. Purch Servv (400-500)[Other than 530 & 585]	58,705	10,840	69,545	69,378	167
General Supplies	1,500	(134)	1,366	609	757
Miscellaneous Expenditures	2,000	(821)	1,179	1,080	99
BOE Membership Dues and Fees	10,675	(220)	10,455	10,237	218
Total Undist. Expend.-Support Serv.-Gen. Admin.	513,858	(13,890)	499,968	449,971	49,998



WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.					
Salaries of Principals/Asst. Principals/Prog Dir	249,365	(3,365)	246,000	246,000	-
Salaries of Secretarial and Clerical Assistants	114,532	800	115,332	115,332	0
Other Purchased Services (400-500 series)	9,234	1,592	10,826	10,825	1
Supplies and Materials	9,620	5,817	15,437	15,368	69
Other Objects	6,028	(900)	5,128	5,028	100
Total Undist. Expend.-Support Serv.-School Admin.	388,779	3,945	392,723	392,553	170
Undist. Expend. - Central Services:					
Salaries	333,910	(65)	333,845	333,343	501
Purchased Technical Services	34,000	1,051	35,051	34,836	215
Misc. Purchased Services (400-500)[O/T 594]	5,620	773	6,394	6,393	1
Supplies and Materials	6,032	6,200	12,232	11,758	474
Miscellaneous Expenditures	1,965	(708)	1,257	1,165	92
Total Undist. Expend. - Central Services:	381,527	7,251	388,778	387,495	1,283
Undist. Expend.- Admin. Info Technology					
Salaries	119,510	5,000	124,510	122,923	1,587
Purchased Professional Services	4,270	(3,136)	1,134	1,134	-
Purchased Technical Services	18,500	6,442	24,942	24,842	100
Other Purchased Services (400-500 series)	30,000	(3,820)	26,180	24,972	1,208
Supplies and Materials	20,000	(14,448)	5,552	5,009	543
Other Objects	-	1,440	1,440	1,440	-
Total Undist. Expend.- Admin. Info Technology	192,280	(8,522)	183,758	180,321	3,438
Undist. Expend.-Required Maint for Sch Fac.					
Salaries	141,431	10,371	151,802	151,802	-
Cleaning, Repair and Maintenance Services	101,718	(15,818)	85,900	79,300	6,600
General Supplies	26,317	591	26,908	26,398	510
Other Objects	2,740	1,527	4,267	4,212	55
Total Undist. Expend.-Required Maint for Sch Fac.	272,207	(3,330)	268,877	261,712	7,165
Undist. Expend. - Custodial Services					
Salaries	700	(700)	-	-	-
Salaries of Non-Instructional Aides	71,140	(8,287)	62,853	62,853	-
Cleaning, Repair and Maintenance Services	781,246	(2,997)	778,249	778,249	-
Other Purchased Property Services	16,000	7,501	23,501	23,491	9
Insurance	75,000	8,938	83,938	83,938	-
Miscellaneous Purchased Services	15,300	4,168	19,468	19,166	302
General Supplies	30,641	11,205	41,846	41,208	639
Energy (Natural Gas)	25,000	13,780	38,780	38,780	-
Energy (Electricity)	51,024	41,562	92,586	78,878	13,708
Interest - ESIP Bonds	32,189	-	32,189	32,189	-
Principal - ESIP Bonds	98,815	0	98,815	98,815	-
Total Undist. Expend. - Custodial Services	1,197,055	75,170	1,272,225	1,257,567	14,658
Undist Expend.-Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	20,000	(4,385)	15,615	15,615	-
General Supplies	1,000	5,203	6,203	6,203	-
Total Undist Expend.-Care and Upkeep of Grounds	21,000	818	21,818	21,818	-
Security					
Purchased Professional and Technical Services	3,468	(65)	3,403	2,573	830
General Supplies	3,225	2,911	6,136	6,134	2
Total Security	6,693	2,846	9,539	8,708	832
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	1,496,955	75,505	1,572,460	1,549,805	22,655
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC & CTSA Trans. Program	21,546	9,500	31,046	30,938	109
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	50,500	(7,280)	43,220	43,220	-
Contract. Serv. - (Bet. Home and Sch) - Vendors	15,000	15,000	30,000	30,000	-
Contract. Serv. - (Bet. Home & Sch)-Joint Agrmnts	15,000	(14,100)	900	900	-
Contract. Serv. - (Reg. Students)-ESCs & CTSA	80,000	3,540	83,540	75,881	7,659
Contract. Serv. - (Spl. Ed. Students)-ESCs & CTSA	666,873	177,440	844,313	844,294	19
Total Undist. Expend. - Student Transportation Serv.	848,919	184,100	1,033,019	1,025,233	7,786

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance	6,000	-	6,000	5,065	935
Social Security Contributions	165,000	26,131	191,131	191,131	-
T.P.A.F. Contributions - ERIP	28,532	6,433	34,966	17,644	17,322
Other Retirement Contributions - PERS	218,334	68,398	286,732	286,732	-
Other Retirement Contributions - Regular	3,500	-	3,500	1,913	1,587
Unemployment Compensation	60,000	(60,000)	-	-	-
Workmen's Compensation	70,000	-	70,000	68,993	1,007
Health Benefits	2,407,291	(98,357)	2,308,934	2,285,707	23,227
Tuition Reimbursement	48,398	1,094	49,492	37,440	12,052
Other Employee Benefits	1,500	2,819	4,319	4,319	-
Unused Sick Payment to Terminated/Retired Staff	7,000	-	7,000	6,020	980
TOTAL UNALLOCATED BENEFITS	3,015,555	(53,482)	2,962,073	2,904,963	57,109
On-behalf TPAF Pension (non-budgeted)	-	-	-	3,047,032	(3,047,032)
On-behalf TPAF LTDI Contribution (non-budget)	-	-	-	1,291	(1,291)
On-behalf TPAF NCGI Premium (non-budget)	-	-	-	42,274	(42,274)
On-behalf TPAF Post Retirement Medical (non-budget)	-	-	-	811,553	(811,553)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	635,262	(635,262)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	4,537,412	(4,537,412)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,015,555	(53,482)	2,962,073	7,442,375	(4,480,302)
TOTAL UNDISTRIBUTED EXPENDITURES	9,898,449	144,557	10,043,006	14,369,429	(4,326,423)
TOTAL GENERAL CURRENT EXPENSE	18,548,344	122,960	18,671,304	22,890,415	(4,219,111)
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	4,341	-	4,341	4,341	-
Undistributed Expenditures:					
Non-instructional Services	26,392	-	26,392	26,392	-
Total Equipment	30,733	-	30,733	30,733	-
Facilities Acquisition and Const. Serv.					
Other Purchased Prof. and Tech. Services	59,363	-	59,363	59,363	-
Total Facilities Acquisition and Const. Serv	59,363	-	59,363	59,363	-
Assets Acquired Under Fiananced Purchase Agreements (non-budgeted)					
Equipment					
Admin Information Technology	-	-	-	90,000	(90,000)
TOTAL CAPITAL OUTLAY	90,096	-	90,096	180,096	(90,000)
TOTAL EXPENDITURES	18,638,440	122,960	18,761,400	23,070,511	(4,309,111)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,014,535)	(122,960)	(1,137,495)	651,437	1,788,932
Other Financing Sources (uses):					
Operating Transfers:					
Transfer from Cafeteria Account	50,000	-	50,000	50,000	-
Financed Purchase (Non-budgeted)	-	-	-	90,000	90,000
Total Other Financing Sources (uses):	50,000	-	50,000	140,000	90,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(964,535)	(122,960)	(1,087,495)	791,437	1,878,932
Fund Balance, July 1	4,545,552	-	4,545,552	4,545,552	-
Fund Balance, June 30	3,581,017	(122,960)	3,458,057	5,336,989	1,878,932

WANAQUE BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation of excess/(deficiency) of revenues under expenditures:</b>					
Adjustment for prior year encumbrances	(212,822)	-	(212,822)	(212,822)	-
Budgeted Fund Balance	(484,142)	(122,960)	(607,102)	844,562	1,451,664
Increase in Capital Reserve:					
Interest	1,500	-	1,500	13,969	12,469
Principal	-	-	-	164,899	164,899
Increase in Maintenance Reserve					
Interest	100	-	100	-	(100)
Principal	-	-	-	250,000	250,000
Budgeted Withdrawal Maintenance Reserve Account	(269,171)	-	(269,171)	(269,171)	-
	<u>(964,535)</u>	<u>(122,960)</u>	<u>(1,087,495)</u>	<u>791,437</u>	<u>1,878,932</u>
<b>Recapitulation:</b>					
Assigned:					
Year End Encumbrances				86,975	
Restricted:					
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				450,000	
Current Year				450,000	
Capital Reserve				1,832,247	
Maintenance Reserve				745,329	
Unemployment Compensation				147,054	
Unassigned				<u>1,625,384</u>	
				5,336,989	
Reconciliation to Government Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(138,163)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>5,198,826</u>	

