

WENONAH BOROUGH SCHOOL DISTRICT

Wenonah, New Jersey
County of Gloucester

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

WENONAH BOROUGH SCHOOL DISTRICT

WENONAH, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by

**Wenonah Borough School District
Finance Department**

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OUTLINE OF ACFR

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	7
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditor’s Report	13
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management’s Discussion and Analysis	19
BASIC FINANCIAL STATEMENTS	
A. Government-wide Financial Statements:	
A-1 Statement of Net Position	31
A-2 Statement of Activities	32
B. Fund Financial Statements:	
Governmental Funds	
B-1 Balance Sheet	35
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	36
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Proprietary Funds:	
B-4 Statement of Net Position	43
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Assets	44
B-6 Statement of Cash Flows	45
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	49
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	91
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual (if applicable)	N/A
C-1b Community Development Block Grant – Budget and Actual (if applicable)	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	99
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	100

(continued)

OUTLINE OF ACFR (continued):

	PAGE
Required Supplementary Information – Part III	
L-1 Schedule of the District’s Proportionate Share of Net Pension Liability – Public Employees’ Retirement System	105
L-2 Schedule of District Contributions – Public Employees’ Retirement System	106
L-3 Schedule of the District’s Proportionate Share of Net Pension Liability – Teachers’ Pension and Annuity Fund	107
L-4 Schedule of District Contributions – Teachers’ Pension and Annuity Fund	108
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios – State Health Benefit Local Education Retired Employees Plan (OPEB)	111
Notes to the Required Supplementary Information – Part III	115
D. School Based Budget Schedules (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	123
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	127
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	128
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Roof Replacement & Misc. Facilities	129
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flows	N/A
Internal Service Fund –	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A

(continued)

OUTLINE OF ACFR (continued):

	PAGE
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	141
I-2 Schedule of Loans Payable	142
I-3 Debt Service Fund Budgetary Comparison Schedule	143

STATISTICAL SECTION (Unaudited)

Financial Trends:	
J-1 Net Position by Component	147
J-2 Changes in Net Position	148
J-3 Fund Balances – Governmental Funds	151
J-4 Changes in Fund Balances – Governmental Funds	152
J-5 General Fund Other Local Revenue by Source	153
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	154
J-7 Direct & Overlapping Property Tax Rates	155
J-8 Principal Property Taxpayers	156
J-9 Property Tax Levies & Collections	157
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	158
J-11 Ratios of General Bonded Debt Outstanding	159
J-12 Direct & Overlapping Governmental Activities Debt	159
J-13 Legal Debt Margin Information	160
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	161
J-15 Principal Employers	162
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	163
J-17 Operating Statistics	164
J-18 School Building Information	165
J-19 Schedule of Required Maintenance	166
J-20 Insurance Schedule	167

SINGLE AUDIT SECTION

K-1 Independent Auditor’s Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	171
K-2 Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance in Required by New Jersey OMB Circular 15-08	173
K-3 Schedule of Expenditures of Federal Awards, Schedule A	176
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	177
K-5 Notes to Schedules of Awards and Financial Assistance	178
K-6 Schedule of Findings and Questioned Costs	
Part I – Summary of Auditor’s Results	180
Part II – Financial Statement Findings	182
Part III – Federal Awards & State Financial Assistance Findings & Questioned Costs	182
K-7 Summary Schedule of Prior Audit Findings	183

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INTRODUCTORY SECTION

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WENONAH PUBLIC SCHOOL

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Kristine Height
Chief School Administrator



Denise DiGiandomenico
Interim Business Administrator/Board Secretary

November 13, 2023

Honorable President and Members
of the Board of Education
Wenonah Borough School District
County of Gloucester
Wenonah, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Wenonah Borough School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Wenonah Borough School 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Wenonah Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment for the past ten fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	167	0.60%
2021-2022	166	0.61%
2020-2021	165	-2.94%
2019-2020	170	-2.86%
2018-2019	175	-3.85%
2017-2018	182	2.82%
2016-2017	177	-8.29%
2015-2016	193	-7.66%
2014-2015	209	-7.93%
2013-2014	227	-8.10%

MAJOR INITIATIVES

CURRICULUM

- Curriculum
 - Ongoing use of IXL, LLI, and Phonics First for remediation and enrichment opportunities
 - Team approach at every level to map the curriculum and coordinate instruction
 - Implementation of differentiated instruction and assessment strategies, as well as personalized learning through the use of standard based grading, specifically in writing.

MAJOR INITIATIVES (continued)

- Committees
Improve and update the overall operations of the school through committees: Grade Level/Special Areas, School Safety, Wellness, ScIP, New ELA Resource and Inclusive & Equality.
 - Conversations will be centered around student learning plans while planning for improvement and tracking plans.
 - Meetings will be content based with teach leader facilitating the meetings.
 - Improve student and faculty wellness through Social-Emotional Learning.
 - Professional Development in Trauma Informed Training.
- Embedding technology in the classroom – everyday
Grades K-6 with 1 to 1 use of Chromebooks and iPads. Chromebooks are continually updated or replaced as operating system allows according to testing requirements.
- Safety
 - Upgraded security system with additional security cameras and speakers.
 - Upgraded exterior door control/fob system.
- Expansion of communication to all stakeholders via e-mail, text alerts, and district newsletter.
- Improve and development teacher evaluation system.
- Provide teachers with annual professional development in McCrel standards and artifacts that support teaching and learning.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

As part of the School 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.

BUDGETARY CONTROLS

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

BUDGETARY CONTROLS (continued)

used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules 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.

ACKNOWLEDGEMENTS

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

Respectfully submitted,

Kristine Height

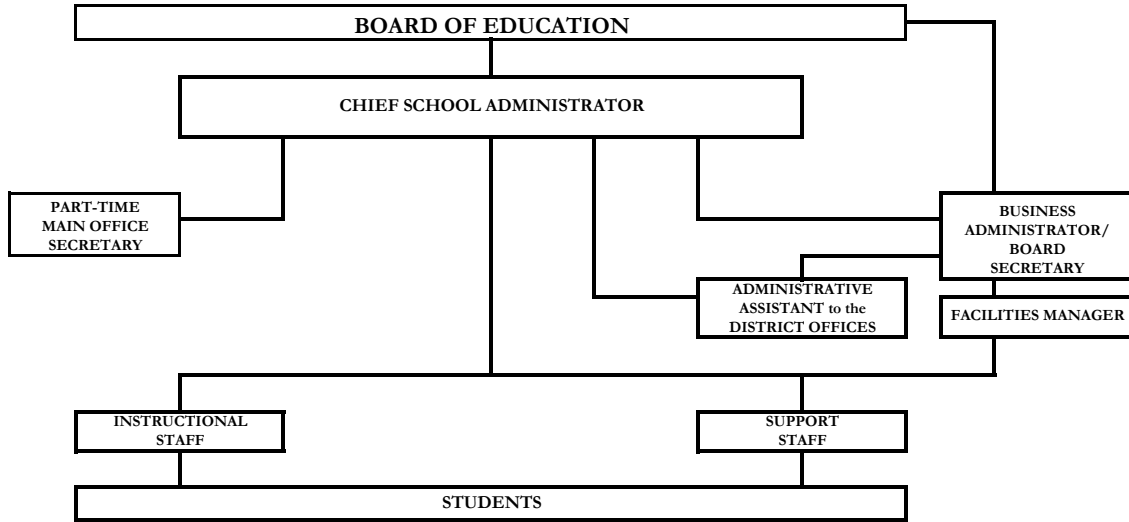
Chief School Administrator

Denise DiGiandomenico

Interim School Business Administrator/Board Secretary

**BOROUGH OF WENONAH BOARD OF EDUCATION
WENONAH, NEW JERSEY**

ORGANIZATIONAL CHART



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WENONAH BOROUGH SCHOOL DISTRICT
Wenonah, New Jersey 08090

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Louis McCall, President	2023
Cheryl Demo-Morris, Vice President	2025
Donna Baines	2023
Michelle Contarino	2024
William Helmbrecht	2024
Sara Madgey	2025
Rachel McCalley	2025

OTHER OFFICIALS

Kristine Height, Chief School Administrator

Denise DiGiandomenico, Interim School Business Administrator/Board Secretary

Daniel H Long, Esq., Solicitor

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WENONAH BOROUGH SCHOOL DISTRICT

**200 N. Clinton Avenue
Wenonah, New Jersey 08090**

CONSULTANTS AND ADVISORS

AUDIT FIRM

David T. McNally, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Wade, Long, Wood & Long, LLC.
1250 Chews Landing Road, Suite 1
Laurel Springs, NJ 08021

ARCHITECT

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Avenue
Toms River, NJ 08753

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Wenonah Borough School District
County of Gloucester
Wenonah, New Jersey

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Wenonah Borough School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School 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, the business-type activities, each major fund and the aggregate remaining fund information of the Wenonah Borough School District, County of Gloucester, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to

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continue as a going concern for twelve months beyond the financial statement date, including any current 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 opinion. 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 and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
November 13, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**Wenonah Borough School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

This section of the Wenonah Borough School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's discussion and Analysis – for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current year (2022-23) and the prior year (2021-22) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022-2023 are as follows:

- The assets of the Wenonah Borough School District exceeded its liabilities at the close of the most recent fiscal year by \$2,659,762 (net position).
- Net Position for Governmental Activities and for Business-Type Activities were \$2,653,983 and \$5,779, respectively.
- The General Fund, fund balance as of June 30, 2023 was \$840,792, a decrease of \$225,508 when compared with the beginning balance as of July 1, 2022 of \$1,066,300.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Wenonah Borough School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of provided goods or services to be financed through user charges. The preschool extended care fund provides for the operation of extended care for preschool aged children within the District and the Back to School program fund provides for the operations of the District's other back to school programs. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The preschool extended care and back to school program funds detailed financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs. The District does not currently maintain any fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The District’s financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District’s financial position. The following table provides a summary of net position for June 30, 2023 and 2022, respectively:

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
ASSETS				
Current Assets	\$ 2,372,591	\$ 3,431,962	\$ 5,779	\$ 5,779
Capital Assets, Net	4,096,090	3,039,748	-	-
Total Assets	6,468,681	6,471,710	5,779	5,779
Deferred Outflows of Resources	76,158	88,325	-	-
Total Assets and Deferred Outflows of Resources	\$ 6,544,839	\$ 6,560,035	\$ 5,779	\$ 5,779
LIABILITIES				
Current Liabilities	\$ 77,172	\$ 105,854	\$ -	\$ -
Noncurrent Liabilities	3,530,966	3,715,844	-	-
Total Liabilities	3,608,138	3,821,698	-	-
Deferred Inflows of Resources	282,718	405,507	-	-
Total Liabilities and Deferred Inflows of Resources	3,890,856	4,227,205	-	-
NET POSITION				
Net Investment in Capital Assets	909,527	(347,490)	-	-
Restricted	1,906,840	3,112,236	-	-
Unrestricted (Deficit)	(162,384)	(431,916)	5,779	5,779
Total Net Position	\$ 2,653,983	\$ 2,332,830	\$ 5,779	\$ 5,779

The District’s first net position component is the Net Investment in Capital Assets as shown above. This balance represents the net book value of capital assets, less adjustments for associated debt outstanding.

The District's restricted net position balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position decreased \$1,205,396 from the prior year to a total balance of \$1,906,840 as of June 30, 2023.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$162,384) is shown as unrestricted net position for governmental activities.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2023 and 2022. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

	CHANGES IN NET POSITION			
	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
REVENUES				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ -	\$ 15,140
Operating Grants & Contributions	565,794	740,627	-	-
General Revenues				
Property Taxes	3,193,552	2,893,440	-	-
Grants & Entitlements	380,888	557,422	-	-
Miscellaneous	62,079	42,206	-	-
Total Revenues	<u>4,202,313</u>	<u>4,233,695</u>	<u>-</u>	<u>15,140</u>
Expenses:				
Instruction	1,590,780	1,420,096	-	-
Support Services	2,102,088	2,250,610	-	-
Interest and Other Charges	70,400	67,592	-	-
Other	117,892	117,517	-	15,873
Total Expenses	<u>3,881,160</u>	<u>3,855,815</u>	<u>-</u>	<u>15,873</u>
Increase in Net Position before Transfers	<u>321,153</u>	<u>377,880</u>	<u>-</u>	<u>(733)</u>
Changes in Net Position	<u>321,153</u>	<u>377,880</u>	<u>-</u>	<u>(733)</u>
Net Position- July 1	<u>2,332,830</u>	<u>1,954,950</u>	<u>5,779</u>	<u>6,512</u>
Net Postion- June 30	<u>\$ 2,653,983</u>	<u>\$ 2,332,830</u>	<u>\$ 5,779</u>	<u>\$ 5,779</u>

Financial Analysis of the District's Funds

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

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2023 and 2022 and the amount and percentage of increases and (decreases) in related to prior year expenditures.

