

WHARTON BOARD OF EDUCATION

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

WHARTON BOARD OF EDUCATION

Wharton, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Wharton Borough Board of Education
Business Office**

WHARTON BOARD OF EDUCATION
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors.....	7
 FINANCIAL SECTION.....	 8
Independent Auditors’ Report	9
Required Supplementary Information	12
Management’s Discussion and Analysis	13
Basic Financial Statements (Sections A. and B.).....	21
A. District-Wide Financial Statements	22
A-1 Statement of Net Position	23
A-2 Statement of Activities.....	24
B. Fund Financial Statements.....	26
B-1 Balance Sheet – Governmental Funds	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
B-4 Statement of Net Position – Proprietary Funds.....	30
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	31
B-6 Statement of Cash Flows – Proprietary Funds.....	32
Notes to the Basic Financial Statements	33
Required Supplementary Information	73
L Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions	74
L-1 Schedule of District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	74
L-2 Schedule of District Contributions – Public Employees Retirement System	75
L-3 Schedule of State’s Proportionate Share of the Net Pension Liability Associated with the District – Teachers’ Pension and Annuity Fund.....	76
L-4 Schedule of State Contributions - Teachers’ Pension and Annuity Fund.....	77
L-5 Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios	78
Notes to Required Supplementary Information	79

WHARTON BOARD OF EDUCATION
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

FINANCIAL SECTION (Cont'd)

C.	Budgetary Comparison Schedules	81
C-1	Budgetary Comparison Schedule – General Fund.....	82
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	94
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI.....	95
Other Supplementary Schedules (D.-I.)		
D.	School Level Schedules (Not Applicable).....	96
E.	Special Revenue Fund	97
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	98
E-2	Preschool Aid Schedule of Expenditures – Budgetary Basis.....	101
F.	Capital Projects Fund.....	102
F-1	Summary Schedule of Revenue, Expenditures and Changes in Fund Balance – Budgetary Basis.....	103
F-1a	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Duffy Elementary School - Various Upgrades.....	104
F-1b	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Duffy Elementary School - Corridor Ceramic Tile Replacement.....	105
F-1c	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – MacKinnon HVAC Rooftop Units and Building Management Systems	106
G.	Proprietary Funds.....	107
Enterprise Fund:		
G-1	Statement of Net Position	108
G-2	Statement of Revenue, Expenses and Changes in Fund Net Position.....	109
G-3	Statement of Cash Flows	110
H.	Fiduciary Activities (Not Applicable)	111
I.	Long-Term Liabilities.....	112
I-1	Schedule of Serial Bonds	113
I-2	Schedule of Obligations Under Financed Purchases (Not Applicable)	114
I-3	Schedule of Obligations Under Leases (Not Applicable)	115
I-4	Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	116
I-5	Debt Service Fund Budgetary Comparison Schedule.....	117
J.	Statistical Section (Unaudited)	118
J-1	Net Position by Component.....	119
J-2	Changes in Net Position.....	120
J-3	Fund Balances - Governmental Funds.....	122
J-4	Changes in Fund Balances - Governmental Funds	123
J-5	General Fund - Other Local Revenue by Source	124

WHARTON BOARD OF EDUCATION
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

J.	Statistical Section (Unaudited) (Cont'd)	
J-6	Assessed Value and Actual Value of Taxable Property	125
J-7	Direct and Overlapping Property Tax Rates	126
J-8	Principal Property Tax Payers	127
J-9	Property Tax Levies and Collections	128
J-10	Ratios of Outstanding Debt by Type	129
J-11	Ratios of Net General Bonded Debt Outstanding	130
J-12	Ratios of Overlapping Governmental Activities Debt	131
J-13	Legal Debt Margin Information	132
J-14	Demographic and Economic Statistics	133
J-15	Principal Employers	134
J-16	Full-Time Equivalent District Employees by Function/Program	135
J-17	Operating Statistics	136
J-18	School Building Information	137
J-19	Schedule of Required Maintenance for School Facilities	138
J-20	Insurance Schedule	139
K.	Single Audit Section	140
K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	141
K-2	Independent Auditors' Report on Compliance For Each Major Federal and State Program and Report on Internal Control over Compliance Required by the Uniform Guidance and NJOMB 15-08.....	143
K-3	Schedule of Expenditures of Federal Awards	146
K-4	Schedule of Expenditures of State Awards	148
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	150
K-6	Schedule of Findings and Questioned Costs	152
K-7	Summary Schedule of Prior Audit Findings	154

INTRODUCTORY SECTION
(UNAUDITED)

WHARTON BOROUGH PUBLIC SCHOOLS

www.wbps.org

"Learn to Thrive in a Dynamic World"

Christopher Herdman
Superintendent

Sandy Cammarata
Business Administrator

Christopher J. Herdman
Superintendent

Sandy Cammarata
Business Administrator

Marie Giantomasi
Director of Special Education &
Child Study Team

Board of Educaon
Robin Ghebreal
President

Jennifer Hobbs
Vice President

Anthony Astrologo
Gilbert Bahr
Paul Breda
Kelly Elardo
Satwant Banga

Superintendent's Office
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Business Office
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Alfred C. MacKinnon School
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Child Study Team
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Fax 973.361.4897

Guidance
973.361.2541
Fax 973.361.4917

137 East Central Avenue
Wharton, NJ 07885

October 26, 2023

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

Dear Honorable President and Board Members:

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

The 2022-2023 school year, while this post-pandemic commencement was "normal" with many to most department mandates lifted, we have returned to a much different "normal". While we had created and facilitated programs and supports to supplement student learning and target academic deficiencies, these programs were updated to address realized needs inclusive of mental health, social skills, and other non-academic regressions resulting from COVID-19.

The expansion of our mental health supports were expanded to include two full-time clinicians onsite. Furthermore, our after-school clubs and activities and inter-scholastic athletic programs returned with no restrictions.

We continue to implement benchmarking assessments at scheduled intervals to assess acquisition of learning standards and to be better equipped to modify instruction to meet individual needs.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

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

2) ECONOMIC CONDITION AND OUTLOOK:

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

3) MAJOR INITIATIVES:

The Board's current major initiatives are

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

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments, and assignments of fund balance at June 30, 2023.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Business Administrator oversees risk management for the District. A Schedule of Insurance Coverage is found on Exhibit J-20.

9) OTHER INFORMATION:

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

The Honorable President and Members
of the Board of Education
Page 4
October 26, 2023

10) ACKNOWLEDGMENTS:

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

Respectfully,

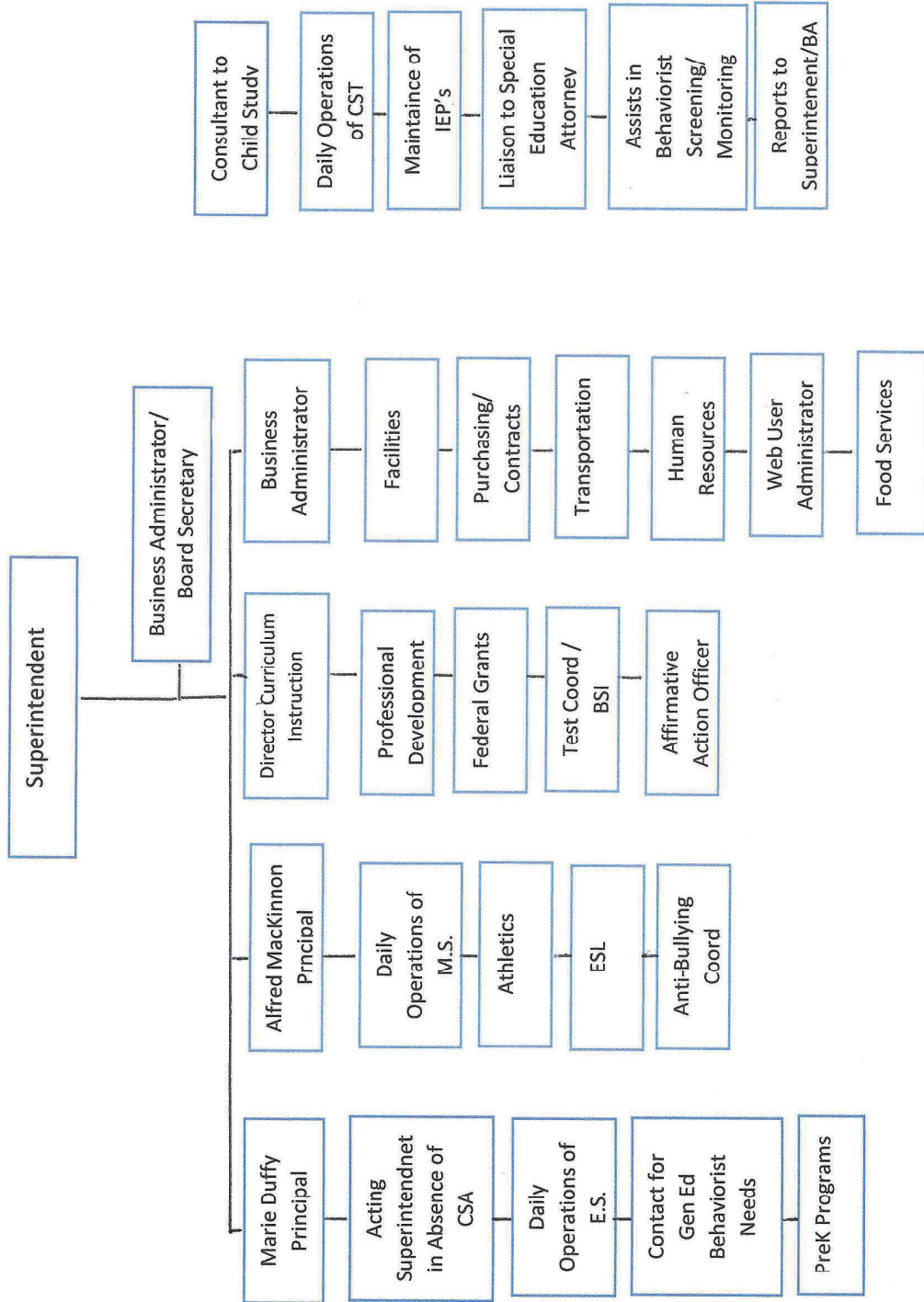


Christopher Herdman
Superintendent



Sandy Cammarata
Business Administrator/Board Secretary

**WHARTON BOARD OF EDUCATION
ORGANIZATION CHART**



**WHARTON BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Expiration of Term</u>
Robin Ghebreel, President	2025
Jennifer Hobbs, Vice President	2024
Anthony Astrologo	2023
Gilbert Bahr	2023
Paul Breda	2024
Kelly Elardo	2025
Satwant Banga	2025