\* Includes interest earnings on the Unemployment Compensation Bank Account

Exhibit C-2

WANAQUE BOROUGH SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	-	4,600	4,600	101,936	97,336 Note 1
State Sources	-	19,101	19,101	19,101	-
Federal Sources	560,843	749,123	1,309,966	1,296,394	(13,572)
Total Revenues	<u>560,843</u>	<u>772,824</u>	<u>1,333,667</u>	<u>1,417,431</u>	<u>83,764</u>
<b>EXPENDITURES:</b>					
Instruction					
Salaries	146,450	3,647	150,097	150,097	-
Salaries of Teachers	17,200	103,920	121,120	121,120	-
Purchased Services	3,361	(3,264)	97	97	-
Other Purchased Services	222,155	27,903	250,058	250,058	-
Instructional Supplies	9,970	66,811	76,781	75,965	816
Other Objects	5,000	-	5,000	3,700	1,300
Total Instruction	<u>404,136</u>	<u>199,017</u>	<u>603,153</u>	<u>601,037</u>	<u>2,116</u>
Support Services					
Salaries - Support	97,790	(50,290)	47,500	47,500	-
Employee Benefits	1,316	116,571	117,887	117,886	1
Purchased Tech. Services	35,551	28,640	64,191	57,783	6,408
Other Purchased Services	10,200	31,998	42,198	40,198	2,000
Supplies and Materials	450	51,473	51,923	51,923	-
Student Activities	-	-	-	92,499	(92,499) Note 1
Total Support Services	<u>145,307</u>	<u>178,391</u>	<u>323,698</u>	<u>407,788</u>	<u>(84,090)</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	11,400	(8,353)	3,047	-	3,047
Non-instructional Equipment	-	403,768	403,768	403,768	-
Total Facilities Acquisition and Construction Services	<u>11,400</u>	<u>395,416</u>	<u>406,816</u>	<u>403,768</u>	<u>3,047</u>
Total Expenditures	560,843	772,824	1,333,667	1,412,594	(78,927)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	4,837	4,837
Fund Balance, July 1				76,210	
Fund Balance, June 30				81,047	
Recapitulation:					
Restricted:					
Student Activities				81,047	

Note 1 - Not Required to budget for these funds.

**WANAQUE BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	23,721,948	1,417,431
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add: Prior Year Encumbrances		-	218,893
Less: Current Year Encumbrances		-	(102,841)
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(138,163)	-
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		166,871	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - government funds.	[B-2]	23,750,656	1,533,483
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	23,070,511	1,412,594
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Add: Prior Year Encumbrances		-	218,893
Less: Current Year Encumbrances		-	(102,841)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - government funds.	[B-2]	23,070,511	1,528,646

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

Exhibit L-1

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

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)		District's Proportion Share of the Net Pension Liability (Asset)		District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Pension Liability (Asset)	Percentage	Pension Liability (Asset)	Percentage		Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Percentage	
2015	0.0189094769%	\$	3,540,371	\$	1,287,461	274.99%	52.08%	
2016	0.0155369383%		3,487,731		1,044,171	334.02%	47.93%	
2017	0.0200370173%		5,934,390		1,193,795	497.10%	59.86%	
2018	0.0165632692%		3,855,664		1,287,058	299.57%	48.10%	
2019	0.017770300%		3,500,208		1,358,262	257.70%	53.60%	
2020	0.0190883070%		3,439,423		1,373,115	250.48%	56.27%	
2021	0.0203271712%		3,314,830		1,543,965	214.70%	58.32%	
2022	0.0190208278%		2,253,302		1,604,808	140.41%	70.33%	
2023	0.0227375956%		3,431,416		1,636,407	209.69%	62.91%	

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 155,887	\$ 155,887	\$	\$	-	1,287,461	12.11%
2016	133,576	133,576	133,576	133,576	-	1,044,171	12.79%
2017	178,006	178,006	178,006	178,006	-	1,193,795	14.91%
2018	153,441	153,441	153,441	153,441	-	1,287,058	11.92%
2019	176,824	176,824	176,824	176,824	-	1,358,262	13.02%
2020	185,673	185,673	185,673	185,673	-	1,373,115	13.52%
2021	222,369	222,369	222,369	222,369	-	1,543,965	14.40%
2022	222,756	222,756	222,756	222,756	-	1,604,808	13.88%
2023	286,732	286,732	286,732	286,732	-	1,636,407	17.52%

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



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

Fiscal Year Ending June 30,	District's		District's		State's		District's		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll			
2015	0.0784736110%	\$	\$	41,941,591	\$	8,888,153	0.00%	33.64%	
2016	0.0782494192%	-	49,749,310	49,749,310	8,945,080	0.00%	28.71%		
2017	0.0755364828%	-	59,421,807	59,421,807	9,151,255	0.00%	28.75%		
2018	0.0736874274%	-	49,682,721	49,682,721	9,483,587	0.00%	34.07%		
2019	0.0741733512%	-	47,187,493	47,187,493	8,274,524	0.00%	26.49%		
2020	0.0743176289%	-	45,609,430	45,609,430	8,127,374	0.00%	26.95%		
2021	0.0763545125%	-	50,278,528	50,278,528	8,398,101	0.00%	24.60%		
2022	0.0773396757%	-	37,181,195	37,181,195	8,819,286	0.00%	35.52%		
2023	0.0713599284%	-	36,817,738	36,817,738	8,928,318	0.00%	32.29%		

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

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**Note to Required Schedules of Supplementary Information - Part III**  
**For the fiscal year ended June 30, 2023**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**Schedule of Required Supplementary Information**  
**Schedule of Changes in the District's Proportionate Share of the State OPEB Liability**  
**Last 10 Fiscal Years\***

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Costs	\$ 1,887,520	\$ 2,322,570	\$ 1,245,270	\$ 1,152,137	\$ 1,320,367	\$ 1,592,847
Interest on Total OPEB Liability	865,782	970,000	923,245	1,083,624	1,177,724	1,012,087
Change of Benefit Terms	-	(39,800)	-	-	-	-
Difference Between Expected and Actual Experiences	2,117,901	(7,276,091)	7,481,515	(3,595,437)	(3,371,963)	(4,240,031)
Changes in Assumptions	(8,763,929)	36,890	7,693,543	379,993	(3,124,141)	(739,457)
Gross Benefit Payments	27,512	(764,088)	(733,243)	(782,333)	(727,972)	(739,457)
Contribution from the Member	(857,583)	24,798	22,225	23,191	25,160	27,229
<b>Net Changes in total Share of OPEB Liability</b>	<b>(4,722,797)</b>	<b>(4,725,721)</b>	<b>16,632,555</b>	<b>(1,738,825)</b>	<b>(4,700,825)</b>	<b>(2,347,325)</b>
<b>Total OPEB Liability - Beginning</b>	<b>37,392,455</b>	<b>42,118,176</b>	<b>25,485,621</b>	<b>27,224,446</b>	<b>31,925,271</b>	<b>34,272,596</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 32,669,658</b>	<b>\$ 37,392,455</b>	<b>\$ 42,118,176</b>	<b>\$ 25,485,621</b>	<b>\$ 27,224,446</b>	<b>\$ 31,925,271</b>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	32,669,658	37,392,455	42,118,176	25,485,621	27,224,446	31,925,271
<b>Total OPEB Liability - Ending</b>	<b>\$ 32,669,658</b>	<b>\$ 37,392,455</b>	<b>\$ 42,118,176</b>	<b>\$ 25,485,621</b>	<b>\$ 27,224,446</b>	<b>\$ 31,925,271</b>
District's Covered Employee Payroll	\$ 10,564,725	\$ 10,424,094	\$ 9,942,066	\$ 9,500,489	\$ 9,632,786	\$ 9,484,840
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

**Notes to Schedule:**

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

Change in benefit terms      Decrease in liability due to employers adopting the provisions of Ch. 44, P.L. 2020

Change in assumptions      Assumptions used in calculating the OPEB liability are presented in Note 9.

\* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**Other Supplementary Information**

**SPECIAL REVENUE FUND**

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Total Brought Forward From (Ex. E-1a)	Title I Part - A Improving Basic Program	Title II Part - A Teacher / Principal Training & Recruiting	I.D.E.A. Part B		Middle Grade Career Awareness	SDA Emergent Needs & Capital	Totals 2023
				Basic	Preschool			
<b>REVENUES:</b>								
Federal Sources	751,713	187,919	42,354	235,471	14,587	64,350	-	1,296,394
State Sources	-	-	-	-	-	-	19,101	19,101
Local Sources	101,936	-	-	-	-	-	-	101,936
<b>Total Revenues</b>	<b>853,649</b>	<b>187,919</b>	<b>42,354</b>	<b>235,471</b>	<b>14,587</b>	<b>64,350</b>	<b>19,101</b>	<b>1,417,431</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries	150,097	-	-	-	-	-	-	150,097
Salaries of Teachers	-	121,120	-	-	-	-	-	121,120
Purchased Services	97	-	-	-	-	-	-	97
Other Purchased Services	-	-	-	235,471	14,587	-	-	250,058
Instructional Supplies	54,429	2,539	-	-	-	23,097	-	80,065
Other Objects	-	-	-	-	-	3,700	-	3,700
<b>Total instruction</b>	<b>204,623</b>	<b>123,659</b>	<b>-</b>	<b>235,471</b>	<b>14,587</b>	<b>26,797</b>	<b>-</b>	<b>605,137</b>
<b>Support Services:</b>								
Salaries - Support	-	17,260	-	-	-	30,240	-	47,500
Employee Benefits	123,659	-	-	-	-	2,313	-	125,972
Professional Technical Services	4,100	-	41,531	-	-	5,000	-	50,632
Other Purchased Services	20,163	-	-	-	-	-	19,101	39,264
Supplies and Materials	-	47,000	823	-	-	-	-	47,823
Student Activities	92,499	-	-	-	-	-	-	92,499
<b>Total Support Services</b>	<b>240,420</b>	<b>64,260</b>	<b>42,354</b>	<b>-</b>	<b>-</b>	<b>37,553</b>	<b>19,101</b>	<b>403,688</b>
<b>Facilities Acquisition and Construction Services:</b>								
Non-Instructional Equipment	403,768	-	-	-	-	-	-	403,768
<b>Total Facilities Acquisition and Construction Services</b>	<b>403,768</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403,768</b>
<b>Total Expenditures</b>	<b>848,812</b>	<b>187,919</b>	<b>42,354</b>	<b>235,471</b>	<b>14,587</b>	<b>64,350</b>	<b>19,101</b>	<b>1,412,594</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>4,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,837</b>
<b>Fund Balance, July 1</b>	<b>76,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,210</b>
<b>Fund Balance, June 30</b>	<b>81,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,047</b>