	<u>June 30, 2023</u>			
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2021</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 1,590,780	27.89%	\$ 170,684	12.02%
Undistributed	2,649,582	46.46%	54,224	2.09%
Capital Outlay	1,186,008	20.80%	461,505	63.70%
Debt Service:				
Principal	185,000	3.24%	5,000	2.78%
Interest	91,518	1.60%	64,969	244.71%
Total	\$ 5,702,888	100.00%	\$ 756,382	15.29%

	<u>June 30, 2022</u>			
	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2021</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures:				
Instruction	\$ 1,420,096	28.71%	\$ 13,862	0.99%
Undistributed	2,595,358	52.47%	166,410	6.85%
Capital Outlay	724,503	14.65%	708,369	4390.54%
Debt Service:				
Principal	180,000	3.64%	5,000	2.86%
Interest	26,549	0.54%	(3,500)	-11.65%
Total	\$ 4,946,506	100.00%	\$ 890,141	21.94%

Capital Outlay costs increased due to the capital projects approved by the referendum for the current fiscal year.

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2022-2023 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

General Fund Budgetary Highlights (continued):

Significant Budget Transfers and Variations:

- TPAF, which is the state’s contribution to the pension funds, is an “on-behalf” revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2022-2023 year.

Based on the financial results of 2022-2023, unassigned fund balance remained almost unchanged at \$292,284 (Maximum allowed per S-1701, net of allowable adjustments).

Proprietary Funds. The District’s proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Preschool Extended Care and Back to School Program enterprise funds showed no change in net position in 2022-2023, as compared to a decrease in net position of \$733 in 2021-2022.

Capital Assets

At June 30, 2023, the District had capital assets of \$4,096,090, net of depreciation, which included land improvements, buildings and improvements and equipment.

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
Land	\$ 29,375	\$ 29,375
Construction in Progress	1,858,719	689,778
Land Improvements	20,525	23,035
Building & Improvements	2,099,899	2,202,188
Equipment	87,572	95,372
	<u>4,096,090</u>	<u>3,039,748</u>
Business-Type Activities:		
Equipment	-	-
	<u>-</u>	<u>-</u>
Total Capital Assets	<u>\$ 4,096,090</u>	<u>\$ 3,039,748</u>

Additional information on the District’s capital assets can be found at Note 5 in the Notes to the Financial Statements.

Debt Administration and Other Obligations

At June 30, 2023 and 2022, the District’s outstanding debt issues included \$3,171,000 and \$3,356,000 respectively of general obligation bonds, \$15,563 and \$31,238 respectively of leases payable and \$78,429 and \$55,870 respectively of compensated absences payable.

Additional information on the District’s debt administration and other obligations can be found at Note 7 in the Notes to the Financial Statements.

Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2023-2024 will be adequate to satisfy all of the fiscal year's needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected that the State of New Jersey will again delay the final state aid payments to school districts for the 2023-2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Wenonah Borough School District's finances for all of those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Interim Business Administrator/Board Secretary's Office, Wenonah Borough School District, 200 N. Clinton Avenue, Wenonah, NJ 08090.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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WENONAH BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 2,248,169	\$ 5,779	\$ 2,253,948
Receivables, Net (Note 4)	124,422	-	124,422
Capital Assets, Net (Note 5):			
Non-depreciable	1,888,094	-	1,888,094
Depreciable	2,207,996	-	2,207,996
Total Assets	6,468,681	5,779	6,474,460
DEFERED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	76,158	-	76,158
Total Deferred Outflow of Resources	76,158	-	76,158
Total Assets and Deferred Outflow of Resources	6,544,839	5,779	6,550,618
LIABILITIES			
Due to Other Governments	21,873	-	21,873
Accounts Payable	25,984	-	25,984
Accrued Interest Payable	27,860	-	27,860
Unearned Revenue	1,455	-	1,455
Noncurrent Liabilities (Note 7):			
Due Within One Year	268,678	-	268,678
Due Beyond One Year	3,262,288	-	3,262,288
Total Liabilities	3,608,138	-	3,608,138
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	282,718	-	282,718
Total Deferred Inflows of Resources	282,718	-	282,718
Total Liabilities and Deferred Inflows of Resources	3,890,856	-	3,890,856
NET POSITION			
Net Investment in Capital Assets	909,527	-	909,527
Restricted For:			
Capital Reserve	89,475	-	89,475
Maintenance Reserve	19,959	-	19,959
Reserve for Unemployment	26,010	-	26,010
Excess Surplus	267,036	-	267,036
Capital Projects	1,469,821	-	1,469,821
Debt Service	11,218	-	11,218
Other Purposes	23,321	-	23,321
Unrestricted	(162,384)	5,779	(156,605)
Total Net Position	\$ 2,653,983	\$ 5,779	\$ 2,659,762

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

**WENONAH BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 1,254,296	\$ -	\$ 129,681	\$ (1,124,615)	\$ -	\$ (1,124,615)
Special Education Instruction	225,722	-	-	(225,722)	-	(225,722)
Other Instruction	110,762	-	-	(110,762)	-	(110,762)
Support Services & Undistributed Costs:						
Tuition	68,812	-	-	(68,812)	-	(68,812)
Attendance/Social Work	30,535	-	-	(30,535)	-	(30,535)
Health Services	87,244	-	-	(87,244)	-	(87,244)
Student & Instruction Related Services	478,393	-	99,633	(378,760)	-	(378,760)
Educational Media Services/School						
Library	18,210	-	-	(18,210)	-	(18,210)
Instructional Staff Training	394	-	-	(394)	-	(394)
General Administrative Services	212,426	-	-	(212,426)	-	(212,426)
School Administrative Services	15,791	-	-	(15,791)	-	(15,791)
Central Services	101,967	-	-	(101,967)	-	(101,967)
Administrative Information Technology	15,777	-	-	(15,777)	-	(15,777)
Plant Operations & Maintenance	340,429	-	-	(340,429)	-	(340,429)
Pupil Transportation	26,649	-	-	(26,649)	-	(26,649)
Unallocated Benefits	705,461	-	336,480	(368,981)	-	(368,981)
Interest and Other Charges on						
Long-Term Debt	70,400	-	-	(70,400)	-	(70,400)
Unallocated Depreciation	117,892	-	-	(117,892)	-	(117,892)
Total Governmental Activities	<u>\$ 3,881,160</u>	<u>\$ -</u>	<u>\$ 565,794</u>	<u>\$ (3,315,366)</u>	<u>\$ -</u>	<u>\$ (3,315,366)</u>
Business-Type Activities:						
Preschool Extended Care Fund	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-
Total Primary Government	<u>\$ 3,881,160</u>	<u>\$ -</u>	<u>\$ 565,794</u>	<u>\$ (3,315,366)</u>	<u>\$ -</u>	<u>\$ (3,315,366)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 2,951,309	\$ -	\$ 2,951,309
Taxes Levied for Debt Service				242,243	-	242,243
Federal & State Aid Not Restricted				380,888	-	380,888
Tuition From Individuals				28,712	-	28,712
Interest Earned on Capital Reserve				634	-	634
Miscellaneous Income				32,733	-	32,733
Total General Revenues, Special Items, Extraordinary Items & Transfers				<u>3,636,519</u>	<u>-</u>	<u>3,636,519</u>
Change In Net Position				321,153	-	321,153
Net Position - Beginning				<u>2,332,830</u>	<u>5,779</u>	<u>2,338,609</u>
Net Position - Ending				<u>\$ 2,653,983</u>	<u>\$ 5,779</u>	<u>\$ 2,659,762</u>

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

B. Fund Financial Statements

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**WENONAH BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Assets:					
Cash & Cash Equivalents	\$ 688,309	\$ 6,823	\$ 1,417,593	\$ -	\$ 2,112,725
Accounts Receivable:					
Federal Aid	-	24,663	-	-	24,663
State Aid	29,392	-	65,000	-	94,392
Other	2,867	2,500	-	-	5,367
Interfund	1,232	-	-	11,218	12,450
Restricted Cash & Cash Equivalents	135,444	-	-	-	135,444
Total Assets	\$ 857,244	\$ 33,986	\$ 1,482,593	\$ 11,218	\$ 2,385,041
Liabilities & Fund Balances:					
Liabilities:					
Accounts Payable	\$ 16,452	\$ 7,978	\$ 1,554	\$ -	\$ 25,984
Unearned Revenue	-	1,455	-	-	1,455
Interfund Payable	-	1,232	11,218	-	12,450
Total Liabilities	16,452	10,665	12,772	-	39,889
Fund Balances:					
Restricted for:					
Capital Reserve Account	89,475	-	-	-	89,475
Maintenance Reserve Account	19,959	-	-	-	19,959
Reserve for Unemployment	26,010	-	-	-	26,010
Excess Surplus	72,146	-	-	-	72,146
Excess Surplus Designated for Subsequent Year's Expenditures	194,890	-	-	-	194,890
Student Activities	-	23,321	-	-	23,321
Capital Projects	-	-	1,469,821	-	1,469,821
Debt Service Fund	-	-	-	11,218	11,218
Assigned to:					
Designated for Subsequent Year's Expenditures	63,167	-	-	-	63,167
Other Purposes	100,832	-	-	-	100,832
Unassigned:					
General Fund	274,313	-	-	-	274,313
Total Fund Balances	840,792	23,321	1,469,821	11,218	2,345,152
Total Liabilities & Fund Balances	\$ 857,244	\$ 33,986	\$ 1,482,593	\$ 11,218	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,822,626 and the accumulated depreciation is \$2,726,536.	4,096,090
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(27,860)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows Related to Pensions	76,158
Deferred Inflows Related to Pension	(282,718)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(21,873)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,530,966)
Net Position of Governmental Activities	<u>\$ 2,653,983</u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,951,309	\$ -	\$ -	\$ 242,243	\$ 3,193,552
Tuition From Individuals	28,712	-	-	-	28,712
Interest Earned on Capital Reserve	634	-	-	-	634
Miscellaneous	24,660	14,718	8,073	-	47,451
Total Revenues - Local Sources	3,005,315	14,718	8,073	242,243	3,270,349
State Sources	1,071,218	3,812	70,640	23,926	1,169,596
Federal Sources	-	210,784	-	-	210,784
Total Revenues	4,076,533	229,314	78,713	266,169	4,650,729
Expenditures:					
Current Expense:					
Regular Instruction	1,124,615	129,681	-	-	1,254,296
Special Education Instruction	225,722	-	-	-	225,722
Other Instruction	110,762	-	-	-	110,762
Support Services & Undistributed Costs:					
Tuition	68,812	-	-	-	68,812
Attendance/Social Work	30,535	-	-	-	30,535
Health Services	87,244	-	-	-	87,244
Student & Instruction Related Services	392,211	86,182	-	-	478,393
Educational Media Services/School Library	18,210	-	-	-	18,210
Instructional Staff Training	394	-	-	-	394
General Administrative Services	212,426	-	-	-	212,426
School Administrative Services	15,791	-	-	-	15,791
Central Services	101,967	-	-	-	101,967
Administrative Information Technology	15,777	-	-	-	15,777
Plant Operations & Maintenance	344,330	-	-	-	344,330
Pupil Transportation	26,649	-	-	-	26,649
Unallocated Benefits	464,158	-	-	-	464,158
On-Behalf TPAF Pension & Soc. Sec. Contrib.	784,896	-	-	-	784,896
Capital Outlay	5,293	11,774	1,168,941	-	1,186,008
Debt Service:					
Principal	-	-	-	185,000	185,000
Interest & Other Charges	10,349	-	-	81,169	91,518
Total Expenditures	4,040,141	227,637	1,168,941	266,169	5,702,888
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	36,392	1,677	(1,090,228)	-	(1,052,159)
Other Financing Sources/(Uses):					
Operating Transfer In	-	-	261,900	8,073	269,973
Operating Transfer Out	(261,900)	-	(8,073)	-	(269,973)
Total Other Financing Sources/(Uses)	(261,900)	-	253,827	8,073	-
Net changes in fund balances	(225,508)	1,677	(836,401)	8,073	(1,052,159)
Fund Balances, July 1	1,066,300	21,644	2,306,222	3,145	3,397,311
Fund Balances, June 30	\$ 840,792	\$ 23,321	\$ 1,469,821	\$ 11,218	\$ 2,345,152

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

**WENONAH 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 YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (1,052,159)

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

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

Capital Outlays	\$ 1,174,234	
Depreciations Expense	<u>(117,892)</u>	1,056,342

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. 117,736

Repayment of long-term debt principal and obligation of lease purchase agreements are 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. 200,675

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 accrued interest is an addition in the reconciliation (+). 21,118

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (22,559)

Change in Net Position of Governmental Activities \$ 321,153

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

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Governmental Funds

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Proprietary Funds

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**WENONAH BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

ASSETS	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUNDS		TOTALS
	PRESCHOOL EXTENDED CARE	BACK TO SCHOOL PROGRAM	
Cash & Cash Equivalents	\$ 4,571	\$ 1,208	\$ 5,779
Total Assets	4,571	1,208	5,779
NET POSITION			
Unrestricted	4,571	1,208	5,779
Total Net Position	\$ 4,571	\$ 1,208	\$ 5,779

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	PRESCHOOL EXTENDED CARE	BACK TO SCHOOL PROGRAM			TOTALS
Total Net Position - Beginning	\$ 4,571	\$ 1,208	\$		5,779
Total Net Position - Ending	\$ 4,571	\$ 1,208	\$		5,779

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PRESCHOOL EXTENDED CARE	BACK TO SCHOOL PROGRAM	TOTALS
Balances - Beginning of Year	\$ 4,571	\$ 1,208	\$ 5,779
Balances - Ending of Year	\$ 4,571	\$ 1,208	\$ 5,779

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ -	\$ -	\$ -
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ -	\$ -

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

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Fiduciary Funds

Not Applicable

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WENONAH BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Wenonah Borough School District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Wenonah Borough School District (hereafter referred to as the “School District”) is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades Pre-K through sixth. The School District has an approximate enrollment at June 30, 2023 of 167 students.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No. 14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2023.