<u>Other Officials</u>	<u>Title</u>
Christopher Herdman	Superintendent
Sandy Cammarata	Business Administrator/Board Secretary
Diana Fernandez	Treasurer of School Monies

WHARTON BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

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

Attorney

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

Architect

Coppa Montalbano Architects
97 Lackawanna Ave
Totowa, NJ 07512

Insurance Agent

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

Official Depository

TD Bank
240 Route 10 West
Succasunna, NJ 07876

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wharton Board of Education (the “District”), in the County of Morris as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

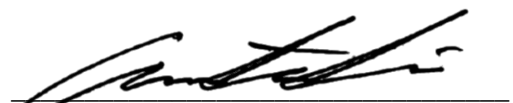
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 26, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP


Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Wharton Board of Education
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

This section of Wharton Board of Education’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

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

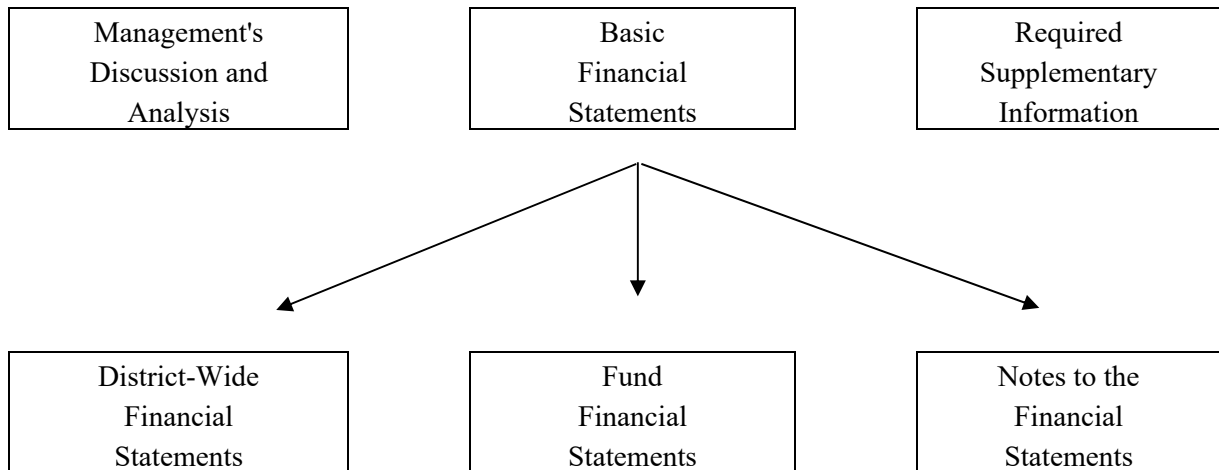


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**Wharton Board of Education
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

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

Financial Analysis of the District as a Whole

Net position. The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a District's financial position.

The District's financial position is the product 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.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Current/Other Assets	\$ 15,083,117	\$ 13,475,295	\$ 170,384	\$ 210,604	\$ 15,253,501	\$ 13,685,899	
Capital Assets	8,786,497	8,407,340	74,749	16,806	8,861,246	8,424,146	
Total Assets	23,869,614	21,882,635	245,133	227,410	24,114,747	22,110,045	9.07%
Deferred Outflows of Resources	256,076	287,188			256,076	287,188	-10.83%
Other Liabilities	951,568	643,955	5,954	2,065	957,522	646,020	
Long-term Liabilities	1,566,756	1,758,017		400	1,566,756	1,758,417	
Total Liabilities	2,518,324	2,401,972	5,954	2,465	2,524,278	2,404,437	4.98%
Deferred Inflows of Resources	407,583	600,259			407,583	600,259	-32.10%
Net Position:							
Net Investment in Capital Assets	8,570,497	7,965,340	74,749	16,806	8,645,246	7,982,146	
Restricted	14,300,792	12,757,969			14,300,792	12,757,969	
Unrestricted/(Deficit)	(1,671,506)	(1,555,717)	164,430	208,139	(1,507,076)	(1,347,578)	
Total Net Position	\$ 21,199,783	\$ 19,167,592	\$ 239,179	\$ 224,945	\$ 21,438,962	\$ 19,392,537	10.55%

Changes in Net position. The District's *combined* net position was \$21,438,962 on June 30, 2023, or 10.55% more than the year before. (See Figure A-3). Net investment in capital assets increased due to the maturity of serial bonds payable and capital assets additions, offset by capital assets deletions and current year depreciation. Restricted net position increased primarily due to an increase in the capital reserve. Unrestricted net position decreased primarily due to the changes in the net pension liability and related deferred outflows and inflows of resources.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Revenue:							
Program Revenue:							
Fees for Services	\$ 36,860	\$ 35,524	\$ 118,838	\$ 1,430	\$ 155,698	\$ 36,954	321.33%
Operating Grants/ Contributions	5,180,921	5,965,043	275,695	505,351	5,456,616	6,470,394	-15.67%
General Revenue:							
Property Taxes Unrestricted	10,040,149	9,837,302			10,040,149	9,837,302	2.06%
Federal/State Aid	5,494,405	5,274,757			5,494,405	5,274,757	4.16%
Other	350,931	38,480	3,089	151	354,020	38,631	816.41%
Total Revenue	21,103,266	21,151,106	397,622	506,932	21,500,888	21,658,038	-0.73%
Expenses:							
Instruction	10,856,135	10,918,784			10,856,135	10,918,784	-0.57%
Pupil/Instruction Services	4,807,570	4,656,387			4,807,570	4,656,387	3.25%
Administration/ Business	1,615,095	1,620,343			1,615,095	1,620,343	-0.32%
Maintenance and Operations	1,203,360	959,363			1,203,360	959,363	25.43%
Transportation	539,119	370,813			539,119	370,813	45.39%
Other	49,796	61,652	383,388	412,896	433,184	474,548	-8.72%
Total Expenses	19,071,075	18,587,342	383,388	412,896	19,454,463	19,000,238	2.39%
Other Item				35,680		35,680	-100.00%
Increase/(Decrease) in Net Position	\$ 2,032,191	\$ 2,563,764	\$ 14,234	\$ 94,036	\$ 2,046,425	\$ 2,693,480	-24.02%

Governmental Activities

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

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

**Wharton Board of Education
Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

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

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

	Total Cost of Services		Net Cost of Services	
	2022/23	2021/22	2022/23	2021/22
Instruction	\$ 10,856,135	\$ 10,918,784	\$ 7,898,012	\$ 7,339,012
Pupil and Instruction Services	4,807,570	4,656,387	2,825,426	2,585,880
Administration and Business	1,615,095	1,620,343	1,400,102	1,332,618
Maintenance and Operations	1,203,360	959,363	1,203,360	959,363
Transportation	539,119	370,813	476,598	308,250
Other	49,796	61,652	49,796	61,652
Total	\$ 19,071,075	\$ 18,587,342	\$ 13,853,294	\$ 12,586,775

Business-Type Activities

Net position from the District’s business-type activity increased \$14,234. This is primarily attributable to district sales being back to pre-pandemic levels. The increase is slightly down from the prior year due to the increasing cost of the supply chain. (Refer to Figure A-4).

Financial Analysis of the District’s Funds

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

Fringe benefit costs for all staff continue to increase dramatically.

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

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

General Fund Budgetary Highlights

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

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

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

Capital Assets

The District's capital assets increased \$437,100. This is due to the purchase of \$952,709 of capital assets offset by \$515,699 of current year depreciation.

**Figure A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Sites (Land)	\$ 164,279	\$ 164,279			\$ 164,279	\$ 164,279	0.00%
Construction in Progress	960,006	960,006			960,006	960,006	0.00%
Site Improvements	1,081,755	928,463			1,081,755	928,463	16.51%
Buildings/Bldg. Improvements	6,058,149	5,914,138			6,058,149	5,914,138	2.44%
Furniture, Machinery & Equipment	522,308	440,454	\$ 74,749	\$ 16,806	597,057	457,260	30.57%
Total	\$ 8,786,497	\$ 8,407,340	\$ 74,749	\$ 16,806	\$ 8,861,246	\$ 8,424,146	5.19%

Long-term Liabilities

The District's long-term liabilities decreased \$191,661 or 10.90% as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Percentage Change 2022/23
	2022/23	2021/22	
General Obligation Bonds (Financed with Property Taxes)	\$ 216,000	\$ 442,000	-51.13%
Net Pension Liability	966,242	957,974	0.86%
Compensated Absences Payable	384,514	358,443	7.27%
	\$ 1,566,756	\$ 1,758,417	-10.90%

- The District continued to pay down its debt, retiring \$226,000 of outstanding bonds.
- Net pension liability increased by \$8,268.
- Compensated absences increased by \$26,071 during the year.