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Total Brought Forward From (Ex. E-1b)</b>	<b>E.S.S.E.R. II</b>	<b>C.R.R.S.A. - E.S.S.E.R. II Learning Acceleration</b>	<b>Mental Health</b>	<b>E.S.S.E.R. Accelerated Learning</b>	<b>A.R.P. - E.S.S.E.R. Accelerated Learning</b>	<b>Summer Learning</b>	<b>Total Carried Forward To (Ex. E-1)</b>
<b>REVENUES:</b>								
Federal Sources	83,519	63,997	708	2,197	517,398	43,894	40,000	751,713
State Sources	-	-	-	-	-	-	-	-
Local Sources	101,936	-	-	-	-	-	-	101,936
<b>Total Revenues</b>	<b>185,455</b>	<b>63,997</b>	<b>708</b>	<b>2,197</b>	<b>517,398</b>	<b>43,894</b>	<b>40,000</b>	<b>853,649</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries	-	1,490	-	-	148,607	-	-	150,097
Salaries of Teachers	-	-	-	-	-	-	-	-
Purchased Services	-	-	-	97	-	-	-	97
Other Purchased Services	-	-	-	-	-	-	-	-
Instructional Supplies	4,600	280	708	500	15,488	32,853	-	54,429
Other Objects	-	-	-	-	-	-	-	-
<b>Total instruction</b>	<b>4,600</b>	<b>1,770</b>	<b>708</b>	<b>597</b>	<b>164,095</b>	<b>32,853</b>	<b>-</b>	<b>204,623</b>
<b>Support Services:</b>								
Salaries - Support	-	-	-	-	-	-	-	-
Employee Benefits	-	62,227	-	-	61,432	-	-	123,659
Professional Technical Services	2,500	-	-	1,600	-	-	-	4,100
Other Purchased Services	9,122	-	-	-	-	11,041	-	20,163
Supplies and Materials	-	-	-	-	-	-	-	-
Student Activities	92,499	-	-	-	-	-	-	92,499
<b>Total Support Services</b>	<b>104,121</b>	<b>62,227</b>	<b>-</b>	<b>1,600</b>	<b>61,432</b>	<b>11,041</b>	<b>-</b>	<b>240,420</b>
<b>Facilities Acquisition and Construction Services:</b>								
Non-Instructional Equipment	71,897	-	-	-	291,872	-	40,000	403,768
<b>Total Facilities Acquisition and Construction Services</b>	<b>71,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291,872</b>	<b>-</b>	<b>40,000</b>	<b>403,768</b>
<b>Total Expenditures</b>	<b>180,617</b>	<b>63,997</b>	<b>708</b>	<b>2,197</b>	<b>517,398</b>	<b>43,894</b>	<b>40,000</b>	<b>848,812</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>4,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,837</b>
<b>Fund Balance, July 1</b>	<b>76,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,210</b>
<b>Fund Balance, June 30</b>	<b>81,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,047</b>

**WANAQUE BOROUGH SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	A.R.P. - E.S.S.E.R. Beyond the School Day	Mental Health	A.R.P. Homeless Children and Youth	Autism Donation	Safety Grant	Student Activity Fund	Total Carried Forward To (Ex. E-1a)
<b>REVENUES:</b>							
Federal Sources	39,066	41,953	2,500	-	-	-	83,519
State Sources	-	-	-	-	-	-	-
Local Sources	-	-	-	500	4,100	97,336	101,936
<b>Total Revenues</b>	<b>39,066</b>	<b>41,953</b>	<b>2,500</b>	<b>500</b>	<b>4,100</b>	<b>97,336</b>	<b>185,455</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	-	-	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-
Instructional Supplies	-	-	-	500	4,100	-	4,600
Other Objects	-	-	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>4,100</b>	<b>-</b>	<b>4,600</b>
<b>Support Services:</b>							
Salaries - Support	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-
Professional Technical Services	-	-	2,500	-	-	-	2,500
Other Purchased Services	9,122	-	-	-	-	-	9,122
Supplies and Materials	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	92,499	92,499
<b>Total Support Services</b>	<b>9,122</b>	<b>-</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>92,499</b>	<b>104,121</b>
<b>Facilities Acquisition and Construction Services:</b>							
Non-Instructional Equipment	29,944	41,953	-	-	-	-	71,897
<b>Total Facilities Acquisition and Construction Services</b>	<b>29,944</b>	<b>41,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,897</b>
<b>Total Expenditures</b>	<b>39,066</b>	<b>41,953</b>	<b>2,500</b>	<b>500</b>	<b>4,100</b>	<b>92,499</b>	<b>180,617</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,837</b>	<b>4,837</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,210</b>	<b>76,210</b>
<b>Fund Balance, June 30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,047</b>	<b>81,047</b>



**PROPRIETARY FUNDS**

**WANAQUE BOROUGH SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICES  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	171,233
Accounts receivable:	
State	458
Federal	10,868
Other	5,481
Inventories	<u>6,675</u>
Total current assets	<u>194,715</u>
FIXED ASSETS:	
Equipment	241,014
Less: accumulated depreciation	<u>(88,189)</u>
Total fixed assets	<u>152,825</u>
TOTAL ASSETS	<u><u>347,540</u></u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:	
Accounts payable	38,000
Prepaid Sales	6,666
Food Distribution Program	<u>3,645</u>
Total Current Liabilities	<u>48,311</u>
NET POSITION	
Invested in Capital Assets Net of Related Debt	152,825
Unrestricted	<u>146,404</u>
Total Net Position	<u>299,229</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>347,540</u></u>

**WANAQUE BOROUGH SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICES  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OPERATING REVENUES:	
Charges for services:	
Daily sales reimbursable programs	289,039
Daily sales non- reimbursable programs	26,987
Special functions/Miscellaneous	11,339
	11,339
Total operating revenues	327,365
OPERATING EXPENSES:	
Purchased Services	207,425
Management Fees	43,383
General Supplies	15,304
Depreciation	11,765
Cost of sales reimbursable	206,932
Cost of sales- non-reimbursable	24,133
Miscellaneous	2,453
	2,453
Total operating expenses	511,395
OPERATING INCOME (LOSS)	(184,030)
NON-OPERATING REVENUES (EXPENSES):	
State sources:	
State school lunch program	6,539
State school breakfast program	547
Federal sources:	
National school lunch program	142,235
National school breakfast program	25,301
Special milk program	196
Supply chain assistance program	31,298
Food distribution program	42,235
Interest	3,211
	3,211
Total non-operating revenues (expenses)	251,562
Net Income (Loss) Before Operating Transfers	67,533
Operating Transfer Out - General Fund	(50,000)
Change in Net Position	17,533
Total Net Position - Beginning of Year	281,696
Total Net Position - Ending	299,229

**WANAQUE BOROUGH SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICES  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CASH FLOWS USED BY OPERATING ACTIVITIES:	
Cash receipts from customers	324,511
Payments to suppliers for goods and services	<u>(522,214)</u>
Net cash provided by (used for) operating activities	<u>(197,703)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	7,708
Federal Sources	<u>292,351</u>
Net cash used by noncapital financing activities	<u>300,059</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of equipment	<u>(18,212)</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Interest on cash equivalents	<u>3,211</u>
Net cash provided by (used for) investing activities	<u>3,211</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	87,355
Operating Transfer Out - General Fund	<u>(50,000)</u>
CASH AND CASH EQUIVALENTS, July 1	<u>133,878</u>
CASH AND CASH EQUIVALENTS, June 30	<u><u>171,233</u></u>
Reconciliation of operating (loss) to net cash provided (for) by operating activities:	
Operating Income (loss)	<u>(184,030)</u>
Adjustments to reconcile operating (loss) to net cash provided (for) for operating activities:	
Depreciation	11,765
Changes in assets and liabilities:	
(Increase)/decrease in accounts receivable	(5,481)
(Increase)/decrease in inventory	1,041
Increase/(decrease) in accounts payable	(23,625)
Increase/(decrease) in unearned revenue	<u>2,627</u>
Total adjustments	<u>(13,673)</u>
Net cash provided by (used for) operating activities	<u><u>(197,703)</u></u>

**LONG-TERM DEBT**

**WANAQUE BOROUGH SCHOOL DISTRICT  
GENERAL LONG TERM DEBT ACCOUNT GROUP  
STATEMENT OF BONDS PAYABLE  
AS OF JUNE 30, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
			Date	Amount				
2014 Refunding Bonds	08/05/14	12,430,000	9/1/2023	815,000	5.000%	8,590,000	800,000	7,790,000
			9/1/2024	835,000	5.000%			
			9/1/2025	850,000	5.000%			
			9/1/2026	875,000	5.000%			
			9/1/2027	890,000	5.000%			
			9/1/2028	905,000	3.250%			
			9/1/2029	890,000	3.375%			
			9/1/2030	880,000	3.500%			
			9/1/2031	850,000	3.500%			