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above. The District does not currently maintain any fiduciary funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (if applicable). However, data from the fiduciary funds would not be incorporated in the government-wide financial statements if present.

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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.

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

The District reports the following major proprietary funds:

Preschool Extended Care Fund – This fund accounts for the financial transactions pertaining to the District’s extended day care for preschool aged children operations.

Back to School Program Fund – This fund accounts for the financial transactions related to the District’s back to school program.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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 and Cash Equivalents

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.

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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 Payable/Receivable

Tuition rates for the fiscal year end June 30, 2023 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Balances with fiduciary funds would not be considered Internal Balances; therefore those balances would be reported on the Statement of Net Position, if present.

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 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 District 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds

are reported on the proprietary fund financial statements. In general, government 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 judgments, compensated

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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 normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

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. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2023.

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The adoption of this pronouncement had no material effect on the financial statements.

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net 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.

In addition to liabilities, the statement of net 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 periods and so will not be recognized as an inflow of resources (revenue) until that time.

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District’s bank balance of \$2,293,836 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 2,286,778
Uninsured and Uncollateralized	<u>7,058</u>
	<u>\$ 2,293,836</u>

Investments

The School District had no investments at June 30, 2023.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District 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.

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 3. Reserve Accounts (continued):

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-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 the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	365,741
Increased by:		
Interest Earnings		634
Deposits approved by Board		<u>25,000</u>
		391,375
Decreased by:		
Budget Withdrawals		<u>(301,900)</u>
Ending Balance, June 30, 2023	\$	<u>89,475</u>

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's facilities for the current year.

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

Beginning Balance, July 1, 2022	\$	33,669
Increased by:		
Deposits approved by Board		<u>5,000</u>
Decreased by:		
Budget Withdrawals		<u>(18,710)</u>
Ending Balance, June 30, 2023	\$	<u>19,959</u>

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental activities as of June 30, 2023, consisted of the following:

<u>Description</u>	Governmental Funds			<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Federal Awards	\$ -	\$ 24,663	\$ -	\$ 24,663
State Awards	29,392	-	65,000	94,392
Other	2,867	2,500	-	5,367
Total	<u>\$ 32,259</u>	<u>\$ 27,163</u>	<u>\$ 65,000</u>	<u>\$ 124,422</u>

Note 5. Capital Assets

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

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 29,375	\$ -	\$ -	\$ 29,375
Construction in Progress	689,778	1,168,941	-	1,858,719
Total Capital Assets not being depreciated	719,153	1,168,941	-	1,888,094
Capital Assets being depreciated:				
Land Improvements	94,811	-	-	94,811
Buildings and Improvements	4,473,410	-	-	4,473,410
Equipment	361,018	5,293	-	366,311
Total Capital Assets being depreciated	4,929,239	5,293	-	4,934,532
Less: Accumulated Depreciation:				
Land Improvements	(71,776)	(2,510)	-	(74,286)
Buildings and Improvements	(2,271,222)	(102,290)	-	(2,373,512)
Equipment	(265,646)	(13,092)	-	(278,738)
Total Accumulated Depreciation	(2,608,644)	(117,892)	-	(2,726,536)
Total Capital Assets being depreciated, net	2,320,595	(112,599)	-	2,207,996
Total Governmental Activities Capital Assets, net	\$ 3,039,748	\$ 1,056,342	\$ -	\$ 4,096,090

Depreciation expense was not allocated among the various functions/programs of the School District.

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivable/payable balances as of June 30, 2023 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,232	\$ -
Special Revenue Fund	-	1,232
Capital Projects Fund	-	11,218
Debt Service Fund	11,218	-
	<u>\$ 12,450</u>	<u>\$ 12,450</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 261,900
Capital Projects Fund	261,900	8,073
Debt Service Fund	8,073	-
	<u>\$ 269,973</u>	<u>\$ 269,973</u>

The purpose of the interfund transfer from the capital projects fund to the debt service fund was to use interest earned from unspent proceeds from capital projects to be used for current and future debt service payments related to the completed capital projects. The purpose of the interfund transfer from the general fund to the debt service fund was for current debt service payments.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 3,356,000	\$ -	\$ 185,000	\$ 3,171,000	\$ 261,000
Capital Leases	31,238	-	15,675	15,563	7,678
Compensated Absences	55,870	22,559	-	78,429	-
Net Pension Liability	272,736	-	6,762	265,974	-
	<u>\$ 3,715,844</u>	<u>\$ 22,559</u>	<u>\$ 207,437</u>	<u>\$ 3,530,966</u>	<u>\$ 268,678</u>

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 7. Long-Term Obligations (continued):

For governmental activities, the bonds payable are liquidated from the School District’s debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On December 12, 2012, the School District issued \$1,720,000 of bonds, payable in annual installments. The Bonds were issued at interest rates varying from 2.00% to 3.00% and mature on January 15, 2024.

On December 2, 2021, the School District issued \$2,996,000 of bonds, payable in annual installments. The bonds were issued at interest rates of 2.50% and mature on August 1, 2041.

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

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 261,000	\$ 65,280	\$ 326,280
2025	170,000	57,900	227,900
2026	170,000	54,500	224,500
2027	170,000	51,100	221,100
2028	160,000	47,800	207,800
2029-2033	800,000	191,000	991,000
2034-2038	800,000	110,900	910,900
2039-2042	640,000	28,400	668,400
	<u>\$ 3,171,000</u>	<u>\$ 606,880</u>	<u>\$ 3,777,880</u>

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

Lease Purchase Payable

The District currently has leases payable for communication systems and equipment purchased through financing. The loan terms are for five years and have interest rates that vary from 2.55% to 2.69%. The following is a schedule of future minimum loan payments:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,678	\$ 419	\$ 8,097
2025	7,885	212	8,097
	<u>\$ 15,563</u>	<u>\$ 631</u>	<u>\$ 16,194</u>

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$265,974 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.00176%, which was an decrease of 0.00054% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension benefit of \$95,510 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,920	\$ 1,693
Changes of Assumptions	824	39,827
Net Difference between Projected and Actual Earnings on Pension Plan Investments	11,008	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	40,533	241,198
School District Contributions Subsequent to Measurement Date	21,873	-
	\$ 76,158	\$ 282,718

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

\$21,873 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2023	\$ (187,690)
2024	(95,622)
2025	(46,633)
2026	101,735
2027	<u>(223)</u>
	<u>\$ (228,433)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	-	5.16
June 30, 2021	5.13	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
June 30, 2022	5.00	
 Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

A. 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 was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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

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.

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 rates of return for each major

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 Markets Equity	13.50%	8.37%
Emerging Markets 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%
	100.00%	

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 made 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 projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 287,354</u>	<u>\$ 265,974</u>	<u>\$ 146,223</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.001762%	0.002302%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

<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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

As mentioned previously, 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, the School District is 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 School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$6,597,704. The School District's proportionate share was \$-0-.

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 July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.01279%, which was a decrease of -0.00010% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$177,563 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

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	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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:

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

<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 Markets Equity	13.50%	8.37%
Emerging Markets 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%
	<u>100.00%</u>	

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>7,735,948</u>	<u>6,597,704</u>	<u>5,638,876</u>
	<u>\$ 7,735,948</u>	<u>\$ 6,597,704</u>	<u>\$ 5,638,876</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.01279%	0.01289%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued):

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2023, employee contributions totaled \$17,747, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$9,680.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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.

Total Nonemployer OPEB Liability: \$ 50,646,462,966

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

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

WENONAH BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 9. Other Post-Retirement Benefits (continued):

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 – June 30, 2021.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$6,055,191. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.01196%, which was a decrease of 0.00041% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$47,833 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

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 seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially -1.99% in fiscal year 2023, decreasing to -5.86% in fiscal year 2024 and increases to 4.50% after 11 years. For HMO the trend is initially -3.54% in fiscal year 2023, decreasing to -8.15% in fiscal year 2024 and increases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 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 discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB 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:

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 7,117,240	\$ 6,055,191	\$ 5,204,012
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 5,004,985	\$ 6,055,191	\$ 7,434,700
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,042,402,619	(15,462,950,679)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	<u>\$ 17,808,023,196</u>	<u>\$ (32,700,239,909)</u>

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	<u>June 30, 2021</u>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>151,669</u>
	<u><u>364,817</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Total OPEB Liability

Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Change in Benefit Tiers	-
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	<u>60,007,650,970</u>
Total OPEB Liability (Ending)	<u>\$ 50,646,462,966</u>
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$140,183, \$533,629, \$196 and \$110,888, respectively.

Note 11. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The School 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 Annual Comprehensive 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 following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023		\$ 97	\$ 9,569	\$ 26,010
2021-2022	-	27	-	35,482
2020-2021	3,970	42	2,730	35,455

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 12. Contingencies (continued):

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

Lincoln Investment Planning
AXA Equitable
VALIC

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$78,429 and \$-0-, respectively.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 15. Tax Abatements (continued):

municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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 their subsequent years' budget. The excess fund balance at June 30, 2023 was \$72,146.

Note 17. Fund Balances

General Fund – Of the \$840,792 General Fund fund balance at June 30, 2023, \$89,475 has been restricted for the Capital Reserve Account; \$19,959 has been restricted for the Maintenance Reserve Account; \$26,010 has been restricted for the Unemployment Reserve Account; \$72,146 has been restricted for current year Excess Surplus; \$194,890 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditures; \$63,167 has been assigned to designated for Subsequent Year's Expenditures; \$100,832 has been assigned to other purposes and \$274,313 has been unassigned.

Special Revenue Fund – Of the \$23,321 Special Revenue Fund fund balance at June 30, 2023, \$23,321 has been restricted for Student Activities.

Capital Projects Fund – Of the \$1,469,821 Capital Projects Fund fund balance at June 30, 2023, \$1,469,821 is restricted for future capital projects approved by the School.

Debt Service Fund – Of the \$11,218 Debt Service Fund fund balance at June 30, 2023, \$11,218 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$162,384 at June 30, 2023. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023.