**Wharton Board of Education
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future. Many factors were considered by the District's administration during the process of developing the fiscal year budget. The primary factors were the District's projected student population, anticipated state and federal aid, as well as increasing salaries and related benefit costs.

While many factors influence the District's future, the availability of funding for special education needs will have the most impact on educational and fiscal decision making in the future.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WHARTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,584,050	\$ 109,166	\$ 1,693,216
Internal Balances	(33,141)	33,141	
Receivable from State Government	278,992	632	279,624
Receivable from Federal Government	195,658	13,804	209,462
Receivable from Other Governments	96,766		96,766
Other Accounts Receivable		324	324
Inventories		13,317	13,317
Restricted Cash and Cash Equivalents	12,960,792		12,960,792
Capital Assets, Net:			
Sites (Land) and Construction in Progress	1,124,285		1,124,285
Depreciable Site Improvements, Buildings, Building Improvements, and Furniture, Machinery & Equipment	7,662,212	74,749	7,736,961
Total Assets	<u>23,869,614</u>	<u>245,133</u>	<u>24,114,747</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	<u>256,076</u>		<u>256,076</u>
Total Deferred Outflows of Resources	<u>256,076</u>		<u>256,076</u>
<u>LIABILITIES</u>			
Accounts Payable	500,384		500,384
Unearned Revenue	451,184	5,954	457,138
Noncurrent Liabilities:			
Due Within One Year	216,000		216,000
Due Beyond One Year	1,350,756		1,350,756
Total Liabilities	<u>2,518,324</u>	<u>5,954</u>	<u>2,524,278</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	<u>407,583</u>		<u>407,583</u>
Total Deferred Inflows of Resources	<u>407,583</u>		<u>407,583</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,570,497	74,749	8,645,246
Restricted for:			
Capital Projects	11,018,261		11,018,261
Maintenance	590,012		590,012
Emergency	250,000		250,000
Excess Surplus	1,340,000		1,340,000
Unemployment Compensation	1,069,661		1,069,661
Student Activities	32,858		32,858
Unrestricted/(Deficit)	<u>(1,671,506)</u>	<u>164,430</u>	<u>(1,507,076)</u>
Total Net Position	<u>\$ 21,199,783</u>	<u>\$ 239,179</u>	<u>\$ 21,438,962</u>

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

WHARTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 7,181,627		\$ 1,315,427	\$ (5,866,200)		\$ (5,866,200)
Special Education	3,203,750		1,559,221	(1,644,529)		(1,644,529)
Other Instruction	470,758		83,475	(387,283)		(387,283)
Support Services:						
Tuition	842,075			(842,075)		(842,075)
Student & Instruction Related Services	3,965,495	\$ 36,860	1,945,284	(1,983,351)		(1,983,351)
General Administration Services	568,971		78,242	(490,729)		(490,729)
School Administration Services	565,930		80,631	(485,299)		(485,299)
Central Services	371,029		56,120	(314,909)		(314,909)
Administrative Information Technology	109,165			(109,165)		(109,165)
Plant Operations and Maintenance	1,203,360			(1,203,360)		(1,203,360)
Pupil Transportation	539,119		62,521	(476,598)		(476,598)
Interest on Long-Term Debt	6,251			(6,251)		(6,251)
Charter School	39,143			(39,143)		(39,143)
Capital Outlay	4,402			(4,402)		(4,402)
Total Governmental Activities	19,071,075	36,860	5,180,921	(13,853,294)		(13,853,294)
Business-Type Activities:						
Food Service	383,388	118,838	275,695		\$ 11,145	11,145
Total Business-Type Activities	383,388	118,838	275,695		11,145	11,145
Total Primary Government	\$ 19,454,463	\$ 155,698	\$ 5,456,616	(13,853,294)	11,145	(13,842,149)

WHARTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 9,870,110		\$ 9,870,110
Taxes Levied for Debt Service	170,039		170,039
Federal and State Aid not Restricted	5,494,405		5,494,405
Investment Earnings	254,981	\$ 3,089	258,070
Miscellaneous Income	95,950		95,950
Total General Revenue	15,885,485	3,089	15,888,574
Change in Net Position	2,032,191	14,234	2,046,425
Net Position - Beginning	19,167,592	224,945	19,392,537
Net Position - Ending	\$ 21,199,783	\$ 239,179	\$ 21,438,962

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

FUND FINANCIAL STATEMENTS

WHARTON BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,369,680	\$ 192,111	\$ 22,259	\$ 1,584,050
Receivables from Federal Government		195,658		195,658
Receivables from State Government	278,992			278,992
Receivable from Other Governments	96,766			96,766
Restricted Cash and Cash Equivalents	12,927,934	32,858		12,960,792
Total Assets	\$ 14,673,372	\$ 420,627	\$ 22,259	\$ 15,116,258
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 337,134	\$ 60,402		\$ 397,536
Interfund Payable	33,141			33,141
Unearned Revenue		451,184		451,184
Total Liabilities	370,275	511,586		881,861
Fund Balances:				
Restricted for:				
Capital Reserve	11,018,261			11,018,261
Maintenance Reserve	590,012			590,012
Emergency Reserve	250,000			250,000
Excess Surplus for 2023-2024	670,000			670,000
Excess Surplus for 2024-2025	670,000			670,000
Unemployment Compensation	1,069,661			1,069,661
Student Activities		32,858		32,858
Committed			\$ 22,259	22,259
Assigned:				
Other Purposes	35,163			35,163
Unassigned/(Deficit)		(123,817)		(123,817)
Total Fund Balances/ (Deficit)	14,303,097	(90,959)	22,259	14,234,397
Total Liabilities and Fund Balances	\$ 14,673,372	\$ 420,627	\$ 22,259	\$ 15,116,258

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

Total Fund Balances - Governmental Funds (Above)	\$ 14,234,397
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	8,786,497
Long-Term Liabilities, including Bonds Payable and Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(1,566,756)
Certain amounts related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and not reported in the Governmental Funds:	
Deferred Outflows of Resources	153,228
Deferred Inflows of Resources	(407,583)
Net Position of Governmental Activities	\$ 21,199,783

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

WHARTON BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 9,870,110			\$ 170,039	\$ 10,040,149
Restricted Miscellaneous Revenue	33,438	\$ 36,860			70,298
Unrestricted Miscellaneous Revenue	317,493				317,493
Total - Local Sources	10,221,041	36,860		170,039	10,427,940
State Sources	9,557,622	997,365		62,212	10,617,199
Federal Sources	32,887	1,211,333			1,244,220
Total Revenue	19,811,550	2,245,558		232,251	22,289,359
EXPENDITURES:					
Instruction:					
Regular Instruction	4,472,545	228,060			4,700,605
Special Education Instruction	1,879,397	212,008			2,091,405
Other Instruction	289,004				289,004
Support Services and Undistributed Costs:					
Tuition	842,075				842,075
Student & Instruction Related Services	1,683,436	1,728,611			3,412,047
General Administration Services	389,721				389,721
School Administration Services	360,838				360,838
Central Services	246,350				246,350
Administrative Information Technology	92,098				92,098
Plant Operations and Maintenance	1,154,198				1,154,198
Pupil Transportation	523,703				523,703
Unallocated Benefits	5,657,523				5,657,523
Capital Outlay	782,313	175,876			958,189
Debt Service:					
Principal				226,000	226,000
Interest and Other Charges				6,251	6,251
Transfer of Funds to Charter Schools	39,143				39,143
Total Expenditures	18,412,344	2,344,555		232,251	20,989,150
Excess/(Deficiency) of Revenue over/ (under) Expenditures	1,399,206	(98,997)			1,300,209
OTHER FINANCING SOURCES/(USES):					
Transfers	(88,441)	88,441			
Total Other Financing Sources/(Uses)	(88,441)	88,441			
Net Change in Fund Balances	1,310,765	(10,556)			1,300,209
Fund Balance/(Deficit) - July 1	12,992,332	(80,403)	\$ 22,259		12,934,188
Fund Balance/(Deficit) - June 30	\$ 14,303,097	\$ (90,959)	\$ 22,259	\$ -0-	\$ 14,234,397

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

WHARTON BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,300,209

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

Capital outlays are reported in governmental funds as expenditures.

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

	Depreciation Expense	\$ (513,849)	
	Capital Outlays	<u>893,006</u>	
			379,157

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (26,471)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+) 226,000

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

Change in Net Pension Liability	(8,268)
Changes in Deferred Outflows of Resources Related to Pension	(31,112)
Changes in Deferred Inflows of Resources Related to Pension	<u>192,676</u>

Change in Net Position - Governmental Activities (from A-2) \$ 2,032,191

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

WHARTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 109,166
Interfund Receivable	33,141
Intergovernmental Accounts Receivable:	
Federal	13,804
State	632
Other Accounts Receivable	324
Inventories	13,317
Total Current Assets	170,384
Non-Current Assets:	
Capital Assets	74,749
Total Non-Current Assets	74,749
Total Assets	245,133
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Donated Commodities	5,954
Total Current Liabilities	5,954
Total Liabilities	5,954
NET POSITION:	
Net Investment in Capital Assets	74,749
Unrestricted	164,430
Total Net Position	\$ 239,179

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

WHARTON BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - <u>Enterprise Funds</u> Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 111,708
Daily Sales - Non-reimbursable Programs	7,130
	118,838
Total Operating Revenue	118,838
Operating Expenses:	
Cost of Sales - Reimbursable Programs	158,883
Cost of Sales - Non-Reimbursable Programs	10,141
Salaries	156,306
Benefits & Payroll Taxes	34,006
Management Fee	11,050
Miscellaneous Expenses	11,242
Depreciation Expense	1,760
	383,388
Total Operating Expenses	383,388
Operating Loss	(264,550)
Non-Operating Income:	
Local Sources:	
Interest Income	3,089
State Sources:	
State School Lunch Program	11,404
Federal Sources:	
School Breakfast Program	30,200
National School Lunch Program	210,994
Food Distribution Program	23,097
	278,784
Total Non-Operating Income	278,784
Change in Net Position	14,234
Net Position - Beginning of Year	224,945
Net Position - End of Year	\$ 239,179