**WANAQUE BOROUGH SCHOOL DISTRICT  
GENERAL LONG TERM DEBT ACCOUNT GROUP  
STATEMENT OF OBLIGATIONS UNDER FINANCED PURCHASES  
AS OF JUNE 30, 2023**

Purpose	Date of Issue	Term of Issue	Amount of Original Issue	Balance July 1, 2022	Additions Current Year	Retired Current Year	Balance June 30, 2023
Technology Equipment	07/15/2018	4 Years	137,174	28,659	-	28,659	-
Technology Equipment	08/05/2021	4 Years	93,921	73,921	-	17,606	56,314
Technology Equipment	10/4/2022	4 Years	90,000	-	90,000	20,000	70,000
ESIP - Boilers, LED Lighting & Equipment	12/15/2020	15 Years	1,600,000	1,497,163	-	98,815	1,398,347
			<u>1,921,095</u>	<u>1,599,742</u>	<u>90,000</u>	<u>165,081</u>	<u>1,524,662</u>

**WANAQUE BOROUGH SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	761,145	-	761,145	761,145	-
Total revenues - local sources	761,145	-	761,145	761,145	-
State sources:					
Debt service aid type II	392,105	-	392,105	392,105	-
Total state sources	392,105	-	392,105	392,105	-
<b>TOTAL REVENUES</b>	<b>1,153,250</b>	<b>-</b>	<b>1,153,250</b>	<b>1,153,250</b>	<b>-</b>
<b>EXPENDITURES</b>					
Regular debt service:					
Interest on Bonds	353,250	-	353,250	353,250	-
Redemption of principal	800,000	-	800,000	800,000	-
Total regular debt service	1,153,250	-	1,153,250	1,153,250	-
<b>TOTAL EXPENDITURES</b>	<b>1,153,250</b>	<b>-</b>	<b>1,153,250</b>	<b>1,153,250</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance - July 1	1	-	1	1	-
Fund balance - June 30	1	-	1	1	-

**Recapitulation:**

Unassigned Fund Balance

1



**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

#### Financial Trends

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- J-2 Changes in Net Assets/Position
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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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

WANAQUE BOARD OF EDUCATION

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	996,400	(327,573)	432,685	1,093,344	2,006,861	3,001,324	3,760,625	4,114,996	4,763,808	5,779,546
Restricted	1,684,904	1,861,103	2,141,985	2,220,464	1,989,096	1,500,144	2,275,686	3,115,451	3,784,577	3,792,663
Unrestricted	(491,260)	(4,133,487)	(4,110,419)	(4,444,559)	(4,404,991)	(4,365,647)	(4,635,183)	(3,969,723)	(3,686,934)	(2,507,556)
Total governmental activities net assets/position	2,190,044	(2,599,957)	(1,535,749)	(1,130,751)	(409,035)	135,821	1,401,128	3,260,724	4,861,551	7,064,644
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	57,374	67,531	59,565	71,059	72,904	70,895	63,466	60,455	146,378	152,825
Unrestricted	79,524	76,910	87,108	76,936	102,605	86,160	69,079	217,735	135,318	146,404
Total business-type activities net assets/position	136,898	144,441	146,673	147,995	175,509	157,055	132,545	278,189	281,696	299,229
<b>District-wide</b>										
Invested in capital assets, net of related debt	1,053,774	(260,042)	492,251	1,164,403	2,079,765	3,072,219	3,824,091	4,175,451	4,910,186	5,932,371
Restricted	1,684,904	1,861,103	2,141,985	2,220,464	1,989,096	1,500,144	2,275,686	3,115,451	3,784,577	3,792,663
Unrestricted	(411,736)	(4,096,577)	(4,023,312)	(4,367,623)	(4,302,387)	(4,279,487)	(4,566,104)	(3,751,988)	(3,551,516)	(2,361,152)
Total district net assets/position	2,326,942	(2,465,515)	(1,389,076)	(962,756)	(233,526)	292,876	1,533,673	3,538,914	5,143,247	7,363,873

Source: ACFR Schedule A-1

WANAKEE BOARD OF EDUCATION

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

Fiscal Year Ending June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	6,909,984	8,024,002	8,564,352	9,097,615	8,902,490	8,769,645	8,514,853	10,137,435	8,709,449	8,626,823
Special education	3,423,287	3,994,368	4,356,912	5,352,918	5,470,736	5,195,365	4,822,561	5,327,654	4,495,427	4,324,306
Other special education	418,654	428,586	445,777	415,171	629,211	589,548	675,951	640,386	744,423	608,373
Other instruction	250,924	310,415	310,852	391,823	472,096	397,076	344,264	196,379	380,355	203,211
Support Services:										
Tuition	865,306	693,129	421,455	488,470	549,729	601,167	432,340	795,845	826,152	828,611
Student & instruction related services	2,137,257	2,283,267	2,496,269	2,676,239	2,906,209	2,649,446	2,613,902	2,731,839	3,034,639	3,375,060
General administrative services	525,159	492,761	535,336	547,644	705,257	694,035	588,154	664,858	672,619	598,924
School administrative services	636,614	804,037	784,716	865,450	960,598	823,278	755,313	878,329	784,507	592,855
Central Services and Admin. Info. Tech.	542,697	689,344	702,350	802,206	744,927	724,998	753,642	820,158	642,298	641,448
Plant operations and maintenance	1,331,067	1,387,701	1,369,309	1,521,854	1,589,999	1,518,843	1,419,628	1,394,715	1,539,351	1,694,296
Pupil transportation	601,361	676,207	509,546	664,614	763,669	861,835	679,694	558,299	788,152	1,025,233
Interest on Long term debt	657,370	601,056	550,501	519,687	499,040	535,713	448,315	417,548	379,683	339,806
Total governmental activities expenses	18,299,680	20,384,874	21,049,375	23,353,691	24,193,961	23,360,949	22,048,617	24,565,445	22,997,055	22,858,945
Business-type activities:										
Food service	303,193	286,576	295,571	310,519	295,103	347,736	299,902	561,381	658,622	511,395
Total business-type activities expense	303,193	286,576	295,571	310,519	295,103	347,736	299,902	561,381	658,622	511,395
Total district expenses	18,602,873	20,671,449	21,344,946	23,664,210	24,489,064	23,708,685	22,348,519	25,126,827	23,655,677	23,370,340
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Support services	-	-	-	-	-	-	-	-	-	97,336
Operating grants and contributions	508,309	389,909	418,075	407,037	378,536	399,717	451,589	658,595	1,016,570	1,043,331
Capital grants and contributions	-	-	-	-	-	-	-	-	-	392,816
Total governmental activities program revenues	508,309	389,909	418,075	407,037	378,536	399,717	451,589	683,311	1,109,898	1,533,483
Business-type activities:										
Charges for services										
Food service	162,760	163,677	150,823	153,791	178,306	189,612	148,656	6,304	79,392	327,365
Operating grants and contributions	133,355	135,759	146,847	157,924	143,663	137,578	125,404	732,465	629,440	248,351
Total business type activities program revenues	296,115	299,437	297,670	311,715	321,969	327,190	274,060	738,790	708,832	575,716
Total district program revenues	804,424	689,345	715,745	718,752	700,505	726,907	725,649	1,422,101	1,818,730	2,109,200
<b>Net (Expense)/Revenue</b>										
Governmental activities	(17,791,371)	(19,994,965)	(20,631,301)	(22,946,654)	(23,815,425)	(22,961,232)	(21,597,028)	(23,882,134)	(21,887,157)	(21,325,462)
Business-type activities	(7,078)	12,861	2,100	1,196	26,866	(20,546)	(25,842)	177,408	50,210	64,321
Total district-wide net expense	(17,798,449)	(19,982,104)	(20,629,201)	(22,945,458)	(23,788,559)	(22,981,778)	(21,622,870)	(23,704,726)	(21,836,947)	(21,261,140)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	12,598,176	12,905,139	13,263,244	13,717,544	14,116,975	14,425,008	14,743,086	15,110,847	15,413,064	15,721,325
Taxes levied for debt service	887,133	848,584	835,700	792,324	820,809	811,849	807,576	790,614	777,397	761,145
Unrestricted grants and contributions	4,585,633	6,223,038	7,087,266	8,830,632	8,883,704	7,535,536	6,572,318	8,749,058	6,420,657	6,173,346
Restricted grants and contributions	-	-	-	-	442,341	421,858	416,024	407,286	467,777	392,105
Investment Earnings	-	4,299	4,777	5,927	23,128	4,448	974	10,534	14,801	17,499
Miscellaneous income	210,757	887,710	594,521	5,226	250,184	307,389	322,357	383,550	347,250	413,133
Transfers	-	-	-	-	-	-	-	32,047	47,038	50,000
Total governmental activities	18,281,699	20,866,769	21,785,508	23,351,653	24,537,141	23,506,088	22,862,335	25,483,937	23,487,984	23,528,554