WENONAH BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and November 13, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 2,951,309	\$ -	\$ 2,951,309	\$ 2,951,309	\$ -
Tuition From Individuals	10-1310	26,250	-	26,250	28,712	2,462
Interest Earned on Capital Reserve	10-1xxx	-	-	-	634	634
Unrestricted Miscellaneous	10-1xxx	750	-	750	24,660	23,910
Total Local Sources		2,978,309	-	2,978,309	3,005,315	27,006
State Sources:						
Extraordinary Aid	10-3131	-	-	-	18,818	18,818
Categorical Special Education Aid	10-3132	134,037	-	134,037	134,037	-
Equalization Aid	10-3176	97,865	-	97,865	97,865	-
Supplemental Stabilization Aid	10-3xxx	-	-	-	23,466	23,466
Lead Testing Reimbursement Aid	10-3xxx	-	-	-	1,144	1,144
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	533,629	533,629
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	140,183	140,183
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	196	196
Reimbursed TPAF Social Security		-	-	-	110,888	110,888
Total State Sources		231,902	-	231,902	1,060,226	828,324
Total Revenues		3,210,211	-	3,210,211	4,065,541	855,330
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	150,825	(4,350)	146,475	145,657	818
Grades 1 - 5	11-120-100-101	710,276	92,792	803,068	803,066	2
Grades 6 - 8	11-130-100-101	173,373	(76,800)	96,573	95,550	1,023
Home Instruction - Regular	11-150-100-101	500	-	500	-	500
Regular Programs - Undistributed Instruction:						
Purchased Professional - Educational Services	11-190-100-320	5,725	(880)	4,845	4,420	425
Purchased Technical Services	11-190-100-340	1,000	-	1,000	635	365
Other Purchased Services	11-190-100-500	21,046	14,036	35,082	33,410	1,672
General Supplies	11-190-100-610	42,618	(4,891)	37,727	37,727	-
Textbooks	11-190-100-640	37,000	(33,373)	3,627	3,205	422
Other Objects	11-190-100-800	-	4,845	4,845	945	3,900
Total Regular Programs		1,142,363	(8,621)	1,133,742	1,124,615	9,127
Special Education:						
Learning and/or Language Disabilities						
Salaries of Teachers	11-204-100-101	53,435	2,027	55,462	55,462	-
Other Salaries for Instruction	11-204-100-106	16,330	(4,800)	11,530	9,429	2,101
General Supplies	11-204-100-610	750	(115)	635	236	399
Total Learning and/or Language Disabilities		70,515	(2,888)	67,627	65,127	2,500
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	92,288	19,006	111,294	111,169	125
General Supplies	11-213-100-610	1,000	-	1,000	441	559
Total Resource Room/Resource Center		93,288	19,006	112,294	111,610	684

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	45,558	(5,000)	40,558	38,989	1,569
Other Salaries for Instruction	11-215-100-106	16,116	(5,000)	11,116	9,276	1,840
General Supplies	11-215-100-600	1,000	-	1,000	720	280
Total Preschool Disabilities - Part-Time		62,674	(10,000)	52,674	48,985	3,689
Home Instruction:						
Salaries of Teachers	11-219-100-101	500	-	500	-	500
Total Home Instruction		500	-	500	-	500
Total Special Education - Instruction		226,977	6,118	233,095	225,722	7,373
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	105,713	(11,408)	94,305	93,405	900
General Supplies	11-230-100-610	1,500	-	1,500	250	1,250
Total Basic Skills/Remedial - Instruction		107,213	(11,408)	95,805	93,655	2,150
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	10,000	-	10,000	6,026	3,974
Supplies and Materials	11-401-100-600	350	-	350	-	350
Total School Sponsored Cocurricular - Activities		10,350	-	10,350	6,026	4,324
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	7,600	(1,357)	6,243	6,243	-
Other Salaries of Instruction	11-422-100-106	3,000	-	3,000	2,338	662
Salaries of Teacher Tutors	11-422-100-178	3,100	-	3,100	2,500	600
Total Summer School - Instruction		13,700	(1,357)	12,343	11,081	1,262
Total - Instruction		1,500,603	(15,268)	1,485,335	1,461,099	24,236
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within the State - Special	11-000-100-562	-	17,355	17,355	17,355	-
Tuition to CSSSD and Regional Day Schools	11-000-100-565	-	55,672	55,672	49,803	5,869
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	75,000	(73,346)	1,654	1,654	-
Total Instruction - Undistributed		75,000	(319)	74,681	68,812	5,869
Attendance & Social Work Services:						
Salaries	11-000-211-100	22,213	1	22,214	22,213	1
Purchased Professional and Technical Services	11-000-211-300	7,750	572	8,322	8,322	-
Total Attendance & Social Work Services		29,963	573	30,536	30,535	1
Health Services:						
Salaries	11-000-213-100	66,348	(11,568)	54,780	54,329	451
Purchased Professional and Technical Services	11-000-213-300	6,625	24,640	31,265	31,131	134
Supplies and Materials	11-000-213-600	1,000	1,077	2,077	1,784	293
Total Health Services		73,973	14,149	88,122	87,244	878

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	32,579	7,015	39,594	39,593	1
Purchased Professional - Educational Services	11-000-216-320	28,000	19,673	47,673	45,358	2,315
Supplies and Materials	11-000-216-600	500	(367)	133	45	88
Total Other Support Services - Students - Regular		61,079	26,321	87,400	84,996	2,404
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	131,428	1,646	133,074	127,339	5,735
Total Other Support Services - Students - Extra Services		131,428	1,646	133,074	127,339	5,735
Other Support Services - Students - Related Services:						
Salaries	11-000-218-104	57,432	1,014	58,446	58,446	-
Supplies and Materials	11-000-218-600	750	(450)	300	12	288
Total Other Support Services-Students-Related Services		58,182	564	58,746	58,458	288
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	88,306	402	88,708	88,707	1
Salaries of Secretarial & Clerical Assistants	11-000-219-105	3,000	406	3,406	3,405	1
Other Purchased Professional & Educational Services	11-000-219-320	12,500	-	12,500	7,290	5,210
Supplies and Materials	11-000-219-600	1,000	-	1,000	336	664
Total Other Support Services-Students-Special Services		104,806	808	105,614	99,738	5,876
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Secretarial and Clerical Assistants	11-000-221-105	3,000	406	3,406	3,405	1
Purchases Professional and Educational Services	11-000-221-320	2,500	15,775	18,275	18,275	-
Total Improvement of Instruction Services/Other Support Services Instructional Staff		5,500	16,181	21,681	21,680	1
Educational Media Services/School Library:						
Salaries of Technology Coordinators	11-000-222-177	17,000	-	17,000	13,108	3,892
Purchased Professional and Technical Services	11-000-222-300	2,050	(577)	1,473	1,472	1
Supplies and Materials	11-000-222-600	3,000	1,000	4,000	3,630	370
Total Educational Media Services/School Library		22,050	423	22,473	18,210	4,263
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	2,500	-	2,500	-	2,500
Purchased Professional and Educational Services	11-000-223-320	2,500	(2,347)	153	-	153
Other Purchased Services	11-000-223-500	1,000	-	1,000	394	606
Total Instructional Staff Training Services		6,000	(2,347)	3,653	394	3,259

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration:						
Salaries	11-000-230-100	154,569	183	154,752	154,751	1
Legal Services	11-000-230-331	10,000	(3,104)	6,896	6,594	302
Audit Fees	11-000-230-332	20,000	2,450	22,450	22,450	-
Other Purchased Professional Services	11-000-230-339	6,500	3,736	10,236	10,136	100
Communications/Telephone	11-000-230-530	2,250	(1,412)	838	838	-
BOE Other Purchased Services	11-000-230-585	1,500	(1,488)	12	-	12
Miscellaneous Purchased Services	11-000-230-590	10,750	2,067	12,817	11,771	1,046
General Supplies	11-000-230-610	750	500	1,250	1,106	144
Miscellaneous Expenditures	11-000-230-890	2,850	-	2,850	2,589	261
BOE Membership Dues & Fees	11-000-230-895	2,200	-	2,200	2,191	9
Total Support Services General Administration		211,369	2,932	214,301	212,426	1,875
Support Services School Administration:						
Salaries of Secretarial and Clerical Assistants	11-000-240-105	12,850	-	12,850	12,025	825
Other Purchased Services (400-500 Series)	11-000-240-500	2,244	-	2,244	2,239	5
Supplies and Materials	11-000-240-600	1,500	150	1,650	1,527	123
Total Support Services School Administration		16,594	150	16,744	15,791	953
Central Services:						
Salaries	11-000-251-100	76,867	7,808	84,675	84,675	-
Purchased Professional Services	11-000-251-330	1,100	1,780	2,880	2,880	-
Purchased Technical Services	11-000-251-340	11,112	485	11,597	11,597	-
Other Purchased Services (400-500 Series)	11-000-251-592	-	400	400	400	-
Supplies and Materials	11-000-251-600	750	1,565	2,315	2,315	-
Other Objects	11-000-251-890	-	100	100	100	-
Total Central Services		89,829	12,138	101,967	101,967	-
Administrative Information Technology:						
Salaries	11-000-252-100	10,000	(5,570)	4,430	4,031	399
Purchased Technical Services	11-000-252-340	4,750	(2,439)	2,311	2,310	1
Other Purchased Series (400-500 Series)	11-000-252-500	8,097	-	8,097	8,097	-
Supplies and Materials	11-000-252-600	750	589	1,339	1,339	-
Total Administrative Information Technology		23,597	(7,420)	16,177	15,777	400
Allowable Maintenance for School Facilities:						
Cleaning, Repair and Maintenance Services	11-000-261-420	89,142	29,618	118,760	86,160	32,600
General Supplies	11-000-261-610	5,400	-	5,400	3,577	1,823
Total Allowable Maintenance for School Facilities		94,542	29,618	124,160	89,737	34,423

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	106,600	(18,000)	88,600	79,366	9,234
Purchased Professional and Technical Services	11-000-262-300	26,600	(9,107)	17,493	13,895	3,598
Cleaning, Repair & Maintenance Services	11-000-262-420	11,100	14,832	25,932	16,956	8,976
Other Purchased Property Services	11-000-262-490	4,500	1,562	6,062	6,061	1
Insurance	11-000-262-520	15,575	(1,081)	14,494	14,141	353
General Supplies	11-000-262-610	25,000	(4,354)	20,646	14,507	6,139
Energy (Natural Gas)	11-000-262-621	60,000	(17,943)	42,057	39,015	3,042
Energy (Heat & Electricity)	11-000-262-622	45,000	(3,430)	41,570	38,656	2,914
Other Objects	11-000-262-800	250	-	250	214	36
Total Other Operation & Maintenance of Plant		294,625	(37,521)	257,104	222,811	34,293
Care and Upkeep of Grounds:						
Cleaning, Repair and Maintenance Services	11-000-263-420	4,000	(2,026)	1,974	1,842	132
General Supplies	11-000-263-610	2,250	537	2,787	2,787	-
Total Care and Upkeep of Grounds		6,250	(1,489)	4,761	4,629	132
Security:						
Purchased Professional and Technical Services	11-000-266-300	-	16,117	16,117	15,002	1,115
Cleaning, Repair and Maintenance Services	11-000-266-420	1,220	5,420	6,640	6,640	-
General Supplies	11-000-266-610	250	5,762	6,012	5,511	501
Total Security		1,470	27,299	28,769	27,153	1,616
Student Transportation Services:						
Contracted Services - Aid in Lieu of Payments - Charter	11-000-270-504	1,000	(1,000)	-	-	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	8,000	(156)	7,844	3,993	3,851
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	30,000	(7,344)	22,656	22,656	-
Total Student Transportation Services		39,000	(8,500)	30,500	26,649	3,851
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	55,000	(1,678)	53,322	53,321	1
Other Retirement Contribution - PERS	11-000-291-241	24,000	(1,775)	22,225	22,225	-
Other Contributions - D.C.R.P	11-000-291-249	15,500	(2,526)	12,974	12,974	-
Workmen's Compensation	11-000-291-260	19,750	(174)	19,576	19,505	71
Health Benefits	11-000-291-270	327,499	(30,802)	296,697	296,638	59
Tuition Reimbursement	11-000-291-280	5,000	(2,500)	2,500	2,500	-
Other Employee Benefits	11-000-291-290	43,650	13,346	56,996	56,995	1
Total Unallocated Benefits		490,399	(26,109)	464,290	464,158	132
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	533,629	(533,629)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	140,183	(140,183)
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	196	(196)
Reimbursed TPAF Social Security		-	-	-	110,888	(110,888)
Total Undistributed Expenditures		1,835,656	49,097	1,884,753	2,563,400	(678,647)

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

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Expenditures - Current Expense		3,336,259	33,829	3,370,088	4,024,499	(654,411)
Grades 1-5	12-120-100-730	-	5,294	5,294	5,293	1
Total Equipment Expenditures		-	5,294	5,294	5,293	1
Facilities Acquisitions & Construction Services:						
Construction Services	12-000-400-450	320,870	(261,900)	58,970	-	58,970
Assessment for Debt Service on SDA Funding	12-000-400-896	10,349	-	10,349	10,349	-
Transfer to Capital Projects	12-000-400-932	-	261,900	261,900	261,900	-
Total Facilities Acquisitions & Construction Services Expenditures		331,219	-	331,219	272,249	58,970
Total Capital Outlay		331,219	5,294	336,513	277,542	58,971
Total Expenditures		3,667,478	39,123	3,706,601	4,302,041	(595,440)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(457,267)	(39,123)	(496,390)	(236,500)	259,890
Other Financing Sources/(Uses):						
Transfer of Funds to Charter Schools	10-000-100-56X	(14,786)	14,786	-	-	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(472,053)	(24,337)	(496,390)	(236,500)	259,890
Fund Balances, July 1		1,095,263	-	1,095,263	1,095,263	-
Fund Balances, June 30		\$ 623,210	\$ (24,337)	\$ 598,873	\$ 858,763	\$ 259,890

RECAPITULATION OF FUND BALANCE:

Prior Year Encumbrances	\$ 24,337
Total	<u>\$ 24,337</u>

RECAPITULATION OF FUND BALANCE:**Restricted Fund Balance:**

Capital Reserve Account	\$ 89,475
Maintenance Reserve Account	19,959
Reserve for Unemployment Fund	26,010
Excess Surplus	72,146
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	194,890
Assigned Fund Balance	
Designated for Subsequent Year's Expenditures	63,167
Year-end Encumbrances	100,832
Unassigned Fund Balance	<u>292,284</u>

858,763

Reconciliation to Governmental Fund Statements (GAAP):

Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(17,971)</u>
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Fund Balance Per Governmental Funds (GAAP) \$ 840,792

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES					
Local Sources	\$ -	\$ -	\$ -	\$ 12,348	\$ 12,348
State Sources	-	3,812	3,812	3,812	-
Federal Sources	308,010	(3,669)	304,341	182,404	(121,937)
Total Revenues	308,010	143	308,153	198,564	(109,589)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	62,780	(2,490)	60,290	22,878	37,412
Other Salaries for Instruction	-	7,188	7,188	7,188	-
Tuition	35,000	2,812	37,812	37,812	-
General Supplies	45,422	(2,910)	42,512	33,423	9,089
Total Instruction	143,202	4,600	147,802	101,301	46,501
Support Services:					
Other Salaries	71,551	(17,286)	54,265	33,784	20,481
Personal Services - Employee Benefits	15,288	(2,409)	12,879	7,936	4,943
Purchased Professional Services	28,000	2,850	30,850	15,850	15,000
Other Purchased Services	21,831	(10,183)	11,648	6,947	4,701
Supplies & Materials	16,388	14,296	30,684	8,624	22,060
Student Activities	-	-	-	10,671	(10,671)
Total Support Services	153,058	(12,732)	140,326	83,812	56,514
Facilities Acquisition & Construction Services:					
Supplies	11,750	25	11,775	11,774	1
Instructional Equipment	-	8,250	8,250	-	8,250
Total Facilities Acquisition & Construction Services	11,750	8,275	20,025	11,774	8,251
Total Expenditures	308,010	143	308,153	196,887	111,266
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	1,677	1,677
Fund Balance, July 1	21,644	-	21,644	21,644	-
Fund Balance, June 30	\$ 21,644	\$ -	\$ 21,644	\$ 23,321	\$ 1,677

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:

Student Activities	\$ 23,321
	<u>\$ 23,321</u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 4,065,541	\$ 198,564
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	-
Prior Year	-	30,750
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(17,971)	-
Prior Year	28,963	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 4,076,533	\$ 229,314
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 4,302,041	\$ 196,887
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	-	-
Prior Year	-	30,750
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 4,302,041	\$ 227,637

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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**WENONAH BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00176%	0.00230%	0.00322%	0.00279%	0.00332%	0.00366%	0.00360%	0.00359%	0.00332%	0.00343%
School District's proportionate share of the net pension liability	\$ 265,974	\$ 272,736	\$ 525,826	\$ 503,503	\$ 653,033	\$ 852,291	\$ 1,067,621	\$ 806,735	\$ 621,490	\$ 655,761
School District's covered payroll	\$ 124,240	\$ 139,059	\$ 197,104	\$ 225,958	\$ 214,189	\$ 232,914	\$ 251,180	\$ 241,460	Unavailable	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	214.08%	196.13%	266.78%	222.83%	304.89%	365.93%	425.04%	334.11%	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	58.97%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

WENONAH BOROUGH SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 22,225	\$ 26,962	\$ 35,274	\$ 27,181	\$ 32,990	\$ 33,918	\$ 32,024	\$ 30,897	\$ 27,365	\$ 25,853
Contributions in relation to the contractually required contribution	(22,225)	(26,962)	(35,274)	(27,181)	(32,990)	(33,918)	(32,024)	(30,897)	(27,365)	(25,853)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 128,454	\$ 124,240	\$ 139,059	\$ 197,104	\$ 225,958	\$ 214,189	\$ 232,914	\$ 251,180	\$ 241,460	Unavailable
Contributions as a percentage of covered-employee payroll	17.30%	21.70%	25.37%	13.79%	14.60%	15.84%	13.75%	12.30%	11.33%	Unavailable

**WENONAH BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	6,597,704	6,195,182	8,421,574	8,436,180	8,923,819	9,543,252	10,505,054	8,770,256	7,519,861	7,088,518
	<u>\$ 6,597,704</u>	<u>\$ 6,195,182</u>	<u>\$ 8,421,574</u>	<u>\$ 8,436,180</u>	<u>\$ 8,923,819</u>	<u>\$ 9,543,252</u>	<u>\$ 10,505,054</u>	<u>\$ 8,770,256</u>	<u>\$ 7,519,861</u>	<u>\$ 7,088,518</u>
School District's covered payroll	\$ 1,496,110	\$ 1,313,307	\$ 1,422,554	\$ 1,421,944	\$ 1,376,540	\$ 1,393,463	\$ 1,423,504	\$ 1,423,504	\$ 1,321,092	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	47.68%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

**WENONAH BOROUGH SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the school district.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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WENONAH BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST SIX YEARS*

	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability						
Service Cost	\$ 342,369	\$ 414,692	\$ 225,406	\$ 229,671	\$ 258,085	\$ 309,029
Interest Cost	160,469	192,495	219,017	267,930	279,380	240,815
Difference between Expected & Actual Differences	(89,926)	(1,988,435)	913,893	(1,083,329)	(432,807)	-
Changes of Benefit Terms	-	(7,898)	-	-	-	-
Changes of Assumptions	(1,624,359)	7,321	1,634,679	91,057	(778,462)	(972,114)
Contributions: Member	5,099	4,921	4,722	5,557	6,269	6,510
Gross Benefit Payments	(158,950)	(151,632)	(155,795)	(187,470)	(181,393)	(176,788)
Net Change in District's Total OPEB Liability	(1,365,298)	(1,528,536)	2,841,922	(676,584)	(848,928)	(592,548)
District's Total OPEB Liability (Beginning)	7,420,489	8,949,025	6,107,103	6,783,687	7,632,615	8,225,163
District's Total OPEB Liability (Ending)	<u>\$ 6,055,191</u>	<u>\$ 7,420,489</u>	<u>\$ 8,949,025</u>	<u>\$ 6,107,103</u>	<u>\$ 6,783,687</u>	<u>\$ 7,632,615</u>
District's Covered Employee Payroll	\$ 1,620,350	\$ 1,452,366	\$ 1,619,658	\$ 1,647,902	\$ 1,590,729	\$ 1,626,377
District's Net OPEB Liability as a Percentage of Covered Payroll	373.70%	510.92%	552.53%	370.60%	426.45%	469.30%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**WENONAH BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate remained at 7.00% as of June 30, 2022.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate remained at 7.00% as of June 30, 2022.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

TITLE II PART A	IDEA PART B		C.R.R.S.A. - ESSER II				AMERICAN RESCUE PLAN				ARP IDEA BASIC	SDA EMERGEN T NEEDS	STUDENT ACTIVITIES	TOTALS		
	BASIC PROGRAM	PRESCHOOL PROGRAM	ESSER II	LEARNING ACCEL.	MENTAL HEALTH	ESSER III	LEARNING ACCEL.	SUMMER LEARNING	MENTAL HEALTH	BEYOND THE SCHOOL DAY						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
States Sources	-	-	-	-	-	-	-	-	-	-	-	-	3,812	-	-	3,812
Federal Sources	43,432	3,462	8,847	11,774	28,085	32,876	21,591	16,029	2,474	11,349	433	-	-	-	-	182,404
Total Revenues	43,432	3,462	8,847	11,774	28,085	32,876	21,591	16,029	2,474	11,349	433	3,812	12,348	12,348	198,564	198,564
Expenditures:																
Instruction:																
Salaries of Teachers	-	-	-	-	-	-	-	13,438	-	9,440	-	-	-	-	-	22,878
Other Salaries for Instruction	4,188	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7,188
Tuition	37,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,812
General Supplies	1,432	462	-	-	-	28,336	-	1,624	-	1,136	433	-	-	-	-	33,423
Total Instruction	43,432	3,462	-	-	-	28,336	-	15,062	-	10,576	433	-	-	-	-	101,301
Support Services:																
Other Salaries	-	-	7,667	-	13,260	4,217	8,640	-	-	-	-	-	-	-	-	33,784
Personal Services - Employee Benefits	-	-	-	-	5,206	323	667	967	-	773	-	-	-	-	-	7,936
Purchased Professional Services	2,052	-	-	-	5,300	-	8,498	-	-	-	-	-	-	-	-	15,850
Other Purchased Services	-	-	-	-	-	-	3,135	-	-	-	-	-	-	-	-	6,947
Supplies & Materials	-	-	1,180	-	4,319	-	651	-	2,474	-	-	-	-	-	-	8,624
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	10,671	-	10,671
Total Support Services	2,052	-	8,847	-	28,085	4,540	21,591	967	2,474	773	-	3,812	10,671	10,671	83,812	83,812
Facilities Acquisition & Construction Services:																
Supplies	-	-	-	11,774	-	-	-	-	-	-	-	-	-	-	-	11,774
Total Facilities Acquisition & Construction Services	-	-	-	11,774	-	-	-	-	-	-	-	-	-	-	-	11,774
Total Expenditures	43,432	3,462	8,847	11,774	28,085	32,876	21,591	16,029	2,474	11,349	433	3,812	10,671	10,671	196,887	196,887
Excess/(Deficiency) of Revenue Over/(Under) Expenditures																
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,677
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,644	21,644
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,321	\$ 23,321

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F. Capital Projects Fund

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**WENONAH BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>PROJECT TITLE/ISSUE</u>	<u>ORIGINAL DATE</u>	<u>ORIGINAL APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>	<u>UNEXPENDED BALANCE JUNE 30, 2023</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Roof Replacement & Miscellaneous Facilities Project	12/2/2021	\$ 3,901,775	\$ 689,778 \$ 1,168,941	\$ 2,043,056
Total		\$ 3,901,775	\$ 689,778 \$ 1,168,941	\$ 2,043,056
Reconciliation to Governmental Funds (GAAP):				
			\$ 2,043,056	
			(573,235)	
			<u>\$ 1,469,821</u>	

**WENONAH BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REVENUES AND OTHER FINANCING SOURCES:	
Transfer from Capital Reserve	\$ 261,900
Interest Earnings	8,073
Grant Proceeds	<u>643,875</u>
Total Revenues and Other Financing Sources	<u>913,848</u>
EXPENDITURES:	
Purchased Professional & Technical Services	51,946
Construction Services	<u>1,116,995</u>
Total Expenditures	<u>1,168,941</u>
OTHER FINANCING USES:	
Transfer to Debt Service Fund	<u>(8,073)</u>
Total Expenditures and Other Financing Uses	<u>1,177,014</u>
Net Change in Fund Balance	(263,166)
Fund Balance - Beginning	<u>2,306,222</u>
Fund Balance - Ending	<u><u>\$ 2,043,056</u></u>

**WENONAH BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
ROOF REPLACEMENT & MISCELLANEOUS FACILITIES PROJECT
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
SSB-VEEVR Grant	\$ -	\$ 643,875	\$ 643,875	\$ 643,875
Bond Proceeds and Transfers	2,996,000	-	2,996,000	2,996,000
Transfer from General Fund	-	261,900	261,900	261,900
Total Revenues	2,996,000	905,775	3,901,775	3,901,775
Expenditures & Other Financing Uses:				
Legal/Accounting Services	2,765	-	2,765	25,000
Purchased Professional & Technical Services	238,045	51,946	289,991	729,640
Construction Services	448,968	1,116,995	1,565,963	3,147,135
Total Expenditures	689,778	1,168,941	1,858,719	3,901,775
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 2,306,222	\$ (263,166)	\$ 2,043,056	\$ -

Additional Project Information:

Project Number	NJDOE #559005021000
Grant Date	N/A
Bond Authorization Date	12/2/2021
Bonds Authorized	\$ 2,996,000
Bonds Issued	\$ 2,996,000
Original Authorized Cost	\$ 2,996,000
Additional Authorized Cost	\$ 905,775
Revised Authorized Cost	\$ 3,901,775
Percentage Increase Over Original Authorized Cost	30.23%
Percentage Completion	47.64%
Original Target Completion Date	9/1/2022
Revised Target Completion Date	9/1/2023

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G. Proprietary Funds

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Enterprise Funds

(See Exhibits B-4, B-5, B-6)

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Internal Service Fund

Not Applicable

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H. Fiduciary Funds

Not Applicable

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I. Long-Term Debt

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**WENONAH BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
JUNE 30, 2023**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2022	ISSUED	PAID	BALANCE JUNE 30, 2023
Refunding Bonds, Series 2012	12/12/2012	\$ 1,720,000	1/15/2024	175,000	3.000%	\$ 360,000	\$ -	\$ 185,000	\$ 175,000
General Obligation Series 2021	12/2/2021	2,996,000	8/1/2023	86,000	1.000%	2,996,000	-	-	2,996,000
			8/1/2024	170,000	2.000%				
			8/1/2025	170,000	2.000%				
			8/1/2026	170,000	2.000%				
			8/1/2027	160,000	2.000%				
			8/1/2028	160,000	2.000%				
			8/1/2029	160,000	2.000%				
			8/1/2030	160,000	2.000%				
			8/1/2031	160,000	2.000%				
			8/1/2032	160,000	2.000%				
			8/1/2033	160,000	2.000%				
			8/1/2034	160,000	2.000%				
			8/1/2035	160,000	2.000%				
			8/1/2036	160,000	2.000%				
			8/1/2037	160,000	2.125%				
			8/1/2038	160,000	2.125%				
			8/1/2039	160,000	2.125%				
			8/1/2040	160,000	2.250%				
			8/1/2041	160,000	2.250%				
Total						\$ 3,356,000	\$ -	\$ 185,000	\$ 3,171,000