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

WHARTON BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 118,111
Payments to Employees	(46,275)
Payments to Food Service Vendor	(306,730)
Payments to Suppliers	(7,882)
Net Cash Used for Operating Activities	<u>(242,776)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(59,703)
Net Cash Used for Capital and Related Financing Activities	<u>(59,703)</u>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Revenue	3,089
State Sources:	
State School Lunch Program	9,980
Federal Sources:	
National School Lunch Program	200,915
School Breakfast Program	29,098
Interfund Advanced - General Fund	1,615
Net Cash Provided by Noncapital Financing Activities	<u>244,697</u>
Net Decrease in Cash and Cash Equivalents	(57,782)
Cash and Cash Equivalents, July 1	<u>166,948</u>
Cash and Cash Equivalents, June 30	<u>\$ 109,166</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (264,550)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	1,760
Food Distribution Program	23,097
Changes in Assets and Liabilities:	
(Decrease) in Inventory	(6,248)
Increase in Unearned Revenue - Donated Commodities	4,292
(Decrease) in Compensated Absences Payable	(400)
(Decrease) in Unearned Revenue - Prepaid Sales	(727)
Net Cash Used for Operating Activities	<u>\$ (242,776)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$27,389 and utilized U.S.D.A Commodities valued at \$23,097 for the fiscal year ended June 30, 2023.

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Wharton Board of Education (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue from sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

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

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 19,830,559	\$ 2,298,482
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not.		
Current Year Encumbrances		(50,607)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	591,153	121,500
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(610,162)	(123,817)
Total Revenues as Reported on the Statement of Revenues,		
Expenditures and Changes in Fund Balances - Governmental Funds	\$ 19,811,550	\$ 2,245,558

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 18,412,344	\$ 2,395,162
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(50,607)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 18,412,344	\$ 2,344,555
		Capital Projects Fund
Committed Fund Balance - Budgetary Basis		\$ 38,525
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis		(16,266)
Fund Balance per Governmental Funds (GAAP)		\$ 22,259

E. Cash and Cash Equivalents and Investments:

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

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

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

E. Cash and Cash Equivalents and Investments: (Cont'd)

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

F. Interfund Transactions:

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

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

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

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

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

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

L. Lease Assets

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

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

P. Compensated Absences:

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

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

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

Q. Lease Payable

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

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated:

General Fund: Of the \$14,303,097 General Fund balance at June 30, 2023, \$35,163 is assigned for year end encumbrances; which is \$70,951 less on a GAAP basis due to the final two state aid payments, \$0 is unassigned fund balance, which is \$539,211 less than the budgetary year end fund balance due to the final two state aid payments which are not recognized until the following fiscal year; \$11,018,261 is restricted in the capital reserve account; \$590,012 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; \$670,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, C.73(S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025; \$670,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the year ended June 30, 2024; \$1,069,661 is restricted for unemployment compensation.

Special Revenue Fund: Of the (\$90,959) deficit fund balance in the Special Revenue Fund at June 30, 2023, \$32,858 is restricted for student activities and (\$123,817) is a deficit in unassigned fund balance. The deficit is due to the last two state aid payments, which are not recognized on a GAAP basis until the fiscal year ended June 30, 2024.

Capital Projects Fund: The \$22,259 fund balance in the Capital Projects Fund at June 30, 2023 is committed.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2023 as noted on the prior page.

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

U. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources related to pensions at June 30, 2023.

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

U. Net Position: (Cont'd)

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

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

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

V. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2023.

W. Deficit Fund Balance/Net Position:

The District has a deficit in the unrestricted net position of \$1,671,506 in its governmental activities, which is primarily due to net pension liability and the related deferred inflows and outflows and compensated absences. The District has a \$123,817 deficit unassigned fund balance in the Special Revenue Fund due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2024. These deficits do not indicate that the District is in financial difficulties and are a permitted practice under generally accepted accounting principles.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalent		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 1,683,871	\$ 12,960,792	\$ 14,644,663
New Jersey Cash Management Fund	9,345		9,345
	\$ 1,693,216	\$ 12,960,792	\$ 14,654,008

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$14,654,008 and the bank balance was \$15,506,457. The \$9,345 balance in the New Jersey Cash Management Fund is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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

Balance at June 30, 2022	\$	9,500,637
Increased by:		
Board Resolution June 2023		2,263,650
Unexpended Withdrawal Returned to Capital Reserve		79,224
Decreased by Budgeted Withdrawal		<u>(825,250)</u>
Balance at June 30, 2023	\$	<u><u>11,018,261</u></u>

The balance in the capital reserve account at June 30, 2023 did not exceed the balance of local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan (“LRFP”). The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District’s LRFP.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Balance</u> <u>6/30/2022</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Balance</u> <u>6/30/2023</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 164,279			\$ 164,279
Construction in Progress	960,006			960,006
Total Capital Assets not Being Depreciated	<u>1,124,285</u>			<u>1,124,285</u>
Capital Assets Being Depreciated:				
Site Improvements	1,594,778	\$ 234,191		1,828,969
Buildings and Building Improvements	12,916,982	513,429		13,430,411
Machinery and Equipment	589,585	145,386		734,971
Total Capital Assets Being Depreciated	<u>15,101,345</u>	<u>893,006</u>		<u>15,994,351</u>
Governmental Activities Capital Assets	<u>16,225,630</u>	<u>893,006</u>		<u>17,118,636</u>
Less Accumulated Depreciation for:				
Site Improvements	(666,315)	(80,899)		(747,214)
Buildings and Building Improvements	(7,002,844)	(369,418)		(7,372,262)
Machinery and Equipment	(149,131)	(63,532)		(212,663)
Total Accumulated Depreciation	<u>(7,818,290)</u>	<u>(513,849)</u>		<u>(8,332,139)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 8,407,340</u>	<u>\$ 379,157</u>	<u>\$ - 0 -</u>	<u>\$ 8,786,497</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 67,568	\$ 59,703		\$ 127,271
Less Accumulated Depreciation	(50,762)	(1,760)		(52,522)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>16,806</u>	<u>57,943</u>	<u>\$ - 0 -</u>	<u>74,749</u>
GRAND TOTAL	<u>\$ 8,424,146</u>	<u>\$ 437,100</u>	<u>\$ - 0 -</u>	<u>\$ 8,861,246</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	215,813
Special Education		97,632
Other Instruction		15,416
Student and Related Services		71,940
General Administration		20,554
School Administration		15,416
Central Services		10,277
Administrative Information Technology		5,138
Plant Operations and Maintenance		46,247
Pupil Transportation		15,416
		\$ 513,849

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District made transfers into capital outlay accounts in the amount of \$15,000 for equipment which did not require approval of the County Superintendent.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023	Due Within One Year
Governmental Activities:					
Compensated Absences Payable	\$ 358,043	\$ 26,471		\$ 384,514	
Net Pension Liability	957,974	8,268		966,242	
Bonds Payable	442,000		\$ 226,000	216,000	\$ 216,000
	1,758,017	34,739	226,000	1,566,756	216,000
Business-type Activities:					
Compensated Absences Payable	400		400		
	\$ 1,758,417	\$ 34,739	\$ 226,400	\$ 1,566,756	\$ 216,000

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

A. Bonds Payable:

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

The District has bonds outstanding as of June 30, 2023 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
School Refunding Bonds	7/1/2023	1.900%	<u>\$ 216,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	<u>\$ 216,000</u>	<u>\$ 2,052</u>	<u>\$ 218,052</u>

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

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board has no bonds authorized but not issued.

C. Financed Purchase Payable:

The District did not have any financed purchases payable at June 30, 2023.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability and will be liquidated through the General Fund. The current portion of the compensated absences balance of the governmental funds is \$0 and \$384,514 represents the long-term liability balance of compensated absences.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$966,242. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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.

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

District contributions to PERS amounted to \$80,740 for the current fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$7,890 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$966,242 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.006%, which was a decrease of 0.00168% from its proportion measured as of June 30, 2021.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit of \$72,555 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$7,890 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 23,227
	2019	5.21		29,025
	2020	5.16		85,350
	2021	5.13		7,082
	2022	5.13	\$ 2,994	
			<u>2,994</u>	<u>144,684</u>
Changes in Proportion	2018	5.63	3,234	
	2019	5.21	8,596	
	2020	5.16	86,880	
	2021	5.13	4,562	
	2022	5.13		257,864
			<u>103,272</u>	<u>257,864</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	956	
	2020	5.00	28,723	
	2021	5.00	(179,158)	
	2022	5.00	189,471	
			<u>39,992</u>	
Difference Between Expected and Actual Experience	2018	5.63		884
	2019	5.21	2,219	
	2020	5.16	4,755	
	2021	5.13		2,381
	2022	5.13		2,885
			<u>6,974</u>	<u>6,150</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	102,848	
			<u>\$ 256,080</u>	<u>\$ 408,698</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (82,883)
2024	(42,226)
2025	(20,593)
2026	44,926
2027	(98)
	\$ (100,874)

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	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 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' 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%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	8.00%	11.19%
Real Estate	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 Management Strategies	3.00%	4.91%

Discount Rate

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,241,338	\$ 966,242	\$ 732,124

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$2,147,586 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$746,355.