WANAQUE BOARD OF EDUCATION

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type activities:</b>										
Investment earnings	163	131	132	125	648	2,092	1,332	284	335	3,211
Transfers	-	-	-	-	-	-	-	(32,047)	(47,038)	(50,000)
Total business-type activities	163	131	132	125	648	2,092	1,332	(32,047)	(47,038)	(46,789)
Total district-wide	18,281,862	20,866,901	21,765,640	23,351,776	24,537,789	23,508,180	22,863,667	25,452,173	23,441,281	23,481,765
<b>Change in Net Position</b>										
Governmental activities	490,328	873,804	1,154,208	404,999	721,716	544,856	1,265,307	1,601,803	1,600,827	2,203,092
Business-type activities	(6,915)	12,993	2,232	1,321	27,514	(18,454)	(24,510)	145,644	3,507	17,533
Total district	483,413	886,797	1,156,439	406,320	749,230	526,402	1,240,797	1,747,447	1,604,334	2,220,625

Source: ACFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	1,340,916	1,427,321	1,762,120	1,882,154	1,677,107	1,436,955	2,166,740	2,928,715	3,495,544	3,624,630
Assigned	109,300	171,881	113,056	233,558	199,526	31,977	85,425	71,267	212,822	86,975
Unassigned	108,351	147,590	150,242	159,578	232,426	356,415	131,465	785,760	670,315	1,487,221
<b>Total general fund</b>	<u>1,558,567</u>	<u>1,746,793</u>	<u>2,025,418</u>	<u>2,275,290</u>	<u>2,109,059</u>	<u>1,825,347</u>	<u>2,383,630</u>	<u>3,785,742</u>	<u>4,378,681</u>	<u>5,198,826</u>
<b>All Other Governmental Funds</b>										
Restricted										
Capital projects fund	-	231,492	236,400	104,751	112,462	31,211	23,520	45,070	-	-
Student activities fund	-	-	-	-	-	-	-	70,397	76,210	81,047
Debt service fund	-	-	-	-	-	-	-	1	1	1
Unassigned, reported in:										
Capital projects fund	234,688	-	-	-	-	-	-	-	-	-
Debt service fund	-	30,408	30,409	1	1	1	1	-	-	-
<b>Total all other governmental funds</b>	<u>234,688</u>	<u>261,900</u>	<u>266,809</u>	<u>104,752</u>	<u>112,463</u>	<u>31,212</u>	<u>23,521</u>	<u>115,468</u>	<u>76,211</u>	<u>81,048</u>

Source: ACFR Schedule B-1

WANAQUE BOARD OF EDUCATION

Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	13,485,309	13,753,723	14,098,944	14,509,868	14,937,784	15,236,857	15,550,662	15,901,461	16,190,461	16,482,470
Tuition charges	148,222	74,003	151,653	75,073	102,472	241,401	260,644	330,509	166,347	321,942
Miscellaneous	76,377	54,617	29,213	10,900	186,340	74,068	107,607	81,429	291,544	227,625
State sources	4,671,166	5,046,161	4,959,099	5,159,964	5,563,006	5,958,823	5,786,906	6,625,777	6,853,691	7,986,361
Federal sources	408,934	420,369	459,655	441,821	411,888	423,323	425,062	666,099	1,226,506	1,418,991
Total revenue	18,790,008	19,348,872	19,696,564	20,197,626	21,201,490	21,934,472	22,130,881	23,605,275	24,728,549	26,437,389
<b>Expenditures</b>										
Instruction										
Regular instruction	4,904,306	4,881,974	5,189,524	4,939,343	4,730,662	5,202,378	5,127,534	5,600,170	5,737,024	5,784,138
Special education instruction	2,503,603	2,497,787	2,645,267	2,877,033	2,933,025	2,987,244	2,940,240	2,953,482	2,884,154	2,875,626
Other special instruction	319,652	290,026	293,765	254,305	369,824	368,779	433,314	384,805	524,791	450,555
Other instruction	197,370	174,338	165,934	180,551	224,073	200,037	176,015	70,163	188,170	82,840
Support Services:										
Tuition	865,307	693,129	421,455	498,470	549,729	601,167	432,340	795,845	826,152	828,611
Student & instruction related services	1,661,606	1,581,560	1,647,529	1,652,692	1,919,105	1,776,203	1,762,145	1,735,468	2,123,951	2,576,723
General administrative services	421,339	380,415	451,291	468,334	487,953	480,038	427,985	447,195	512,554	449,971
School Administrative services	466,606	493,810	483,202	469,234	518,395	478,016	451,133	474,984	495,231	392,553
Central Services	470,825	527,658	527,828	555,688	584,492	621,759	627,805	542,460	561,913	567,816
Plant operations and maintenance	1,163,247	1,234,433	1,206,369	1,296,083	1,360,764	1,315,311	1,242,468	1,211,958	1,420,496	1,549,805
Pupil transportation	601,361	676,207	509,546	662,016	763,669	861,835	679,694	558,299	788,152	1,025,233
Unallocated employee benefits	3,537,290	3,898,212	4,153,414	4,601,638	5,050,596	5,629,173	5,690,136	6,273,531	6,872,695	7,442,375
Capital outlay	153,337	723,523	462,697	626,428	624,072	547,421	365,880	1,776,345	202,669	572,912
Debt Service:										
Principal	658,305	650,000	700,000	720,000	740,000	745,000	765,000	770,000	785,000	800,000
Interest and Other Charges	664,406	618,255	557,209	526,563	503,650	485,075	458,600	427,900	392,875	353,250
Total expenditures	18,588,560	19,321,325	19,415,030	20,328,378	21,360,009	22,299,436	21,580,289	24,022,605	24,315,827	25,752,407
Excess (Deficiency) of revenues over (under) expenditures	201,448	27,547	283,534	(130,752)	(158,520)	(364,964)	550,592	(417,331)	412,722	684,982
<b>Other Financing sources (uses)</b>										
Financed Purchases (non-budgeted)	-	187,891	-	293,386	-	-	-	1,600,000	93,921	90,000
Cancellation of Accounts Payable	-	-	-	-	-	-	-	21,550	-	-
Cancellation of Contracts Payable	-	-	-	16,143	-	-	-	-	-	-
Cancellation of SDA Grant Receivables	-	-	-	(90,962)	-	-	-	-	-	-
Transfers in	102,720	260,372	450,000	536,830	685,000	687,462	420,611	32,047	92,108	50,000
Transfers out	(102,720)	(260,372)	(450,000)	(536,830)	(685,000)	(687,462)	(420,611)	-	(45,070)	-
Total other financing sources (uses)	-	187,891	-	218,567	-	-	-	1,653,597	140,959	140,000
Net change in fund balances	201,448	215,438	283,534	87,815	(158,520)	(364,964)	550,592	1,236,267	553,681	824,982
Debt service as a percentage of noncapital expenditures	7.175%	6.819%	6.634%	6.327%	5.998%	5.655%	5.768%	5.385%	4.885%	4.580%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.



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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2014	149	148,222	76,228	224,599
2015	4,299	74,003	26,188	104,490
2016	4,777	151,653	21,359	177,788
2017	5,927	75,073	4,973	85,973
2018	23,128	102,472	147,711	273,312
2019	4,448	241,401	65,988	311,837
2020	974	260,644	61,714	323,332
2021	10,216	330,509	31,811	372,535
2022	14,380	166,347	181,324	362,051
2023	13,969	321,942	94,721	430,632

Source: District Records

WANAGUE BOARD OF EDUCATION

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2014	42,582,900	971,990,000	-	132,400	86,700,100	21,736,000	2,178,100	1,125,319,500	-	1,125,319,500	1.209	1,258,043,041
2015	36,099,300	976,794,800	-	132,400	86,193,800	19,791,700	2,178,100	1,121,190,100	-	1,121,190,100	1.242	1,235,743,525
2016	35,921,500	976,142,900	805,300	134,400	86,100,400	19,791,700	2,178,100	1,121,074,300	-	1,121,074,300	1.274	1,257,091,612
2017	33,925,800	988,682,600	805,300	7,700	72,102,400	19,349,700	2,178,100	1,117,051,600	-	1,117,051,600	1.320	1,282,640,487
2018	32,301,800	982,489,900	805,300	7,700	70,933,700	19,349,700	3,438,100	1,119,326,200	-	1,119,326,200	1.348	1,295,067,936
2019	31,423,400	991,182,000	805,300	7,700	70,309,900	19,394,900	6,035,900	1,119,159,100	-	1,119,159,100	1.376	1,363,664,067
2020	28,532,100	989,127,300	805,300	7,700	70,159,900	19,161,400	6,035,900	1,113,829,600	-	1,113,829,600	1.412	1,392,809,303
2021	28,670,300	990,694,500	805,300	7,700	70,822,800	19,011,400	6,035,900	1,116,047,900	-	1,116,047,900	1.438	1,489,056,571
2022	28,709,300	990,271,800	805,300	7,700	70,783,100	18,960,800	6,035,900	1,115,573,900	-	1,115,573,900	1.464	1,628,099,679
	28,958,100	990,442,400	805,300	7,700	70,467,200	18,960,800	6,035,900	1,115,677,400	-	1,115,677,400	1.497	1,744,881,764

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

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

WANAQUE BOARD OF EDUCATION

Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

(rate per \$100 of assessed value)

Assessment Year	Wanaque Board of Education		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Regional School District	Borough of Wanaque <sup>c</sup> Passaic County	
2014	1.133	0.077	0.631	0.876	3.526
2015	1.167	0.075	0.628	0.876	3.596
2016	1.203	0.071	0.646	0.895	3.648
2017	1.246	0.074	0.685	0.903	3.740
2018	1.275	0.073	0.715	0.919	3.830
2019	1.304	0.072	0.745	0.958	3.907
2020	1.341	0.071	0.781	0.983	4.003
2021	1.368	0.070	0.782	1.000	4.048
2022	1.396	0.068	0.808	1.013	4.128
2023	1.430	0.067	0.831	1.084	4.227