**WENONAH BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF FINANCED PURCHASES
JUNE 30, 2023**

PURPOSE	DATE OF LOAN	TERM OF LOAN	AMOUNT OF ORIGINAL LOAN		INTEREST RATE	BALANCE JULY 1, 2022	PAID	BALANCE JUNE 30, 2023
			PRINCIPAL	INTEREST				
Communications Systems	5/21/2020	3 Years	\$ 24,300	\$ 921	2.550%	\$ 8,198	\$ 8,198	\$ -
Communications Systems	5/21/2020	5 Years	37,925	2,559	2.690%	23,040	7,477	15,563
Total						\$ 31,238	\$ 15,675	\$ 15,563

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

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 242,243	\$ -	\$ 242,243	\$ 242,243	\$ -
State Sources:					
Debt Service Aid Type II	23,926	-	23,926	23,926	-
Total Revenues	266,169	-	266,169	266,169	-
Expenditures:					
Regular Debt Service:					
Interest	81,169	-	81,169	81,169	-
Redemption of Principal	185,000	-	185,000	185,000	-
Total Regular Debt Service	266,169	-	266,169	266,169	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources/(Uses):					
Transfers In/(Out):					
Operating Transfer In	-	-	-	8,073	8,073
Total Other Financing Sources/(Uses)	-	-	-	8,073	8,073
Excess/(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	-	-	8,073	8,073
Fund Balance, July 1	3,145	-	3,145	3,145	-
Fund Balance, June 30	\$ 3,145	\$ -	\$ 3,145	\$ 11,218	\$ 8,073

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STATISTICAL SECTION (Unaudited)

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WENONAH BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 909,527	\$ (347,490)	\$ 1,843,748	\$ 1,741,870	\$ 1,686,552	\$ 1,615,731	\$ 1,505,127	\$ 1,701,554	\$ 1,391,554	\$ 1,358,398
Restricted	1,906,840	3,112,236	620,261	333,078	241,860	148,133	107,002	8,717	14,402	67,919
Unrestricted	(162,384)	(431,916)	(509,059)	(648,872)	(718,187)	(1,595,865)	(647,408)	(496,775)	(588,170)	12,684
Total Governmental Activities	\$ 2,653,983	\$ 2,332,830	\$ 1,954,950	\$ 1,426,076	\$ 1,210,225	\$ 167,999	\$ 964,721	\$ 1,213,496	\$ 817,786	\$ 1,439,001
Business-Type Activities:										
Unrestricted	\$ 5,779	\$ 5,779	\$ 6,512	\$ 1,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-Type Activities	\$ 5,779	\$ 5,779	\$ 6,512	\$ 1,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 909,527	\$ (347,490)	\$ 1,843,748	\$ 1,741,870	\$ 1,686,552	\$ 1,615,731	\$ 1,505,127	\$ 1,701,554	\$ 1,391,554	\$ 1,358,398
Restricted	1,906,840	3,112,236	620,261	333,078	241,860	148,133	107,002	8,717	14,402	67,919
Unrestricted	(156,605)	(426,137)	(502,547)	(647,314)	(718,187)	(1,595,865)	(647,408)	(496,775)	(588,170)	12,684
Total District Net Position	\$ 2,659,762	\$ 2,338,609	\$ 1,961,462	\$ 1,427,634	\$ 1,210,225	\$ 167,999	\$ 964,721	\$ 1,213,496	\$ 817,786	\$ 1,439,001

**WENONAH BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,254,296	\$ 1,136,630	\$ 1,111,914	\$ 1,198,314	\$ 1,295,688	\$ 1,459,564	\$ 1,925,377	\$ 1,761,767	\$ 1,890,688	\$ 1,780,630
Special Education	225,722	194,388	208,890	192,330	194,877	275,049	258,613	265,818	272,820	333,128
Other Special Instruction	-	-	-	77,475	64,594	75,581	146,827	108,225	103,062	67,532
Other Instruction	110,762	89,078	85,430	18,182	25,581	24,024	21,558	19,619	24,178	22,918
Support Services:										
Tuition	68,812	118,740	118,853	129,753	110,757	139,015	40,340	23,180	3,059	15,316
Attendance/Social Work	30,535	28,997	25,536	-	-	-	-	-	-	-
Health Services	87,244	67,773	77,911	-	-	-	-	-	-	-
Student & Instruction Related Services	478,393	506,981	478,843	602,376	567,415	431,664	560,420	540,397	517,987	420,779
Educational Media/Library	18,210	2,965	5,115	-	-	-	-	-	-	-
Instructional Staff Training	394	3,617	1,215	-	-	-	-	-	-	-
General & Administrative Services	212,426	201,437	191,215	183,284	161,450	213,841	255,144	257,701	249,776	231,300
School Administrative Services	15,791	19,266	13,885	17,053	17,599	19,587	26,290	21,620	20,551	23,074
Central Services	101,967	88,646	86,912	108,853	120,994	144,992	136,068	94,583	96,426	106,150
Administrative Information Technology	15,777	18,738	19,027	20,753	4,562	350	5,434	-	-	-
Plant Operations & Maintenance	340,429	284,369	259,288	286,418	236,054	295,252	346,385	269,920	321,802	287,005
Pupil Transportation	26,649	45,709	23,919	18,431	32,227	48,513	38,309	28,231	32,479	55,765
Unallocated Benefits	705,461	863,372	1,395,633	955,524	1,292,791	972,730	-	-	-	-
Interest & Other Charges	70,400	67,592	28,955	21,541	24,944	28,287	42,668	47,318	51,886	56,928
Capital Outlay	-	-	-	12,386	11,585	10,762	-	-	-	-
Transfer to Charter Schools	-	-	15,758	-	-	-	-	-	-	-
Unallocated Depreciation	117,892	117,517	117,615	15,678	15,787	15,924	15,907	-	15,413	16,351
Total Governmental Activities Expenses	3,881,160	3,855,815	4,265,914	3,858,351	4,176,905	4,155,135	3,819,340	3,438,379	3,600,127	3,416,876
Business-Type Activities:										
Food Service	-	-	-	-	-	-	16,375	-	-	-
Preschool Extended Care Fund	-	15,873	6,869	-	24,951	22,746	-	-	-	-
Back to School Program Fund	-	-	-	3,607	-	-	-	-	-	-
Total Business-Type Activities Expense	-	15,873	6,869	3,607	24,951	22,746	16,375	-	-	-
Total District Expenses	\$ 3,881,160	\$ 3,871,688	\$ 4,272,783	\$ 3,861,958	\$ 4,201,856	\$ 4,177,881	\$ 3,835,715	\$ 3,438,379	\$ 3,600,127	\$ 3,416,876

**WENONAH BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 565,794	\$ 740,627	\$ 1,056,644	\$ 47,867	\$ 52,637	\$ 64,400	\$ 467,208	\$ 411,061	\$ 361,583	\$ 311,430
Total Governmental Activities Program Revenues	<u>\$ 565,794</u>	<u>740,627</u>	<u>1,056,644</u>	<u>47,867</u>	<u>52,637</u>	<u>64,400</u>	<u>467,208</u>	<u>411,061</u>	<u>361,583</u>	<u>311,430</u>
Business-Type Activities:										
Charges for Services:										
Food Service	-	-	-	-	-	-	16,375	-	-	-
Preschool Extended Care Fund	-	15,140	11,823	350	15,300	20,400	-	-	-	-
Back to School Program Fund	-	-	-	4,815	-	-	-	-	-	-
Total Business Type Activities Program Revenues	<u>-</u>	<u>15,140</u>	<u>11,823</u>	<u>5,165</u>	<u>15,300</u>	<u>20,400</u>	<u>16,375</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District Program Revenues	<u>\$ 565,794</u>	<u>\$ 755,767</u>	<u>\$ 1,068,467</u>	<u>\$ 53,032</u>	<u>\$ 67,937</u>	<u>\$ 84,800</u>	<u>\$ 483,583</u>	<u>\$ 411,061</u>	<u>\$ 361,583</u>	<u>\$ 311,430</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (3,315,366)	\$ (3,115,188)	\$ (3,209,270)	\$ (3,810,484)	\$ (4,124,268)	\$ (4,090,735)	\$ (3,352,132)	\$ (3,027,318)	\$ (3,238,544)	\$ (3,105,446)
Business-Type Activities	-	(733)	4,954	1,558	(9,651)	(2,346)	-	-	-	-
Total District-Wide Net Expense	<u>\$ (3,315,366)</u>	<u>\$ (3,115,921)</u>	<u>\$ (3,204,316)</u>	<u>\$ (3,808,926)</u>	<u>\$ (4,133,919)</u>	<u>\$ (4,093,081)</u>	<u>\$ (3,352,132)</u>	<u>\$ (3,027,318)</u>	<u>\$ (3,238,544)</u>	<u>\$ (3,105,446)</u>
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,951,309	\$ 2,893,440	\$ 2,836,706	\$ 2,781,084	\$ 2,704,160	\$ 2,651,137	\$ 2,599,154	\$ 2,548,190	\$ 2,498,226	\$ 2,449,242
Taxes Levied for Debt Service	242,243	196,200	194,700	193,100	196,500	194,800	189,450	194,100	193,580	183,128
Unrestricted Grants & Contributions	380,888	361,222	603,678	973,075	1,325,160	987,153	506,059	504,785	500,334	498,031
Tuition Received	28,712	35,276	38,435	38,625	38,350	42,450	35,368	12,337	48,080	88,422
Investment Earnings	-	-	-	1,469	1,398	963	1,289	-	1,901	1,996
Miscellaneous Income	33,367	6,930	14,088	38,982	1,375	3,921	2,547	6,616	2,693	1,176
Fixed Asset Adjustment	-	-	-	-	-	1,754	14,494	-	-	7,772
Compensated Absence Adjustment	-	-	-	-	-	4,382	(1,491)	-	4,424	(16,969)
Prior Year Receivable Cancelled	-	-	-	-	(15)	-	-	-	-	-
Total Governmental Activities	<u>\$ 3,636,519</u>	<u>\$ 3,493,068</u>	<u>\$ 3,687,607</u>	<u>\$ 4,026,335</u>	<u>\$ 4,266,928</u>	<u>\$ 3,886,560</u>	<u>\$ 3,346,870</u>	<u>\$ 3,266,028</u>	<u>\$ 3,249,238</u>	<u>\$ 3,212,798</u>

**WENONAH BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-Type Activities:										
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	-	-	-	-	9,651	2,346	-	-	-	-
Total Business-Type Activities	-	-	-	-	9,651	2,346	-	-	-	-
Total District-Wide	\$ 3,656,519	\$ 3,493,068	\$ 3,687,607	\$ 4,026,335	\$ 4,276,579	\$ 3,888,906	\$ 3,346,870	\$ 3,266,028	\$ 3,249,238	\$ 3,212,798
Change in Net Position:										
Governmental Activities	\$ 321,153	\$ 377,880	\$ 478,337	\$ 215,851	\$ 142,660	\$ (204,175)	\$ (5,262)	\$ 238,710	\$ 10,694	\$ 107,352
Business-Type Activities	-	(733)	4,954	1,558	-	-	-	-	-	-
Total District	\$ 321,153	\$ 377,147	\$ 483,291	\$ 217,409	\$ 142,660	\$ (204,175)	\$ (5,262)	\$ 238,710	\$ 10,694	\$ 107,352

**WENONAH BOROUGH SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEARS ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$ 402,480	\$ 781,225	\$ 604,071	\$ 278,844	\$ 174,331	\$ 112,327	\$ 50,019	\$ 18	\$ 18	\$ 18
Assigned	163,999	24,337	30,939	54,234	67,529	35,805	86,983	73,698	14,383	134,073
Unrestricted	274,313	260,738	262,035	241,149	229,221	231,009	154,227	184,446	146,753	56,248
Total General Fund	\$ 840,792	\$1,066,300	\$ 897,045	\$ 574,227	\$ 471,081	\$ 379,141	\$ 291,229	\$ 258,162	\$ 161,154	\$ 190,339
All Other Governmental Funds										
Restricted for:										
Special Revenue Fund	\$ 23,321	\$ 21,644	\$ 16,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	1,469,821	2,306,222	-	-	-	-	-	-	-	-
Debt Service Fund	11,218	3,145	-	-	-	1	1	1	1	21
Total All Other Governmental Funds	\$1,504,360	\$2,331,011	\$ 16,190	\$ -	\$ -	\$ 1	\$ 1	\$ 1	\$ 1	\$ 21