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$27,732,340. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.05375%, which was an increase of 0.00012% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>27,732,340</u>
Total	<u>\$ 27,732,340</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$746,355 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
				<u>1,172,371,073</u>
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

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

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

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

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' 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%	8.38%
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%

Discount Rate – TPAF

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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 32,516,758	\$ 27,732,340	\$ 23,702,069

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$15,837 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$21,507 for the fiscal year ended June 30, 2023.

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. RISK MANAGEMENT

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

Property and Liability

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

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

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

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

Selected financial information for NJSID and SAIF as of June 30, 2023 was not available at the time of audit. Selected, summarized financial information as of June 30, 2022 are as follows:

	NJ Schools Insurance Group	School Alliance Insurance Fund
Total Assets	\$ 419,556,712	\$ 52,198,217
Net Position	\$ 184,982,708	\$ 20,990,635
Total Revenue	\$ 136,489,970	\$ 48,576,664
Total Expenses	\$ 123,329,498	\$ 48,577,544
Change in Net Position	\$ 13,160,472	\$ (880)
Members Dividends	\$ - 0 -	\$ - 0 -

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

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

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the unemployment compensation restricted fund balance for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of interest earnings and District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s unemployment compensation restricted fund balance for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 13,876	\$ -0-	\$ 19,562	\$ -0-	\$ 1,069,661
2021-2022	1,216	-0-	12,945	-0-	1,036,223
2020-2021	967	-0-	12,151	9,259	1,022,062

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. DEFERRED COMPENSATION

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

AXA Equitable	Lincoln National Insurance
Metropolitan Life Insurance	VALIC

NOTE 12. CONTINGENT LIABILITIES

Litigation

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

Grant Programs

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 12. CONTINGENT LIABILITIES (Cont'd)

Arbitrage

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

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds.

	Governmental Activities		
	General	Special Revenue	Total
	Fund	Fund	
Vendors	\$ 106,114	\$ 50,607	\$ 156,721

On the District’s Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue fund, which is \$50,607 less than actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue.

NOTE 13. TAX CALENDAR

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

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

NOTE 14. MAINTENANCE RESERVE ACCOUNT

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance at June 30, 2022	\$	590,012
Balance at June 30, 2023	\$	<u>590,012</u>

NOTE 15. EMERGENCY RESERVE ACCOUNT

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

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated General Fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the General Fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1st and June 30th of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or for a withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1. The balance as of June 30, 2023 is \$250,000.

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2023:

	Governmental Funds		Total Governmental Funds	District Contribution	Total Governmental Activities
	Special Revenue Fund	General Fund		Subsequent to the Measure- ment Date	
Vendors	\$ 60,402	\$ 11,445	\$ 71,847		\$ 71,847
Payroll Deductions and Withholdings		88,366	88,366		88,366
Accrued Salaries & Wages		237,323	237,323		237,323
Due State of New Jersey				\$ 102,848	102,848
	\$ 60,402	\$ 337,134	\$ 397,536	\$ 102,848	\$ 500,384

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

Employees Covered by Benefit Terms

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

Total Nonemployer OPEB Liability

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

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	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

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

Mortality Rates

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

Health Care Trend Assumptions

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

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

Discount Rate

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

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 29,607,150
Changes for Year:	
Service Cost	1,352,232
Interest on the Total OPEB Liability	660,255
Difference between Actual and Expected Experiences	611,108
Changes of Assumptions	(6,683,472)
Gross Benefit Payments by the State	(654,002)
Contributions from Members	20,981
Net Changes	(4,692,898)
Balance at June 30, 2022	\$ 24,914,252

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 29,284,082	\$ 24,914,252	\$ 21,412,051

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 20,593,152	\$ 24,914,252	\$ 30,590,279

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$787,131 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

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

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,293,575
	2018	9.51		1,234,438
	2019	9.29	\$ 174,284	
	2020	9.24	4,114,923	
	2021	9.24	22,819	
	2022	9.13		5,951,437
			<u>4,312,026</u>	<u>8,479,450</u>
Differences Between Expected and Actual Experience	2018	9.51		1,166,928
	2019	9.29		2,051,333
	2020	9.24	3,835,270	
	2021	9.24		4,388,348
	2022	9.13		612,913
			<u>4,448,183</u>	<u>7,606,609</u>
Changes in Proportion	N/A	N/A	740,789.00	272,140
			<u>\$ 9,500,998</u>	<u>\$ 16,358,199</u>

N/A - Not Available

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

Fiscal Year Ending June 30,	Total
2023	\$ (1,238,249)
2024	(1,238,249)
2025	(1,238,249)
2026	(1,070,158)
2027	(611,930)
Thereafter	(1,929,015)
	<u>\$ (7,325,850)</u>

WHARTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. TAX ABATEMENTS

As of December 31, 2022, the Borough provides a tax abatement to a redeveloper for its 248 residential apartment unit property in the Borough pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Borough and the redeveloper. The agreement is for a period of 30 years. 2011 was the first year in which the payments under this agreement was effective. In consideration of the Borough granting the redeveloper this tax abatement the developer will be required to pay to the Borough an annual service charge as follows: Stage One (years 1-15) – the annual service charge will be the greater of the minimum annual service charge or 10% of gross revenue; Stage Two (years 16-21) – the annual service charge as defined in Stage One or 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 3 (years 22-27) – the annual service charge as defined in Stage One or 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 4 (years 28-29) – the annual service charge as defined in Stage One or 60% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 5 (year 30) – the annual service charge as defined in Stage One or 80% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater.

The minimum annual service charge per the agreement shall be the amount of total taxes levied against all real property in the area covered under this tax abatement in the last full tax year in which that area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the other provisions of the financial agreement would result in less than the minimum annual service charge being paid. In the event that the net profits on the redevelopment property exceed the allowable net profits for such period the redeveloper shall pay such excess net profits to the Borough as an additional service charge. Additionally, the Borough shall remit to the County of Morris on a quarterly basis, 5% of the Annual Service Charge received from the redeveloper in accordance with N.J.S.A. 40A:20-12b. The Borough recognized revenue in the amount of \$666,031 from this annual service charge or payment in lieu of taxes recorded as miscellaneous revenue not anticipated in the Current Fund. The taxes which would have been paid on this property for 2022 without the abatement would have been \$957,971 of which \$514,200 would have been for the local District school tax.

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

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0070699927%	0.0064729489%	0.0064692621%	0.0068389966%	0.0069669858%	0.0071304218%	0.0080522908%	0.0080865586%	0.0064026110%
District's proportionate share of the net pension liability	\$ 1,323,696	\$ 1,453,047	\$ 1,916,010	\$ 1,592,009	\$ 1,371,765	\$ 1,284,794	\$ 1,313,118	\$ 957,974	\$ 966,242
District's covered employee payroll	415,449	423,928	458,576	421,918	374,542	490,840	530,714	522,827	525,362
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	318.62%	342.76%	417.82%	377.33%	366.25%	261.75%	247.42%	183.23%	183.92%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	46.41%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 58,284	\$ 55,650	\$ 58,632	\$ 65,685	\$ 70,022	\$ 70,208	\$ 88,088	\$ 94,703	\$ 80,740
Contributions in relation to the contractually required contribution	(58,284)	(55,650)	(58,632)	(65,685)	(70,022)	(70,208)	(88,088)	(94,703)	(80,740)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 423,928	\$ 458,576	\$ 421,918	\$ 374,542	\$ 490,840	\$ 530,714	\$ 522,827	\$ 525,362	\$ 540,979
Contributions as a percentage of covered employee payroll	13.75%	12.14%	13.90%	17.54%	14.27%	13.23%	16.85%	18.03%	14.92%

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

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
State's proportion of the net pension liability attributable to the District	0.0496142880%	0.0496142880%	0.0536104240%	0.0558708368%	0.0556483733%	0.0564506103%	0.0557136940%	0.0536294429%	0.0537506625%	
State's proportionate share of the net pension liability attributable to the District	\$ 31,358,349	\$ 31,358,349	\$ 42,173,373	\$ 37,670,151	\$ 35,402,298	\$ 34,644,272	\$ 36,686,797	\$ 25,782,456	\$ 27,732,340	
District's covered employee payroll	\$ 5,282,418	\$ 5,282,418	\$ 5,608,402	\$ 5,638,943	\$ 5,956,268	\$ 5,871,431	\$ 6,145,514	\$ 5,925,235	\$ 6,209,185	
State's proportionate share of the net pension liability attributable to the district as a percentage of the District's covered employee payroll	593.64%	593.64%	751.97%	668.04%	594.37%	590.05%	596.97%	435.13%	446.63%	
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 1,529,466	\$ 1,914,710	\$ 3,168,742	\$ 2,609,597	\$ 2,063,830	\$ 2,043,412	\$ 2,281,341	\$ 606,673	\$ 746,355
Contributions in relation to the contractually required contribution	(268,233)	(429,226)	(604,464)	(819,504)	(1,110,248)	(1,222,015)	(1,558,943)	(2,212,729)	(2,147,586)
Contribution deficiency/(excess)	\$ 1,261,233	\$ 1,485,484	\$ 2,564,278	\$ 1,790,093	\$ 953,582	\$ 821,397	\$ 722,398	\$ (1,606,056)	\$ (1,401,231)
District's covered employee payroll	\$ 5,282,418	\$ 5,608,402	\$ 5,638,943	\$ 5,956,268	\$ 5,871,431	\$ 6,145,514	\$ 5,925,235	\$ 6,209,185	\$ 6,484,772
Contributions as a percentage of covered employee payroll	7.65%	10.72%	13.76%	18.91%	19.88%	19.88%	26.31%	35.64%	33.12%

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

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

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 1,137,954	\$ 947,043	\$ 816,826	\$ 858,851	\$ 1,558,966	\$ 1,352,232
Interest on the Total OPEB Liability	833,055	965,390	858,804	719,736	768,041	660,255
Change of Benefit Terms					(31,513)	
Difference between Expected and Actual Experiences	(3,471,269)	(3,493,475)	(3,064,560)	6,157,223	(5,359,664)	611,108
Changes in Assumptions	22,428	(2,486,660)	297,949	6,069,518	29,210	(6,683,472)
Contributions from Members	(609,080)	20,026	18,184	17,533	19,635	20,981
Gross Benefit Payments by the State		(579,429)	(613,421)	(578,463)	(605,001)	(654,002)
Net Change in Total OPEB Liability	(2,086,912)	(4,627,105)	(1,686,218)	13,244,398	(3,620,326)	(4,692,898)
Total OPEB Liability - Beginning	28,383,313	26,296,401	21,669,296	19,983,078	33,227,476	29,607,150
Total OPEB Liability - Ending	\$ 26,296,401	\$ 21,669,296	\$ 19,983,078	\$ 33,227,476	\$ 29,607,150	\$ 24,914,252
District's Covered Employee Payroll *	\$ 5,706,346	\$ 6,066,978	\$ 6,060,861	\$ 6,330,810	\$ 6,362,271	\$ 6,676,228
Total OPEB Liability as a Percentage of Covered Employee Payroll	461%	357%	330%	525%	465%	373%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 census data.