Source: District Records and Municipal Tax Collector

**Note:**

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

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

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

**c** Includes Open Space and Library Tax

WANAQUE BOARD OF EDUCATION

Principal Property Tax Payers,  
Current Year and Ten Years Ago

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
North Jersey District Water Supply Comm.	\$ 17,131,000	1	1.54%	\$ 21,221,300	1	3.63%
North Jersey Pediatric & Adult Nursing	9,500,000	2	0.85%			
Lakeland Realty SNF LLC	6,500,000	3	0.58%			
Wanaque Building Associates (4 Union Ave)	6,200,000	4	0.56%	7,269,300	5	1.24%
Third Ave Property Investment LLC	5,201,400	5	0.47%			
Algonquin Gas Transmission	4,489,900	6	0.40%	4,489,900	7	0.77%
1049 Ringwood Avenue LLC (Apartments)	3,857,800	7	0.35%			
Shree Hari Vallabh Realty, LLC (Holiday Inn)	3,645,000	8	0.33%	3,645,000	8	0.62%
Haskell Town Center LLC	2,697,300	9	0.24%			
Ringwood Park Plaza Realty	2,000,000	10	0.18%	2,793,000	9	0.48%
Wanaque Real Property -Convalescent Center LP				16,537,000	2	2.83%
Omni II LLC (Nursing Home 25 Fifth Ave)				11,641,400	3	1.99%
Mountain Lakes Estates				10,813,700	4	1.85%
Arrow Group Inc.				5,201,400	6	0.89%
Bald Eagle Urban Renewal				2,697,300	10	0.46%
<b>Total</b>	<b>\$ 61,222,400</b>		<b>5.487%</b>	<b>\$ 86,309,300</b>		<b>14.76%</b>

Source: Municipal Tax Assessor office

WANAQUE BOARD OF EDUCATION

Property Tax Levies and Collections,  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	13,485,309	13,485,309	100.00%	-
2015	13,753,723	13,753,723	100.00%	-
2016	14,098,944	14,098,944	100.00%	-
2017	14,509,868	14,509,868	100.00%	-
2018	14,937,784	14,937,784	100.00%	-
2019	15,236,857	15,236,857	100.00%	-
2020	15,550,662	15,550,662	100.00%	-
2021	15,901,461	15,901,461	100.00%	-
2022	16,190,461	16,190,461	100.00%	-
2023	16,482,470	16,482,470	100.00%	-

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

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

**WANAQUE BOARD OF EDUCATION**

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable	Capital Leases			
2014	14,541,000	-	47,567	14,588,567	2.79%	1,253
2015	13,815,000	-	238,496	14,053,496	2.62%	1,205
2016	13,115,000	-	114,700	13,229,700	2.43%	1,133
2017	12,395,000	-	279,447	12,674,447	2.29%	1,080
2018	11,655,000	-	185,269	11,840,269	2.05%	1,009
2019	10,910,000	-	196,085	11,106,085	1.84%	944
2020	10,145,000	-	111,513	10,256,513	1.57%	875
2021	9,375,000	-	1,656,036	11,031,036	1.66%	986
2022	8,590,000	-	1,525,821	10,115,821	***	916
2023	7,790,000	-	1,524,662	9,314,662	***	***

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	14,541,000	-	14,541,000	1.29%	1,249
2015	13,815,000	-	13,815,000	1.23%	1,184
2016	13,115,000	-	13,115,000	1.17%	1,123
2017	12,395,000	-	12,395,000	1.11%	1,056
2018	11,655,000	-	11,655,000	1.04%	993
2019	10,910,000	-	10,910,000	0.97%	927
2021	10,145,000	-	10,145,000	0.91%	866
2021	9,375,000	-	9,375,000	0.84%	838
2022	8,590,000	-	8,590,000	0.77%	778
2023	7,790,000	-	7,790,000	0.70%	***

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

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

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

\*\*\* Unable to be computed yet

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

**WANAQUE BOARD OF EDUCATION**  
**Direct and Overlapping Governmental Activities Debt**  
**Year Ended June 30, 2023**

<u>Governmental Unit</u>	Debt Outstanding (1)	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Borough of Wanaque	(2) 17,365,598	100.000%	17,365,598
<b>Other debt</b>			
Passaic County	(2) 287,453,895	2.456%	7,058,639
Passaic County Utility Authority	(2) 39,795,000	2.456%	977,195
Subtotal, overlapping debt			25,401,433
<b>Wanaque Borough School District Direct Debt</b>			7,790,000
<b>Total direct and overlapping debt</b>			<u>\$ 33,191,433</u>

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

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

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

- (1) Debt information as of December 31, 2023
- (2) Debt information as of December 31, 2022



**WANAQUE BOARD OF EDUCATION**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

	2020	2021	2022	[A]	[A/3]		Fiscal Year Ending June 30,									
	2020	2021	2022	[A]	[A/3]		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized valuation basis	1,392,809,303	1,489,056,571	1,628,099,679	<u>\$ 4,509,965,553</u>	\$ 1,503,321,851											
Average equalized valuation of taxable property																
Debt limit ( 3 % of average equalization value)																
Net bonded school debt																
Legal debt margin																
Debt limit	39,061,844	35,839,193	37,731,755	37,508,782	37,508,782		39,061,844	35,839,193	37,731,755	37,508,782	37,754,756	38,488,855	39,554,580.00	40,656,268.20	42,455,299.41	45,099,655.53
Total net debt applicable to limit	14,541,000	13,815,000	13,115,000	12,395,000	12,395,000		14,541,000	13,815,000	13,115,000	12,395,000	11,655,000	10,910,000	10,145,000.00	9,375,000.00	8,590,000.00	7,790,000.00
Legal debt margin	<u>\$ 24,520,844</u>	<u>22,024,193</u>	<u>24,616,755</u>	<u>25,113,782</u>	<u>26,099,756</u>		<u>\$ 24,520,844</u>	<u>22,024,193</u>	<u>24,616,755</u>	<u>25,113,782</u>	<u>26,099,756</u>	<u>27,578,855</u>	<u>29,409,580</u>	<u>31,281,268.20</u>	<u>33,865,299</u>	<u>37,309,656</u>
Total net debt applicable to the limit as a percentage of debt limit	37.23%	38.55%	34.76%	33.05%	30.87%		37.23%	38.55%	34.76%	33.05%	30.87%	28.35%	25.65%	23.06%	20.23%	17.27%

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

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2013	11,490	488,750,130	42,537	8.3%
2014	11,641	522,774,028	44,908	13.3%
2015	11,665	537,114,925	46,045	6.2%
2016	11,681	544,533,177	46,617	5.0%
2017	11,741	554,069,531	47,191	4.3%
2018	11,738	577,122,246	49,167	3.8%
2019	11,763	602,300,889	51,203	3.1%
2020	11,717	653,515,675	55,775	8.2%
2021	11,190	666,465,210	59,559	5.7%
2022	11,041	***	***	3.4%

**Source:**

<sup>a</sup> U.S. Bureau of the Census, Population Division, (Estimates April 1, 2013 to July 1, 2022)

<sup>b</sup> Personal income of the District is based on the County Information.

<sup>c</sup> U.S. Department of Commerce, County Information 2012-2021.

<sup>d</sup> N.J. Department of Labor

\*\*\* Unable to be computed -Per capita Income for 2022 not available yet

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

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
INFORMATION IS NOT AVAILABLE						

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

<u>Function/Program</u>	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	65	66	58	60	59	56	56	60	67	66
Special education	22	22	29	27	27	30	30	32	29	27
Other instruction	23.5	24.5	21	31	29	31	31	26	25	25
Support Services:										
Tuition										
Student & instruction related services	13.5	13	14.5	17	20	16	16	16	20	18.6
General administrative services	8	7	8.5	8.5	9.5	7.5	7.5	9	9.5	10.5
Business administrative services	3.5	4	4	4	4	4	4	5	4	4
Plant operations and maintenance	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>137.5</b>	<b>138.5</b>	<b>137.0</b>	<b>149.5</b>	<b>150.5</b>	<b>146.5</b>	<b>146.5</b>	<b>150.0</b>	<b>156.5</b>	<b>153.1</b>

**Source:** District Personnel Records

WANAQUE BOARD OF EDUCATION  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2013-2014	926	17,112,512	18,480	6.39%	87.0	10.64	915.5	877.4	-3.80%	95.84%
2014-2015	952	17,329,547	18,203	-1.50%	88.0	10.82	958.0	917.2	-4.64%	95.75%
2015-2016	956	17,695,124	18,510	1.68%	87.0	10.99	947.6	908.7	-0.01%	95.90%
2016-2017	960	18,455,388	19,224	3.86%	87.0	11.03	945.1	902.7	-0.01%	95.52%
2017-2018	949	18,065,765	19,037	-0.98%	86.0	11.03	900.8	864.4	-4.69%	96.02%
2018-2019	900	20,521,940	22,802	19.78%	86.0	10.47	886.8	849.3	-1.55%	95.76%
2019-2020	901	19,990,809	22,187	-2.70%	86.0	10.48	899.0	864.0	1.44%	96.44%
2020-2021	869	21,048,360	24,221	9.17%	92.0	9.45	863.8	838.0	-3.92%	97.01%
2021-2022	852	22,935,283	26,919	11.14%	117.0	7.28	845.5	790.5	-2.12%	93.49%
2022-2023	883	24,026,246	27,210	1.08%	117.0	7.55	845.5	790.5	0.00%	93.49%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures J-4, less debt service and capital outlay

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS) at June 30.