**WENONAH BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 3,193,552	\$ 3,089,640	\$ 3,031,406	\$ 2,974,184	\$ 2,900,660	\$ 2,845,937	\$ 2,788,604	\$ 2,742,290	\$ 2,691,806	\$ 2,632,370
Tuition Charges	28,712	35,276	38,435	38,625	38,350	42,450	35,368	12,337	48,080	88,422
Interest Earnings	634	289	87	1,469	1,398	100	1	-	-	-
Miscellaneous	47,451	23,724	14,652	38,982	6,484	11,726	5,336	9,116	8,824	3,941
State Sources	1,169,596	1,120,573	1,212,813	973,075	1,014,954	987,153	901,637	844,544	804,250	754,921
Federal Sources	210,784	165,080	63,156	47,867	47,528	57,459	70,130	68,802	53,437	53,770
Total Revenue	4,650,729	4,434,582	4,360,549	4,074,202	4,009,374	3,944,825	3,801,076	3,677,089	3,606,397	3,533,424
Expenditures:										
Instruction:										
Regular Instruction	1,254,296	1,136,630	1,111,914	1,138,600	1,235,565	1,188,064	1,290,425	1,230,982	1,310,213	1,302,703
Special Education Instruction	225,722	194,388	208,890	187,580	190,095	203,852	202,069	177,913	211,626	278,664
Other Special Instruction	110,762	89,078	85,430	76,086	63,196	74,170	90,851	87,453	87,529	54,653
Other Instruction	-	-	-	18,182	25,581	20,438	16,514	18,030	19,157	16,230
Support Services:										
Tuition	68,812	118,740	118,853	129,753	110,757	139,015	40,340	23,180	3,059	15,316
Student & Instruction Related Services										
General Administration Services	614,776	610,333	588,620	600,880	548,385	406,420	423,768	449,576	449,235	362,136
School Administrative Services	212,426	201,437	191,215	182,512	160,673	174,927	194,264	195,690	195,629	179,868
Central Services	15,791	19,266	13,885	16,259	16,800	18,781	18,100	18,312	16,067	14,496
Administrative Information Technology	101,967	88,646	86,912	107,804	119,938	125,370	104,130	78,809	78,471	74,418
Plant Operations & Maintenance	15,777	18,738	19,027	20,753	4,562	350	5,434	-	-	-
Pupil Transportation	344,330	302,145	287,647	259,089	208,538	233,104	234,416	217,742	249,800	218,586
Unallocated Benefits	26,649	45,709	23,919	18,431	32,227	48,513	38,309	28,231	32,480	55,765
Capital Outlay	1,249,054	1,190,344	1,098,870	943,192	972,522	953,777	897,115	849,714	778,386	719,740
Debt Service:										
Principal	1,186,008	724,503	16,134	78,790	32,080	75,332	22,824	10,349	10,349	10,349
Interest & Other Charges	185,000	180,000	175,000	170,000	170,000	165,000	155,000	155,000	150,000	145,000
Total Expenditures	5,702,888	4,946,506	4,056,365	3,971,011	3,917,419	3,856,913	3,768,009	3,580,081	3,635,601	3,497,024
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,052,159)	(511,924)	304,184	103,191	91,955	87,912	33,067	97,008	(29,204)	36,400
Other Financing Sources/(Uses):										
Transfers to Charter Schools	-	-	(15,758)	-	-	-	-	-	-	-
Bond Proceeds	-	2,996,000	-	-	-	-	-	-	-	-
Prior Year Receivable Cancelled	-	-	-	-	(15)	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	2,996,000	(15,758)	-	(15)	-	-	-	-	-
Net Change in Fund Balances	\$(1,052,159)	\$ 2,484,076	\$ 288,426	\$ 103,191	\$ 91,940	\$ 87,912	\$ 33,067	\$ 97,008	\$ (29,204)	\$ 36,400
Debt Service as a Percentage of Noncapital Expenditures	6.52%	5.14%	5.35%	5.22%	5.33%	5.43%	5.33%	5.75%	5.64%	5.90%

Source: District records

WENONAH BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	CONTRIBUTIONS/ DONATIONS	INTEREST EARNINGS	RENTALS	MISCELLANEOUS	TOTAL
2023		\$ 2,867		\$ 21,793	\$ 24,660
2022	-	699	-	2,797	3,496
2021	-	1,126	-	12,875	14,001
2020	-	-	-	38,982	38,982
2019	-	-	-	1,375	1,375
2018	100	863	2,512	1,309	4,784
2017	1,500	1,289	527	2,020	5,336
2016	2,500	1,132	800	4,684	9,116
2015	4,230	1,901	700	1,993	8,824
2014	770	1,996	750	426	3,942

Source: District records

**WENONAH BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUN 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2023	\$ 785,600	\$ 211,833,600	\$ -	\$ -	\$ 5,117,700	\$ -	\$ -	217,736,900	\$ -	217,736,900	1.502	\$ 262,840,295
2022	877,600	210,930,100	-	-	5,117,700	-	-	216,925,400	-	216,925,400	1.449	233,755,819
2021	735,900	211,468,100	-	-	5,931,500	-	-	218,135,500	-	218,135,500	1.404	223,115,200
2020	643,900	211,490,900	-	-	6,065,500	-	-	218,200,300	-	218,200,300	1.376	221,036,535
2019	663,000	213,807,300	-	-	5,540,500	-	-	220,010,800	-	220,010,800	1.336	221,590,713
2018	761,300	215,293,900	-	-	5,567,800	-	-	221,623,000	-	221,623,000	1.297	217,844,434
2017	1,322,300	216,085,600	-	-	5,934,300	-	-	223,342,200	-	223,342,200	1.262	222,819,087
2016	1,382,800	216,886,900	-	-	6,159,100	-	-	224,428,800	-	224,428,800	1.233	226,253,146
2015	1,707,700	216,444,800	-	-	6,486,700	-	-	224,639,200	-	224,639,200	1.210	232,947,471
2014	1,751,700	244,644,600	-	-	7,274,300	-	-	253,670,600	-	253,670,600	1.050	240,495,923
2013	1,841,700	247,267,300	-	-	6,924,300	-	-	256,033,300	243,865	256,277,165	1.016	240,884,196

Source: Local Tax Assessor and County Board of Taxation

N/A - Not Available

WENONAH BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUN 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	DEBT SERVICE	TOTAL DIRECT	BOROUGH OF WENONAH	GATEWAY REGIONAL SCHOOL	GLOUCESTER COUNTY	
2023	1.388	0.114	1.502	0.718	1.318	0.681	4.219
2022	1.357	0.092	1.449	0.714	1.377	0.650	4.190
2021	1.312	0.092	1.404	0.701	1.422	0.702	4.229
2020	1.287	0.089	1.376	0.701	1.429	0.707	4.213
2019	1.245	0.091	1.336	0.739	1.381	0.689	4.145
2018	1.209	0.088	1.297	0.817	1.332	0.628	4.074
2017	1.176	0.086	1.262	0.799	1.344	0.669	4.074
2016	1.148	0.085	1.233	0.799	1.276	0.679	3.987
2015	1.123	0.086	1.209	0.802	1.212	0.678	3.901
2014	0.976	0.074	1.050	0.711	1.007	0.582	3.350
2013	0.941	0.075	1.016	0.706	0.874	0.564	3.160

Source: Municipal Tax Collector

N/A - Not available at time of audit

**WENONAH BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2023		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
First Union National Bank	\$ 975,700	1	0.45%
Taxpayer 1	850,000	2	0.39%
Taxpayer 2	834,800	3	0.38%
Taxpayer 3	675,700	4	0.31%
Taxpayer 4	668,700	5	0.31%
Taxpayer 5	663,700	6	0.31%
Taxpayer 6	646,800	7	0.30%
Taxpayer 7	600,200	8	0.28%
200 E Mantua Ave. LLC	590,400	9	0.27%
Taxpayer 8	585,200	10	0.27%
Total	<u>\$ 7,091,200</u>		<u>3.27%</u>

TAXPAYER	2014		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	\$1,100,000	1	0.43%
Taxpayer 2	1,050,000	2	0.41%
Taxpayer 3	978,600	3	0.38%
Taxpayer 4	975,000	4	0.38%
Taxpayer 5	961,400	5	0.38%
First Union National Bank	900,000	6	0.35%
Taxpayer 6	842,400	7	0.33%
Taxpayer 7	820,000	8	0.32%
Taxpayer 8	785,800	9	0.31%
Taxpayer 9	752,000	10	0.29%
Total	<u>\$9,165,200</u>		<u>3.58%</u>

Source: Municipal Tax Assessor

**WENONAH BOROUGH SCHOOL DISTRICT
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		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2023	\$ 3,193,552	\$ 3,193,552		-
2022	3,089,640	3,089,640	100.00%	-
2021	3,031,406	3,031,406	100.00%	-
2020	2,974,184	2,974,184	100.00%	-
2019	2,900,660	2,900,660	100.00%	-
2018	2,845,937	2,845,937	100.00%	-
2017	2,788,604	2,788,604	100.00%	-
2016	2,742,290	2,742,290	100.00%	-
2015	2,691,806	2,691,806	100.00%	-
2014	2,632,370	2,632,370	100.00%	-
2013	2,572,213	2,572,213	100.00%	-

Source: Municipal audit report

**WENONAH BOROUGH SCHOOL DISTRICT
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
	GENERAL OBLIGATION BONDS	LEASE PURCHASE PAYABLE			
2023	\$ 3,171,000	\$ 15,563	\$ 3,186,563	Unavailable	Unavailable
2022	3,356,000	31,238	3,387,238	Unavailable	\$ 1,471
2021	540,000	46,514	586,514	0.41%	253
2020	715,000	62,225	777,225	0.58%	351
2019	885,000	-	885,000	0.70%	400
2018	1,055,000	-	1,055,000	0.87%	475
2017	1,220,000	-	1,220,000	1.04%	547
2016	1,375,000	-	1,375,000	1.21%	615
2015	1,530,000	-	1,530,000	1.37%	681
2014	1,680,000	-	1,680,000	1.58%	747
2013	1,825,000	-	1,825,000	1.76%	808

**WENONAH BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	NET TAXABLE VALUATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2023	3,171,000	3,171,000	1.46%	Unavailable
2022	3,356,000	3,356,000	1.55%	1,458
2021	540,000	540,000	0.25%	233
2020	715,000	715,000	0.33%	323
2019	885,000	885,000	0.41%	400
2018	1,055,000	1,055,000	0.48%	475
2017	1,220,000	1,220,000	0.55%	547
2016	1,375,000	1,375,000	0.62%	615
2015	1,530,000	1,530,000	0.68%	681
2014	1,680,000	1,680,000	0.75%	747
2013	1,825,000	1,825,000	0.72%	808

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Wenonah	\$ 2,025,000	100.00%	\$ 2,025,000
Gateway Regional School District	3,040,000	24.81%	754,291
Local School District	3,171,000	100.00%	3,171,000
Gloucester County	151,050,000	0.77%	1,164,799
Total Overlapping Debt			<u>\$ 7,115,090</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation.

**WENONAH BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 6,000,053	\$ 5,674,324	\$ 5,574,808	\$ 5,544,394	\$ 5,552,969	\$ 5,579,983	\$ 5,699,124	\$ 5,855,911	\$ 6,009,615	\$ 6,212,859
Total Net Debt Applicable to Limit	3,171,000	3,356,000	540,000	715,000	885,000	1,055,000	1,220,000	1,375,000	1,530,000	1,680,000
Legal Debt Margin	\$ 2,829,053	\$ 2,318,324	\$ 5,034,808	\$ 4,829,394	\$ 4,667,969	\$ 4,524,983	\$ 4,479,124	\$ 4,480,911	\$ 4,479,615	\$ 4,532,859
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	52.85%	59.14%	9.69%	12.90%	15.94%	18.91%	21.41%	23.48%	25.46%	27.04%

Legal Debt Margin Calculation

Equalized Valuation Basis	
2022	\$ 261,860,695
2021	235,059,806
2020	223,085,881
	<u>\$ 720,006,382</u>
Average Equalized Valuation of Taxable Property	\$ 240,002,127
Debt Limit (2.5 % of Average Equalization Value)	6,000,053
Net Bonded School Debt	<u>3,171,000</u>
Legal Debt Margin	<u>\$ 2,829,053</u>

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

**WENONAH BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2023	Unavailable	Unavailable	Unavailable	unavailable
2022	2,302	Unavailable	Unavailable	2.8%
2021	2,315	144,810,195	62,553	4.6%
2020	2,217	133,875,762	60,386	6.7%
2019	2,214	125,872,542	56,853	2.4%
2018	2,223	121,478,058	54,646	2.9%
2017	2,229	117,532,941	52,729	3.6%
2016	2,235	113,511,180	50,788	4.6%
2015	2,247	111,500,634	49,622	4.9%
2014	2,250	106,663,500	47,406	3.9%
2013	2,258	103,743,810	45,945	9.2%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income is estimated - population times estimated per capita personal income.