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

WHARTON BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

WHARTON BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

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

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

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 9,870,110		\$ 9,870,110	\$ 9,870,110	
Unrestricted Miscellaneous Revenues	65,000		65,000	317,493	\$ 252,493
Other Restricted Miscellaneous Revenues				33,438	33,438
Total Revenues from Local Sources	<u>9,935,110</u>		<u>9,935,110</u>	<u>10,221,041</u>	<u>285,931</u>
Revenues from State Sources:					
School Choice Aid	477,090		477,090	477,090	
Categorical Transportation Aid	62,576		62,576	62,576	
Extraordinary Aid				233,507	233,507
Categorical Special Education Aid	647,293		647,293	647,293	
Equalization Aid	4,698,499		4,698,499	4,698,499	
Categorical Security Aid	242,102		242,102	242,102	
TPAF Post Retirement Contributions (Non-Budgeted)				571,993	571,993
TPAF Pension Contributions (Non-Budgeted)				2,147,586	2,147,586
TPAF Non-Contributory Insurance (Non-Budgeted)				29,795	29,795
TPAF Long-Term Disability Insurance (Non-Budgeted)				781	781
Reimbursed TPAF Social Security Contributions				465,409	465,409
Total Revenues from State Sources	<u>6,127,560</u>		<u>6,127,560</u>	<u>9,576,631</u>	<u>3,449,071</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	37,731		37,731	32,887	(4,844)
Total Revenues from Federal Sources	<u>37,731</u>		<u>37,731</u>	<u>32,887</u>	<u>(4,844)</u>
TOTAL REVENUE	<u>16,100,401</u>		<u>16,100,401</u>	<u>19,830,559</u>	<u>3,730,158</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 306,237		\$ 306,237	\$ 288,307	\$ 17,930
Grades 1-5 - Salaries of Teachers	2,121,516		2,121,516	1,933,691	187,825
Grades 6-8 - Salaries of Teachers	1,499,250	\$ (11,717)	1,487,533	1,475,321	12,212
Regular Programs - Home Instruction:					
Salaries of Teachers	13,000	6,500	19,500	13,489	6,011
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	62,939	(13,265)	49,674	49,674	
Purchased Professional-Educational Services	50,000	(9,957)	40,043	28,673	11,370
Purchased Technical Services	65,000		65,000	46,329	18,671
Other Purchased Services (400-500 series)	238,845	(10,171)	228,674	185,472	43,202
General Supplies	385,281	(54,464)	330,817	327,779	3,038
Textbooks	127,000	81,357	208,357	123,810	84,547
Total Regular Programs - Instruction	<u>4,869,068</u>	<u>(11,717)</u>	<u>4,857,351</u>	<u>4,472,545</u>	<u>384,806</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	73,210	36,900	110,110	109,763	347
Other Salaries for Instruction	36,630	12,267	48,897	42,745	6,152
General Supplies	3,000		3,000	1,615	1,385
Total Learning and/or Language Disabilities	<u>112,840</u>	<u>49,167</u>	<u>162,007</u>	<u>154,123</u>	<u>7,884</u>
Multiple Disabilities:					
Salaries of Teachers	144,000	(1,813)	142,187	134,222	7,965
Other Salaries for Instruction	106,408	1,848	108,256	93,449	14,807
Purchased Professional-Educational Services	12,000	(12,000)			
General Supplies	10,000	(1,189)	8,811	6,180	2,631
Total Multiple Disabilities	<u>272,408</u>	<u>(13,154)</u>	<u>259,254</u>	<u>233,851</u>	<u>25,403</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,297,167	\$ (36,900)	\$ 1,260,267	\$ 1,252,125	\$ 8,142
Other Salaries for Instruction	78,358	11,717	90,075	67,984	22,091
General Supplies	3,000		3,000	2,216	784
Total Resource Room/Resource Center	<u>1,378,525</u>	<u>(25,183)</u>	<u>1,353,342</u>	<u>1,322,325</u>	<u>31,017</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	96,160	1,415	97,575	97,538	37
Other Salaries for Instruction	64,064	2,351	66,415	65,242	1,173
Purchased Professional-Educational Services	3,000	(497)	2,503	2,503	
Other Purchased Services (400-500 series)	2,197	(1,137)	1,060	1,060	
General Supplies	4,000	(1,245)	2,755	2,755	
Total Preschool Disabilities - Full-Time	<u>169,421</u>	<u>887</u>	<u>170,308</u>	<u>169,098</u>	<u>1,210</u>
Total Special Education - Instruction	<u>1,933,194</u>	<u>11,717</u>	<u>1,944,911</u>	<u>1,879,397</u>	<u>65,514</u>
Bilingual Education - Instruction:					
Salaries of Teachers	184,370		184,370	184,370	
General Supplies	1,000		1,000	237	763
Total Bilingual Education - Instruction	<u>185,370</u>		<u>185,370</u>	<u>184,607</u>	<u>763</u>
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	70,000	1,178	71,178	56,380	14,798
Supplies and Materials	4,500	(550)	3,950	3,950	
Other Objects	3,750	(628)	3,122	341	2,781
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>78,250</u>		<u>78,250</u>	<u>56,721</u>	<u>21,529</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 32,500		\$ 32,500	\$ 28,209	\$ 4,291
Purchased Services (300-500 series)	16,500		16,500		16,500
Supplies and Materials	12,000		12,000	3,557	8,443
Other Objects	1,200		1,200		1,200
Total School-Sponsored Athletics - Instruction	62,200		62,200	31,766	30,434
Before/After School Programs - Instruction:					
Salaries of Teachers	45,000		45,000	9,716	35,284
Total Before/after School Programs - Instruction	45,000		45,000	9,716	35,284
Total Before/after School Programs	45,000		45,000	9,716	35,284
Other Instructional Programs - Instruction:					
Salaries	28,000		28,000	6,194	21,806
Purchased Services (300-500 series)	26,000		26,000		26,000
Other Objects	5,000		5,000		5,000
Total Other Instructional Programs - Instruction	59,000		59,000	6,194	52,806
TOTAL INSTRUCTION	7,232,082		7,232,082	6,640,946	591,136
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	34,000	\$ 2,271	36,271	36,271	
Tuition to Other LEAs Within the State-Special		56,491	56,491	54,113	2,378
Tuition to CSSD & Reg. Day Schools	89,480	(2,816)	86,664	27,401	59,263
Tuition to Priv. Sch. for the Handicap. W/I State	1,003,990	(55,946)	948,044	724,290	223,754
Total Undistributed Expenditures - Instruction	1,127,470		1,127,470	842,075	285,395

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Attend. & Social Work:					
Salaries	\$ 21,093		\$ 21,093	\$ 18,453	\$ 2,640
Total Undist. Expend. - Attendance and Social Work	21,093		21,093	18,453	2,640
Undistributed Expenditures - Health Services:					
Salaries	94,660	\$ 6,962	101,622	98,404	3,218
Purchased Professional and Technical Services	13,000	(2,102)	10,898	9,661	1,237
Supplies and Materials	3,500		3,500	2,606	894
Total Undist. Expenditures - Health Services	111,160	4,860	116,020	110,671	5,349
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	255,372	(2,286)	253,086	246,285	6,801
Purchased Professional - Educational Services	75,269	(31,594)	43,675	39,747	3,928
Supplies and Materials	2,786	(2,655)	131	131	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	333,427	(36,535)	296,892	286,163	10,729
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	54,962	1,449	56,411	45,276	11,135
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	54,962	1,449	56,411	45,276	11,135
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	156,270		156,270	156,270	
Salaries of Secretarial and Clerical Assistants	59,304	(500)	58,804	55,783	3,021
Other Purchased Prof. and Tech. Services	500	(500)			
Other Purchased Services (400-500 series)	100		100	100	
Supplies and Materials	1,600		1,600	925	675
Total Undist Expend. - Guidance	217,774	(1,000)	216,774	212,978	3,796