WANAQUE BOARD OF EDUCATION  
 School Building Information  
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Haskell School (1917)										
Square Feet	70,255	70,255	70,255	70,255	70,255	70,255	70,255	70,255	70,255	70,255
Capacity (students)	469	469	469	469	469	469	469	469	469	469
Enrollment	413	428	432	436	410	386	396	391	367	377
Wanaque School (1971)										
Square Feet	81,100	8,110	8,110	81,100	81,100	81,100	81,100	81,100	81,100	81,100
Capacity (students)	574	574	574	574	574	574	574	574	574	574
Enrollment	538	538	523	513	496	503	505	478	485	506
<b><u>Other</u></b>										
Central Administration (1917)										
Square Feet	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260

Number of Schools at June 30, 2023  
 Elementary = 2

**Source:** District Facilities Office

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

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

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

*School Facilities	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
HASKELL SCHOOL	117,770	127,700	111,037	119,079	140,021	145,108	135,100	127,468	127,800	85,183
WANAQUE SCHOOL	143,942	162,529	136,346	145,542	171,000	163,701	157,044	138,090	122,658	89,983
<b>GRAND TOTAL</b>	<u>261,712</u>	<u>290,229</u>	<u>247,383</u>	<u>264,621</u>	<u>311,021</u>	<u>308,808</u>	<u>292,144</u>	<u>265,558</u>	<u>250,458</u>	<u>175,166</u>

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

WANAQUE BOARD OF EDUCATION

Insurance Schedule  
June 30, 2023

	<u>Coverage</u>	<u>Deductible</u>
<b>Package - New Jersey Schools Insurance Group</b>		
Property	\$ 43,801,900	\$ 5,000
Crime coverage (Faithful Performance, Forgery & Alternation, & Computer Fraud)	250,000	1,000
Crime Coverage (Money & Securities, & Money Orders/Counterfeit)	25,000	500
Comprehensive general liability	11,000,000	N/A
School Leaders Errors & Omissions	11,000,000	5,000
Business auto coverage	11,000,000	0
<b>Environmental Impairment - Ironshore Specialty Group</b>	1,000,000	50,000
Boiler and Machinery - <b>New Jersey Schools Insurance Group</b>	100,000,000	25,000
Restart (Demolition & Rebuild)	5,000,000	N/A
Crisis Management	1,000,000	Various
Excess Liability - <b>NJUEP (Hudson Excess, Allied World, Evanston)</b>	30,000,000	
Workers Compensation - <b>New Jersey Schools Insurance Group</b>	Part 1: Statutory	
Professional Payroll: \$10,282,884	Part 2: \$3,000,000	
Non-Professional: \$125,303		
Supplemental Indemnity - <b>New Jersey Schools Insurance Group</b>	7 day waiting period	
Cyber Liability Insurance - <b>Great American Insurance Co.</b>	2,000,000	25,000
Public Officials Surety Bonds		
<b>The Hartford Insurance Co.</b>		
Book Keeper	250,000	N/A
Board Secretary	250,000	N/A
Student Accident Coverage - <b>Bollinger/Zurich</b>		
Mandatory & Voluntary Coverage	Various	
Catastrophic Aggregate Limit	5,000,000	Full Excess

Source: District Records

**SINGLE AUDIT SECTION**





# WIELKOTZ & COMPANY LLC

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Wanaque School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 8, 2023.

***Internal Control Over Financial Reporting***

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



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

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

### ***Compliance and Other Matters***

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

We noted certain matters that were required to be reported to the Board of Education of the Wanaque Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 8, 2023.

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

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

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 8, 2023





# WIELKOTZ & COMPANY L.L.C.

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08**

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

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

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

We have audited the Board of Education of the Borough of Wanaque School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Wanaque Board of Education’s major federal and state programs for the year ended June 30, 2023. The Borough of Wanaque Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. 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 Borough of Wanaque Board of Education 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 Borough of Wanaque Board of Education's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

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

### **Auditor's 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 Borough of Wanaque Board of Education'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 generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. 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 Borough of Wanaque Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. 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 Borough of Wanaque Board of Education'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 Borough of Wanaque Board of Education'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 N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Wanaque Board of Education'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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.



Honorable President and  
Members of the Board of Education

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

*Steven D. Wielkocz*

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Licensed Public School Accountant  
No. 816

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 8, 2023

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

Federal Grantor/Pass-Through Grantor/ General Fund: Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant Period From / To	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO Cumulative Total Expenditures	
					(Accounts Receivable)	Deferred Revenue			(Accounts Receivable)	Deferred Revenue		
<b>U.S. Department of Education:</b>												
<b>Passed-Through State Department Of Education:</b>												
<b>General Fund:</b>												
Medicaid Assistance Program	93.778	2305NJ5MAP	23,544	7/1/22-6/30/23	-	-	23,544	(23,544)	-	-	23,544	
Total General Fund					-	-	23,544	(23,544)	-	-	23,544	
<b>U.S. Department of Agriculture</b>												
<b>Passed-Through State Department Of Education:</b>												
<b>Enterprise Fund:</b>												
Food Distribution Program	10.550	221NJ304N1099	44,616	7/1/22-6/30/23	-	3,637	42,235	(44,616)	-	1,256	44,616	
National School Lunch Program	10.555	221NJ304N1099	479,532	7/1/21-6/30/22	(46,930)	-	46,930	-	-	-	479,532	
National School Lunch Program	10.555	211NJ304N1099	142,235	7/1/22-6/30/23	-	-	133,270	(142,235)	(6,966)	-	142,235	
School Breakfast Program	10.553	221NJ304N1099	98,405	7/1/21-6/30/22	(15,015)	-	15,015	-	-	-	98,405	
School Breakfast Program	10.553	211NJ304N1099	25,301	7/1/22-6/30/23	-	-	23,399	(25,301)	(1,903)	-	25,301	
Special Milk Program	10.556	221NJ304N1099	196	7/1/22-6/30/23	-	-	196	(196)	-	-	196	
Supply Chain Assistance Funds (Round 1 & 2)	10.555	221NJ344N8903	40,875	7/1/22-6/30/23	-	-	40,875	(40,875)	-	-	40,875	
Supply Chain Assistance Funds (Round 3)	10.555	231NJ344N8903	11,620	7/1/23-6/30/24	(61,945)	3,637	11,620	(264,844)	(10,866)	1,256	11,620	
Total Enterprise Fund					(61,945)	3,637	313,540	(264,844)	(10,866)	1,256	842,780	
<b>U.S. Department of Education</b>												
<b>Passed-Through State Department Of Education:</b>												
<b>Special Revenue Fund:</b>												
Title I - Improving Basic Programs	84.010	S010A210030	118,042	9/1/21-8/31/22	(44,039)	-	44,039	-	-	-	118,042	
Title I - Improving Basic Programs	84.010	S010A220030	187,919	9/1/22-8/31/23	-	-	183,961	(187,919)	(3,959)	-	187,919	
					(44,039)	-	228,000	(187,919)	(3,959)	-	305,961	
Title II - Part A - Teacher & Principal Training/Recruiting	84.367	S367A210029	33,945	9/1/21-8/31/22	(8,002)	-	8,002	(42,354)	(1,649)	-	33,945	
Title II - Part A - Teacher & Principal Training/Recruiting	84.367	S367A220029	42,354	9/1/22-8/31/23	(8,002)	-	48,707	(42,354)	(1,649)	-	42,354	
					(8,002)	-	48,707	(42,354)	(1,649)	-	76,239	
I.D.E.A. Part B - Basic Regular	84.027	H027A210100	233,043	9/1/21-8/31/22	(5,240)	-	5,240	-	-	-	233,043	
I.D.E.A. Part B - Basic Regular	84.027	H027A220100	235,471	9/1/22-8/31/23	-	-	235,471	(235,471)	-	-	235,471	
I.D.E.A. Part B, Preschool	84.173	H173A220114	14,587	9/1/22-8/31/23	(6,240)	-	14,587	(14,587)	-	-	14,587	
					(6,240)	-	255,298	(250,058)	-	-	496,896	
Middle Grades Career Awareness and Exploration	84.048A	V048A220030	55,546	9/1/21-6/30/22	(31,825)	-	31,825	-	-	-	55,546	
Middle Grades Career Awareness and Exploration	84.048A	V048A230030	68,466	9/1/22-6/30/23	-	-	24,263	(64,350)	(40,087)	-	64,350	
					(31,825)	-	56,088	(64,350)	(40,087)	-	119,896	
C.R.R.S.A. - E.S.S.E.R. II	84.425D	S425D210027	372,927	3/13/20-9/30/23	(24,496)	-	88,213	(63,987)	(280)	-	310,700	
C.R.R.S.A. - E.S.S.E.R. II - Learning Acceleration	84.425D	S425D210027	25,000	3/13/20-9/30/23	(4,597)	-	5,305	(708)	-	-	23,863	
C.R.R.S.A. - E.S.S.E.R. II - Mental Health Support	84.425D	S425D210027	45,000	3/13/20-9/30/23	(3,392)	-	5,689	(2,197)	-	-	36,228	
					(32,485)	-	99,107	(66,902)	(280)	-	370,791	
A.R.P. - E.S.S.E.R.	84.425U	S425U210027	838,130	3/13/20-9/30/24	(134,501)	-	606,411	(517,398)	(45,488)	-	838,130	
A.R.P. - E.S.S.E.R. - Accelerated Learning	84.425U	S425U210027	78,774	3/13/20-9/30/24	(34,880)	-	65,701	(43,884)	(13,073)	-	78,774	
A.R.P. - E.S.S.E.R. - Summer Learning	84.425U	S425U210027	40,000	3/13/20-9/30/24	-	-	40,000	(40,000)	-	-	40,000	
A.R.P. - E.S.S.E.R. - Beyond the School Day	84.425U	S425U210027	40,000	3/13/20-9/30/24	-	-	29,944	(39,066)	(9,122)	-	39,066	
A.R.P. - E.S.S.E.R. - Mental Health Support	84.425U	S425U210027	45,000	3/13/20-9/30/24	(169,381)	-	31,000	(41,953)	(10,953)	-	41,953	
					(169,381)	-	773,056	(682,311)	(78,636)	-	1,037,923	
A.R.P. - Homeless Children and Youth	84.425W	S425W221031	2,500	4/23/21-6/30/23	-	-	2,500	(2,500)	-	-	2,500	
Total Special Revenue Fund					(290,972)	-	1,462,756	(1,296,394)	(124,610)	-	2,410,266	
Total Federal Financial Awards					(652,917)	3,637	1,799,840	(1,584,782)	(135,478)	1,256	3,276,590	