^c Per Capita Per County from US Bureau of Economic Analysis

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**WENONAH BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

<u>Employer</u>	2023		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Municipal Employment</u>
Rowan University	3,500	1	N/A
Inspira Medical Center, Woodbury	1,222	2	N/A
Walmart Supercenter	800	3	N/A
Jefferson Health, Washington Township	670	4	N/A
Aryzta LA Brea Bakery, Inc.	500	5	N/A
Keller Williams Realty	500	6	N/A
Honda of Turnersville	499	7	N/A
Paulsboro Refinery LLC Ap	402	8	N/A
Washington Township High School	400	9	N/A
Johnson Matthey, Inc.	379	10	N/A
			<u>N/A</u>
2014			
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Municipal Employment</u>
Underwood Memorial Hospital	1,825	1	N/A
Kennedy Hospital	1,675	2	N/A
County of Gloucester	1,500	3	N/A
Washington Township School District	1,498	4	N/A
Rowan University	1,483	5	N/A
Missa Bay, L.L.C.	950	6	N/A
Monroe Township School District	792	7	N/A
U.S. Foodservices	725	8	N/A
Exxon Mobile Research & Development	700	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
			<u>N/A</u>

Source: Gloucester County Office of Economic Development and Employer Directory.

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

N/A - Information not available

**WENONAH BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	16.5	16.1	15.9	17.4	17.7	18.8	18.6	18.8	19.2	18.7
Special Education	3.4	2.8	2.8	2.3	2.3	2.3	2.1	3.6	4.0	5.2
Other Special Education	-	-	-	-	-	1.4	1.4	1.4	1.4	0.5
Support Services:										
Student & Instruction Related Services	10.6	12.8	10.6	9.6	8.9	8.6	8.8	8.9	9.3	9.2
General Administrative Services	1.6	1.4	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
School Administrative Services	0.6	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Central Administrative Services	1.2	0.8	1.4	1.4	1.4	1.4	1.4	1.2	1.2	1.2
Plant Operations & Maintenance	3.5	4.3	3.9	2.6	2.6	1.6	2.6	3.1	3.4	3.3
Total	37.4	38.8	36.7	35.4	35.0	36.2	37.0	39.1	40.6	40.2

Source: District Personnel Records

**WENONAH BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2023	167	\$ 4,302,041	25,761	6.50%	20	8.39:1	165	157	-3.51%	95.15%
2022	166	4,015,454	24,189	4.07%	19	8.88:1	171	163	3.01%	95.32%
2021	165	3,835,182	23,244	6.82%	18.7	8.88:1	166	161	-0.60%	96.99%
2020	170	3,699,121	21,760	6.17%	19.7	8.42:1	167	163	-5.11%	97.60%
2019	175	3,586,781	20,496	4.91%	19.5	8.98:1	176	170	-1.68%	96.59%
2018	182	3,555,734	19,537	2.44%	22.5	8.08:1	179	173	1.13%	96.65%
2017	177	3,375,632	19,071	7.26%	24.1	7.36:1	177	170	-9.69%	96.05%
2016	193	3,431,652	17,781	12.86%	22.9	8.43:1	196	188	-5.77%	95.92%
2015	209	3,292,575	15,754	8.60%	24.5	8.53:1	208	200	-7.14%	96.15%
2014	227	3,292,803	14,506	19.46%	23.8	9.55:1	224	216	-8.57%	96.43%
2013	247	2,999,191	12,142	3.13%	23.3	10.52:	245	235	-0.81%	95.92%

Sources: District records

- a. Operating expenditures equal total expenditures 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).

**WENONAH BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools:										
Elementary School:										
Square Feet	37,738	37,738	37,738	37,738	37,738	37,738	37,738	37,738	37,738	37,738
Capacity (Students)	371	371	371	371	371	371	371	371	371	371
Enrollment	167	166	165	170	175	182	177	193	209	227

Number of Schools at June 30, 2023:
Elementary = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**WENONAH BOROUGH SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 LAST TEN FISCAL YEARS**

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

ELEMENTARY
 SCHOOL

2023	\$	89,737
2022		59,373
2021		56,965
2020		36,885
2019		18,435
2018		16,471
2017		37,825
2016		18,814
2015		25,697
2014		27,227

Gross Square Footage: 37,738

Source: District records

**WENONAH BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE**

The District has retained insurance through the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The following is a summary of the coverage obtained through this fund.

	<u>COVERAGE</u>	
I. Property, Inland Marine, and Automobile Physical Damages		
A. Limit of Liability	\$ 175,000,000	Per Occurrence
1. GCSSDJIF Self Insured Retention	250,000	Per Occurrence
2. Member District Deductible	500	Per Occurrence
3. Perils Included	"All Risk"	
B. Property Valuation		
1. Buildings and Contents		Replacement Cost
2. Contractors Equipment		Actual Cash Value
3. Automobiles		Replacement Cost
II. Boiler and Machinery		
A. Limit of Liability	125,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	1,000	
III. Crime		
A. Limit of Liability	500,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	500	
IV. General and Automobile Liability		
A. Limit of Liability	20,000,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
V. Workers' Compensation		
A. Limit of Liability	Statutory	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
VI. Educator's Legal Liability		
A. Limit of Liability	20,000,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
VII. Pollution Legal Liability		
A. Limit of Liability	3,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	25,000	
3. Member District Deductible - Mold Incident	250,000	
VIII. Cyber Liability		
A. Limit of Liability	2,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	50,000	
IX. Violent Malicious Acts		
A. Limit of Liability	1,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	10,000	
X. Disaster Management Services		
A. Limit of Liability	1,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	10,000	
Public employees' faithful performance bonds - Hanover Insurance Group		
Surety Bond - School Business Administrator/Board Secretary	145,000	

Source: District records.

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SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Wenonah Borough School District
County of Gloucester
Wenonah, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Wenonah Borough School District (the “School District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated November 13, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
November 13, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Wenonah Borough School District
County of Gloucester
Wenonah, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Wenonah Borough School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2023. The School District’s major 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 School District 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our 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 state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's 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 the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
November 13, 2023

WENONAH BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE AT JUNE 30, 2023	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2023
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: Title II - Part A, Supporting Effective Instruction	84.367	S367A220029	100-034-5063-290	2,052	7/1/22-9/30/23	-	2,052	(2,052)	-	-	-
						-	2,052	(2,052)	-	-	-
Special Education Cluster:											
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	100-034-5065-016	43,432	7/1/22-9/30/23	-	28,555	(43,432)	-	-	(14,877)
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	100-034-5065-016	41,669	7/1/21-9/30/22	(427)	427	-	-	-	-
COVID-19 ARP - IDEA Basic	84.027X	H027X210100	100-034-5065-094	6,978	7/1/21-9/30/22	(169)	602	(433)	-	-	-
						(596)	29,584	(43,865)	-	-	(14,877)
I.D.E.A. - Preschool	84.173A	H173A220114	100-034-5065-020	3,462	7/1/22-9/30/23	-	3,162	(3,462)	-	-	(300)
I.D.E.A. - Preschool	84.173A	H173A210114	100-034-5065-020	3,295	7/1/21-9/30/22	(330)	330	-	-	-	-
						(330)	3,492	(3,462)	-	-	(300)
Total Special Education Cluster:						(926)	33,076	(47,327)	-	-	(15,177)
Education Stabilization Fund											
COVID-19 Coronavirus Response & Relief Supplemental Appropriations:											
CRISA - ESSER II	84.425D	S425D210027	100-034-5120-518	48,631	3/13/20-9/30/23	(1,567)	10,414	(8,847)	-	-	-
CR Learning Acceleration	84.425D	S425D210027	100-034-5120-518	25,000	3/13/20-9/30/23	(1)	9,218	(11,774)	-	-	(2,557)
CR Mental Health	84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	(6,211)	28,360	(28,085)	-	-	(5,936)
COVID-19 American Rescue Plan											
ARP - ESSER III	84.425U	S425U210027	100-034-5120-523	97,263	3/13/20-9/30/24	(29,527)	62,404	(32,876)	-	-	1
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	100-034-5120-523	50,000	3/13/20-9/30/24	-	21,591	(21,591)	-	-	-
Evidence Based Comp. Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(5,290)	16,639	(11,349)	-	-	-
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	16,029	(16,029)	-	-	-
NJTSB Mental Health Support Staffing	84.425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	-	1,480	(2,474)	-	-	(994)
Total Education Stabilization Fund						(42,596)	166,135	(133,025)	-	-	(9,486)
Total U.S. Department of Education						(43,522)	201,263	(182,404)	-	-	(24,663)
Total Expenditures of Federal Awards						(43,522)	201,263	(182,404)	\$	\$	(24,663)

**WENONAH BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2023**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2023	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<u>State Department of Education:</u> General Fund:										
State Aid Public:										
Equalization Aid	495-034-5120-078	\$ 97,865	7/1/22-6/30/23	\$ -	\$ 97,865	\$ (97,865)	\$ -	\$ -	\$ 7,584	\$ 97,865
Special Education Categorical Aid	495-034-5120-089	134,037	7/1/22-6/30/23	-	134,037	(134,037)	-	-	10,387	134,037
Total State Aid Public				-	231,902	(231,902)	-	-	17,971	231,902
Stabilization Aid	495-034-5120-494	23,466	7/1/22-6/30/23	-	23,466	(23,466)	-	-	-	23,466
Extraordinary Aid	495-034-5120-044	18,818	7/1/22-6/30/23	-	-	(18,818)	-	(18,818)	-	18,818
Extraordinary Aid	495-034-5120-044	39,701	7/1/21-6/30/22	(39,701)	39,701	-	-	-	-	-
Lead Testing for Schools Aid	495-034-5120-104	1,144	7/1/22-6/30/23	-	1,144	(1,144)	-	-	-	1,144
Reimbursed TPAF Social Security Contributions	495-034-5094-003	110,888	7/1/22-6/30/23	-	100,314	(110,888)	-	(10,574)	-	110,888
Reimbursed TPAF Social Security Contributions	495-034-5094-003	100,590	7/1/21-6/30/22	(5,112)	5,112	-	-	-	-	-
On-Behalf TPAF Pension										
Contributions (Noncash Assistance)	495-034-5094-001	533,629	7/1/22-6/30/23	-	533,629	(533,629)	-	-	-	533,629
On-Behalf TPAF Post-Retirement										
Medical Contributions (Noncash Assistance)	495-034-5094-002	140,183	7/1/22-6/30/23	-	140,183	(140,183)	-	-	-	140,183
On-Behalf TPAF Long-Term Disability										
Insurance Contributions (Noncash Assistance)	495-034-5120-004	196	7/1/22-6/30/23	-	196	(196)	-	-	-	196
SDA Emergent Needs	100-034-5120-086	3,812	7/1/22-6/30/23	-	3,812	(3,812)	-	-	-	3,812
Debt Service Aid	495-034-5120-017	23,926	7/1/22-6/30/23	-	23,926	(23,926)	-	-	-	23,926
Total State Department of Education				(44,813)	1,103,385	(1,087,964)	-	(29,392)	17,971	1,087,964
<u>New Jersey Clean Energy Program:</u> School and Small Business Ventilation and Energy Efficiency										
Verification and Repair Program	N/A	643,875	7/1/22-11/03/23	-	5,640	(70,640)	-	(65,000)	-	70,640
Total State Financial Assistance				\$ (44,813)	\$ 1,109,025	\$ (1,158,604)	\$ -	\$ (94,392)	\$ 17,971	\$ 1,158,604
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
On-Behalf TPAF Pension Contributions	495-034-5094-001		7/1/22-6/30/23		\$	533,629				
On-Behalf TPAF Post-Retirement Medical Contributions	495-034-5094-002		7/1/22-6/30/23			140,183				
On-Behalf TPAF Long-Term Disability Insurance Contributions	495-034-5120-004		7/1/22-6/30/23			196				
Total State Financial Assistance Subject to Major Program Determination						\$ (484,596)				

**WENONAH BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Wenonah Borough School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District'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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. 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 3. Relationship to Basic Financial Statements

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

**WENONAH BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 3. Relationship to Basic Financial Statements (continued)

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 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 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:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$10,992 for the general fund and \$28,380 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District’s basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,071,218	\$ 1,071,218
Special Revenue Fund	210,784	3,812	214,596
Capital Projects Fund	-	70,640	70,640
Debt Service Fund	-	23,926	23,926
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 210,784</u>	<u>\$ 1,169,596</u>	<u>\$ 1,380,380</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. Federal and State Loans Outstanding

The Wenonah Borough School District had no loan balances outstanding at June 30, 2023.

**WENONAH BOROUGH SCHOOL 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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards - NOT APPLICABLE

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

<u>ALN Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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NOT APPLICABLE

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**WENONAH BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings – N/A

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs – N/A

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – N/A

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

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A