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 97,666	\$ 5,000	\$ 102,666	\$ 97,586	\$ 5,080
Salaries of Secretarial and Clerical Assistants	39,959		39,959	39,959	
Purchased Professional - Educational Services	515,500	(25,330)	490,170	452,818	37,352
Other Purchased Prof. and Tech. Services	25,000	66,730	91,730	88,025	3,705
Other Purchased Services (400-500 series)	851		851	786	65
Supplies and Materials	11,750	(3,832)	7,918	7,847	71
Other Objects	600		600	342	258
Total Undist Expend. - Child Study Team	691,326	42,568	733,894	687,363	46,531
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	110,210		110,210	110,210	
Salaries of Other Professional Staff	20,400		20,400	19,098	1,302
Salaries of Secretarial and Clerical Assistants	26,736		26,736	26,736	
Purchased Professional - Educational Services	11,764		11,764	5,656	6,108
Supplies and Materials	350	221	571	361	210
Other Objects	1,100	(221)	879	845	34
Total Undist. Expend.-Improv. of Inst. Serv.	170,560		170,560	136,170	34,390
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	84,028	838	84,866	84,236	630
Salaries of Technology Coordinators	61,779	2,700	64,479	64,111	368
Purchased Professional and Technical Services	5,000	11,762	16,762	15,177	1,585
Other Purchased Services (400-500 series)	9,000	(1,700)	7,300	1,300	6,000
Supplies and Materials	35,501	(24,943)	10,558	6,402	4,156
Total Undist Expend-Edu. Media Serv./Sch. Library	195,308	(11,343)	183,965	171,226	12,739

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	\$ 2,000		\$ 2,000		\$ 2,000
Other Purchased Services (400-500 series)	142,000		142,000	14,980	127,020
Supplies and Materials	3,000		3,000	156	2,844
Total Undist. Expend.-Instructional Staff Training Services	<u>147,000</u>		<u>147,000</u>	<u>15,136</u>	<u>131,864</u>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	267,015		267,015	267,015	
Legal Services	36,000		36,000	7,831	28,169
Audit Fees	37,000		37,000	31,630	5,370
Architectural/Engineering Services	18,000		18,000	18,000	
Other Purchased Professional Services	11,802		11,802	10,873	929
Communications / Telephone	49,000	\$ (249)	48,751	13,775	34,976
BOE Other Purchased Services	5,000	5,800	10,800	4,621	6,179
Other Purch. Serv. (400-500 series other than 530 & 585)	42,500	(5,551)	36,949	23,203	13,746
General Supplies	2,000		2,000	1,866	134
Judgments Against The School District	20,000		20,000		20,000
Miscellaneous Expenditures	3,200		3,200	2,568	632
BOE Membership Dues and Fees	8,500		8,500	8,339	161
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>500,017</u>		<u>500,017</u>	<u>389,721</u>	<u>110,296</u>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	275,165		275,165	275,165	
Salaries of Secretarial and Clerical Assistants	82,210		82,210	77,547	4,663
Purchased Professional and Technical Services	5,700		5,700		5,700
Other Purchased Services (400-500 series)	2,200		2,200		2,200
Supplies and Materials	14,800		14,800	5,777	9,023
Other Objects	2,700		2,700	2,349	351
Total Undist. Expend.-Support Serv.-School Adm.	<u>382,775</u>		<u>382,775</u>	<u>360,838</u>	<u>21,937</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 191,516		\$ 191,516	\$ 191,516	
Purchased Professional Services	53,000	\$ (200)	52,800	47,283	\$ 5,517
Miscellaneous Purchased Services (400-500 series other than 594)	11,500	(1,903)	9,597	2,330	7,267
Supplies and Materials	2,500	2,388	4,888	3,506	1,382
Other Objects	2,000	(285)	1,715	1,715	
Total Undist. Expend. - Central Services	260,516		260,516	246,350	14,166
Undist. Expend. - Admin. Info. Technology:					
Salaries	61,779		61,779	48,024	13,755
Purchased Technical Services	42,000	4,000	46,000	44,074	1,926
Other Purchased Services (400-500 series)	20,000	(4,000)	16,000	16,000	16,000
Supplies and Materials	10,000		10,000	10,000	10,000
Total Undist. Expend. - Admin. Info. Technology	133,779		133,779	92,098	41,681
Undist. Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	457,393		457,393	259,920	197,473
General Supplies	57,000	(15,000)	42,000	5,870	36,130
Other Objects	12,000		12,000	12,000	12,000
Total Undist. Expend.- Required Maint. for School Facilities	526,393	(15,000)	511,393	265,790	245,603
Undist. Expend.-Custodial Services:					
Salaries	10,000		10,000	10,000	
Purchased Professional and Technical Services	530,427		530,427	503,213	27,214
Cleaning, Repair, and Maintenance Services	9,000		9,000	7,737	1,263
Other Purchased Property Services	40,000		40,000	23,963	16,037
Insurance	64,000	3,150	67,150	64,648	2,502
Miscellaneous Purchased Services	8,760		8,760	4,925	3,835
General Supplies	50,000	(3,150)	46,850	13,346	33,504

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services: (Cont'd)					
Energy (Natural Gas)	\$ 100,000		\$ 100,000	\$ 97,612	\$ 2,388
Energy (Electricity)	210,000		210,000	104,986	105,014
Total Undist. Expend.-Custodial Services	<u>1,022,187</u>		<u>1,022,187</u>	<u>830,430</u>	<u>191,757</u>
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	21,000		21,000	8,135	12,865
General Supplies	4,000		4,000	760	3,240
Other Objects	5,600		5,600		5,600
Total Care And Upkeep Of Grounds	<u>30,600</u>		<u>30,600</u>	<u>8,895</u>	<u>21,705</u>
Security:					
Purchased Professional and Technical Services	50,000		50,000	49,083	917
Total Security	<u>50,000</u>		<u>50,000</u>	<u>49,083</u>	<u>917</u>
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	<u>1,629,180</u>	\$ (15,000)	<u>1,614,180</u>	<u>1,154,198</u>	<u>459,982</u>
Undist. Expend.-Student Transportation Serv.:					
Cleaning, Repair, and Maint. Services	1,000		1,000		1,000
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	27,000		27,000	17,000	10,000
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	61,500	(8,000)	53,500	18,850	34,650
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	480,000	8,000	488,000	487,853	147
General Supplies	290		290		290
Transportation Supplies	2,000		2,000		2,000
Total Undist. Expend.-Student Trans. Serv.	<u>571,790</u>		<u>571,790</u>	<u>523,703</u>	<u>48,087</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance	\$ 194,581		\$ 194,581	\$ 121,941	\$ 72,640
Social Security Contributions	102,848		102,848	80,740	22,108
Other Retirement Contributions - PERS	26,000		26,000	15,837	10,163
Other Retirement Contributions - Regular	70,000		70,000		70,000
Unemployment Compensation	107,520		107,520	74,059	33,461
Workers Compensation	1,970,463	\$ 89,251	2,059,714	2,009,216	50,498
Health Benefits	40,000		40,000	11,524	28,476
Tuition Reimbursement	372,077	(89,251)	282,826	128,642	154,184
Other Employee Benefits	2,883,489		2,883,489	2,441,959	441,530
TOTAL UNALLOCATED BENEFITS					
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				571,993	(571,993)
TPAF Pension Contributions (Non-Budgeted)				2,147,586	(2,147,586)
TPAF Non-Contributory Insurance (Non-Budgeted)				29,795	(29,795)
TPAF Long-Term Disability Insurance (Non-Budgeted)				781	(781)
Reimbursed TPAF Social Security Contributions				465,409	(465,409)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,215,564	(3,215,564)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,883,489		2,883,489	5,657,523	(2,774,034)
TOTAL UNDISTRIBUTED EXPENDITURES	9,431,626	(15,001)	9,416,625	10,949,942	(1,533,317)
TOTAL GENERAL CURRENT EXPENSE	16,663,708	(15,001)	16,648,707	17,590,888	(942,181)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Special Education - Instruction:					
Auditory Impairments	\$ 3,043		\$ 3,043	\$ 2,685	\$ 358
Undistributed:					
Undist. Expend. - Custodial Services	5,688	\$ 15,000	20,688	5,688	15,000
Total Equipment	<u>8,731</u>	<u>15,000</u>	<u>23,731</u>	<u>8,373</u>	<u>15,358</u>
Facilities Acquisition and Construction Serv.:					
Other Purchased Prof. and Tech. Services	848,762	70,933	70,933	21,915	49,018
Construction Services		(94,444)	754,318	724,111	30,207
Infrastructure	4,402	23,512	23,512	23,512	
Assessment for Debt Service on SDA Funding	853,164	4,402	4,402	4,402	
Total Facilities Acquisition and Const. Serv.	<u>853,164</u>	<u>1</u>	<u>853,165</u>	<u>773,940</u>	<u>79,225</u>
TOTAL CAPITAL OUTLAY	<u>861,895</u>	<u>15,001</u>	<u>876,896</u>	<u>782,313</u>	<u>94,583</u>
Transfer of Funds to Charter Schools	48,743		48,743	39,143	9,600
	<u>48,743</u>		<u>48,743</u>	<u>39,143</u>	<u>9,600</u>
TOTAL EXPENDITURES	<u>17,574,346</u>		<u>17,574,346</u>	<u>18,412,344</u>	<u>(837,998)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,473,945)		(1,473,945)	1,418,215	2,892,160
Other Financing Sources/(Uses):					
Local Contrib. - Trans to Special Rev- Inclusion	(88,441)		(88,441)	(88,441)	
Other Financing Sources/(Uses)	<u>(88,441)</u>		<u>(88,441)</u>	<u>(88,441)</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
	\$ (1,562,386)		\$ (1,562,386)	\$ 1,329,774	\$ 2,892,160
	13,583,485		13,583,485	13,583,485	
	<u>\$ 12,021,099</u>	<u>\$ -0-</u>	<u>\$ 12,021,099</u>	<u>\$ 14,913,259</u>	<u>\$ 2,892,160</u>

Excess/(Deficit) of Revenues and Other Financing Sources
Over/(Under) Expenditures and Other Financing Uses