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

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

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From / To	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO	
				Def. Rev. (Accts. Rec.)	(Accts. Rec.)			(Accounts Receivable)	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>											
<b>General Fund:</b>											
Equalization Aid	495-034-5120-078	831,967	7/1/22-6/30/23	-	-	750,711	(831,967)	-	-	(81,256)	831,967
Special Education Categorical Aid	495-034-5120-089	547,530	7/1/22-6/30/23	-	-	494,054	(547,530)	-	-	(53,476)	547,530
Security Aid	495-034-5120-084	23,490	7/1/22-6/30/23	-	-	21,196	(23,490)	-	-	(2,294)	23,490
Stabilization Aid	495-034-5120-078	57,530	7/1/22-6/30/23	-	-	57,530	(57,530)	-	-	-	57,530
Maintenance of Equity State Aid	495-034-5120-125	1,187,136	7/1/22-6/30/23	-	-	1,323,491	(1,460,517)	(1,187,136)	(1,187,136)	-	1,402,987
<b>Total State Aid Public Cluster</b>											
Reimbursed TPAF Social Security	495-034-5094-003	652,233	7/1/21-6/30/22	(65,745)	-	65,745	-	-	-	-	652,233
Reimbursed TPAF Social Security	495-034-5094-003	635,262	7/1/22-6/30/23	-	-	570,242	(635,262)	(65,020)	-	-	635,262
Extraordinary Special Education Costs Aid	495-034-5120-044	322,960	7/1/21-6/30/22	(322,960)	-	322,960	-	-	-	-	322,960
Extraordinary Special Education Costs Aid	495-034-5120-044	337,884	7/1/22-6/30/23	-	-	-	(337,884)	(337,884)	-	-	337,884
Transportation Aid	495-034-5120-014	11,642	7/1/22-6/30/23	-	-	10,505	(11,642)	-	-	(1,137)	11,642
Homeless Tuition Reimbursement	495-034-5120-005	9,442	7/1/21-6/30/22	(9,442)	-	9,442	-	-	-	-	9,442
Homeless Tuition Reimbursement	495-034-5120-005	40,898	7/1/22-6/30/23	-	-	3,047,032	(40,898)	(40,898)	-	-	40,898
On-behalf TPAF Pension	495-034-5094-002	3,047,032	7/1/22-6/30/23	-	-	42,274	(3,047,032)	-	-	-	3,047,032
On-behalf TPAF NCGI Premium	495-034-5094-004	42,274	7/1/22-6/30/23	-	-	42,274	(42,274)	-	-	-	42,274
On-behalf TPAF Post Retirement Medical	495-034-5094-001	811,553	7/1/22-6/30/23	-	-	811,553	(811,553)	-	-	-	811,553
On-behalf TPAF Long-Term Disability Ins.	495-034-5094-002	1,291	7/1/22-6/30/23	-	-	1,291	(1,291)	-	-	-	1,291
Non Public Transportation Aid	495-034-5120-014	12,470	7/1/21-6/30/22	(12,470)	-	12,470	-	-	-	-	12,470
Non Public Transportation Aid	495-034-5120-014	11,856	7/1/22-6/30/23	-	-	-	(11,856)	(11,856)	-	-	11,856
School Security Grant	495-034-5120-014	45,858	7/1/20-6/30/22	(20,000)	-	20,000	-	-	-	-	45,858
<b>Total General Fund</b>											
				(430,617)	-	6,237,005	(6,400,209)	(1,642,794)	(1,642,794)	(138,163)	7,385,642
<b>Debt Service Fund:</b>											
Debt Service Aid	495-034-5120-075	392,105	7/1/22-6/30/23	-	-	392,105	(392,105)	-	-	-	392,105
<b>Total Debt Service Fund</b>											
				-	-	392,105	(392,105)	-	-	-	392,105
<b>Special Revenue Fund:</b>											
School Development Authority		19,101	7/1/22-6/30/23	-	-	19,101	(19,101)	-	-	-	19,101
Emergent Need and Capital Maintenance				-	-	19,101	(19,101)	-	-	-	19,101
<b>Total Special Revenue Fund</b>											
				-	-	19,101	(19,101)	-	-	-	19,101
<b>State Department of Agriculture</b>											
<b>Enterprise Fund:</b>											
State School Lunch Program	100-010-3350-023	11,263	7/1/21-6/30/22	(1,080)	-	1,080	-	-	-	-	11,263
State School Lunch Program	100-010-3350-023	6,539	7/1/22-6/30/23	-	-	6,125	(6,539)	(413)	-	-	6,539
State School Breakfast Program	100-010-3350-023	547	7/1/22-6/30/23	(1,080)	-	503	(547)	(44)	-	-	547
<b>Total Enterprise Fund</b>											
				(1,080)	-	7,708	(7,085)	(458)	-	-	18,349
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>											
				(431,697)	-	6,655,919	(6,818,500)	(1,643,252)	(1,643,252)	(138,163)	7,815,197
<b>Less: On-Behalf Pension and Annuity Aid</b>											
On-behalf TPAF Pension	495-034-5094-002	3,047,032	7/1/22-6/30/23	-	-	3,047,032	(3,047,032)	-	-	-	3,047,032
On-behalf TPAF NCGI Premium	495-034-5094-004	42,274	7/1/22-6/30/23	-	-	42,274	(42,274)	-	-	-	42,274
On-behalf TPAF Post Retirement Medical	495-034-5094-001	811,553	7/1/22-6/30/23	-	-	811,553	(811,553)	-	-	-	811,553
On-behalf TPAF Long-Term Disability Ins.	495-034-5094-002	1,291	7/1/22-6/30/23	-	-	1,291	(1,291)	-	-	-	1,291
<b>Total For State Financial Assistance Major Program Determination</b>											
				(431,697)	-	2,753,769	(2,916,350)	(1,643,252)	(1,643,252)	(138,163)	3,913,047

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



**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all Federal and State Award programs of the Board of Education, Borough of Wanaque School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2 (C) and 2(D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

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

**Borough of Wanaque District  
Notes to the Schedules of Expenditures of Federal Awards and  
State Financial Assistance  
June 30, 2023**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$28,708 for the general fund and \$116,052 for the special revenue fund. See Note for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during 2023 fiscal year was \$3,902,150.

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$23,544	\$7,575,155	\$7,598,699
Special Revenue Fund	1,395,447	19,101	1,414,580
Debt Service Fund	-	392,105	392,105
Food Service Fund	<u>241,256</u>	<u>7,085</u>	<u>248,341</u>
Total Financial Awards	<u>\$1,660,247</u>	<u>\$7,993,446</u>	<u>\$9,659,235</u>

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

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

**NOTE 5. OTHER**

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

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

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

**NOTE 7. INDIRECT COST RATE**

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

**BOROUGH OF WANAQUE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?            yes   X   no

Significant deficiencies identified?            yes   X   none reported

Noncompliance material to financial statements noted?            yes   X   no

**Federal Awards**

Internal Control over major federal programs:

1) Material weakness(es) identified?            yes   X   no

2) Significant deficiencies identified?            yes   X   none reported

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

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200 section .516(a)?            yes   X   no

Identification of major federal programs:

<u>CFDA #</u>	<u>FEIN #</u>	<u>Name of Federal Program or Cluster</u>
		Education Stabilization Fund Cluster:
84.425D	S425D210027	C.R.R.S.A. - E.S.S.E.R. II
84.425D	S425D210027	C.R.R.S.A. - Learning Acceleration
84.425D	S425D210027	C.R.R.S.A. - Mental Health
84.425U	S425U210027	A.R.P. - E.S.S.E.R.
84.425U	S425U210027	A.R.P. - E.S.S.E.R. Accelerated Learning
84.425U	S425U210027	A.R.P. - E.S.S.E.R. Mental Health
84.425U	S425U210027	A.R.P. - E.S.S.E.R. Summer Learning
84.425U	S425U210027	A.R.P. - E.S.S.E.R. Beyond the School Day
84.425W	S425W210027	A.R.P. - Homeless



**BOROUGH OF WANAQUE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONS COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Section II - Schedule of Financial Statement Findings*

NONE

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

No matters were reported.

**BOROUGH OF WANAQUE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Status of Prior Year Findings**

There were no prior audit findings.