Fund Balance, July 1

Fund Balance, June 30

Recapitulation:

Restricted Fund Balance:

Excess Surplus - Restricted For 2024-2025

Excess Surplus - Restricted For 2023-2024

Capital Reserve

Maintenance Reserve

Emergency Reserve

Unemployment Compensation

Assigned Fund Balance:

Year End Encumbrances

Unassigned Fund Balance

Reconciliation to Governmental Funds Statement (GAAP):

Last State Aid Payments not Recognized on GAAP basis

Fund Balance per Governmental Funds (GAAP)

	\$ 670,000
	670,000
	11,018,261
	590,012
	250,000
	1,069,661
	106,114
	539,211
	<u>14,913,259</u>
	<u>(610,162)</u>
	<u>\$ 14,303,097</u>

WHARTON BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 5,000	\$ 31,860	\$ 36,860	\$ 36,860	\$ -
State Sources	1,623,378	(45,044)	1,578,334	999,682	(578,652)
Federal Sources	3,303,258	186,894	3,490,152	1,261,940	(2,228,212)
Total Revenue	4,931,636	173,710	5,105,346	2,298,482	(2,806,864)
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	88,441		88,441	88,441	
Total Revenues and Other Financing Sources	5,020,077	173,710	5,193,787	2,386,923	(2,806,864)
Expenditures:					
Instruction:					
Salaries of Teachers	102,397	16,039	118,436	118,436	
Purchased Professional - Technical Services	40,962	(26,720)	14,242	6,045	8,197
Other Purchased Services	661,000	(84,355)	576,645	287,022	289,623
Tuition to Other LEAs Within State- Regular	261,711	(173,270)	88,441	72,318	16,123
General Supplies	83,566	68,093	151,659	29,031	122,628
Total Instruction	1,149,636	(200,213)	949,423	512,852	436,571
Support Services:					
Salaries of Other Professional Staff	450,000	67,473	517,473	72,948	444,525
Personal Services - Employee Benefits	75,000	(14,598)	60,402	60,402	
Purchased Professional - Technical Services	2,205,235	(1,149,113)	1,056,122	367,484	688,638
Purchased Education Services - Contracted Pre-K	32,855	1,082,105	1,114,960	891,968	222,992
Purchased Education Services - Head Start		123,214	123,214	115,293	7,921
Purchased Property Services	75,000	(9,100)	65,900		65,900
Cleaning, Repair & Maintenance Services	75,000	25,000	100,000		100,000
Contracted Services - Transportation (Field Trips)	25,000		25,000		25,000
Miscellaneous Purchased Services	35,000	30,000	65,000		65,000
Supplies and Materials	589,240	135,693	724,933	153,240	571,693
Student Activities	5,000	40,099	45,099	45,099	
Total Support Services	3,567,330	330,773	3,898,103	1,706,434	2,191,669
Facilities Acquisition and Construction Services:					
Instructional Equipment	303,111	51,389	354,500	175,876	178,624
Total Facilities Acquisition and Construction Services	303,111	51,389	354,500	175,876	178,624
Total Expenditures	5,020,077	181,949	5,202,026	2,395,162	2,806,864
Excess (Deficiency) of Revenue and Other Financing Sources (Under) Expenditures	\$ -0-	\$ (8,239)	\$ (8,239)	\$ (8,239)	\$ -0-

WHARTON BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE 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	\$ 19,830,559	\$ 2,298,482
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not:		
Prior Year Encumbrances Paid		
Current Year Encumbrances		(50,607)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	591,153	121,500
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(610,162)	(123,817)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 19,811,550	\$ 2,245,558
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 18,412,344	\$ 2,395,162
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 18,412,344	\$ 2,344,555

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2023

	Elementary and Secondary Education Act				
	Preschool Education Aid	Title I	Title II A	Title III Immigrant	Title IV
REVENUE:					
Local Sources					
State Sources					
Federal Sources					
Total Revenue	\$ 999,682	\$ 199,880	\$ 11,799	\$ 8,990	\$ 3,768
	999,682	199,880	11,799	8,990	3,768
Other Financing Sources:					
Board Contribution - General Fund	88,441				
Total Revenue and Other Financing Sources	1,088,123	199,880	11,799	8,990	3,768
EXPENDITURES:					
Instruction:					
Salaries of Teachers		118,436			
Purchased Professional - Technical Services					
Other Purchased Services		4,305			
Tuition to Other LEAs Within State- Regular	72,318				
General Supplies					
Total Instruction	72,318	122,741			5,631
					5,631
Support Services:					
Salaries of Other Professional Staff		9,266	6,000	8,990	1,701
Personal Services - Employee Benefits		60,402			
Purchased Professional - Technical Services			5,799		
Purchased Education Services - Contracted Pre-K	891,968				
Purchased Education Services - Head Start	115,293				
Supplies and Materials	8,544	7,471			2,067
Student Activities					
Total Support Services	1,015,805	77,139	11,799	8,990	3,768
					15,335
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 1,088,123	\$ 199,880	\$ 11,799	\$ 8,990	\$ 3,768
					\$ 20,966

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2023

	ESSER III	ARP				IDEA Part B	
		Learning Acceleration	Summer Learning	Mental Health	Basic	Preschool	
REVENUE:							
Local Sources							
State Sources							
Federal Sources	\$ 323,611	\$ 48,000	\$ 2,925	\$ 40,000	\$ 203,892	\$ 8,116	
Total Revenue	<u>323,611</u>	<u>48,000</u>	<u>2,925</u>	<u>40,000</u>	<u>203,892</u>	<u>8,116</u>	
Other Financing Sources:							
Board Contribution - General Fund							
Total Revenue and Other Financing Sources	<u>323,611</u>	<u>48,000</u>	<u>2,925</u>	<u>40,000</u>	<u>203,892</u>	<u>8,116</u>	
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional - Technical Services			2,925			8,116	
Other Purchased Services	70,709				203,892		
Tuition to Other LEAs Within State- Regular							
General Supplies							
Total Instruction	<u>70,709</u>		<u>2,925</u>		<u>203,892</u>	<u>8,116</u>	
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits							
Purchased Professional - Technical Services	158,685	48,000		40,000			
Purchased Education Services - Contracted Pre-K							
Purchased Education Services - Head Start							
Supplies and Materials							
Student Activities							
Total Support Services	<u>158,685</u>	<u>48,000</u>		<u>40,000</u>			
Facilities Acquisition and Construction Services:							
Instructional Equipment	94,217						
Total Facilities Acquisition and Construction Services	<u>94,217</u>						
Total Expenditures	<u>\$ 323,611</u>	<u>\$ 48,000</u>	<u>\$ 2,925</u>	<u>\$ 40,000</u>	<u>\$ 203,892</u>	<u>\$ 8,116</u>	

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2023

	ESSER II	CRRSA Learning Acceleration	Mental Health	Student Activities Fund	Total
REVENUE:					
Local Sources				\$ 36,860	\$ 36,860
State Sources				999,682	999,682
Federal Sources	\$ 367,284	\$ 17,709	\$ 5,000		1,261,940
Total Revenue	<u>367,284</u>	<u>17,709</u>	<u>5,000</u>	<u>36,860</u>	<u>2,298,482</u>
Other Financing Sources:					
Board Contribution - General Fund					88,441
Total Revenue and Other Financing Sources	<u>367,284</u>	<u>17,709</u>	<u>5,000</u>	<u>36,860</u>	<u>2,386,923</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					118,436
Purchased Professional - Technical Services		3,120			6,045
Other Purchased Services					287,022
Tuition to Other LEAs Within State- Regular					72,318
General Supplies	23,400				29,031
Total Instruction	<u>23,400</u>	<u>3,120</u>			<u>512,852</u>
Support Services:					
Salaries of Other Professional Staff	19,754	14,589			72,948
Personal Services - Employee Benefits					60,402
Purchased Professional - Technical Services	110,000		5,000		367,484
Purchased Education Services - Contracted Pre-K					891,968
Purchased Education Services - Head Start	132,471				115,293
Supplies and Materials				45,099	153,240
Student Activities				45,099	45,099
Total Support Services	<u>262,225</u>	<u>14,589</u>	<u>5,000</u>	<u>45,099</u>	<u>1,706,434</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	81,659				175,876
Total Facilities Acquisition and Construction Services	<u>81,659</u>				<u>175,876</u>
Total Expenditures	<u>\$ 367,284</u>	<u>\$ 17,709</u>	<u>\$ 5,000</u>	<u>\$ 45,099</u>	<u>\$ 2,395,162</u>

WHARTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Support services:			
Purchased Educational Services:			
Contracted Pre-K	\$ 1,203,401	\$ 964,286	\$ 239,115
Head Start	123,214	115,293	7,921
Other Purchased Professional Services	65,900		65,900
Cleaning, Repair & Maintenance Services	100,000		100,000
Contracted Services - Transportation (Field Trips)	25,000		25,000
Miscellaneous Purchased Services	65,000		65,000
Supplies and Materials	84,260	8,544	75,716
	<u>1,666,775</u>	<u>1,088,123</u>	<u>\$ 578,652</u>
Total Support Services			
	<u>\$ 1,666,775</u>	<u>\$ 1,088,123</u>	<u>\$ 578,652</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-23 Preschool Education Allocation	\$ 1,238,174
Actual Preschool Education Aid Carryover (June 30, 2022)	212,693
Add: Budgeted Transfer from General Fund	88,441
Total Preschool Aid Funds Available for 2022-23 Budget	<u>1,539,308</u>
Less: 2022-23 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(1,666,775)</u>
Available & Unbudgeted Preschool Aid Funds as of June 30, 2023	(127,467)
Add: 2022-23 Unexpended Preschool Education Aid	578,652
2022-23 Actual Carryover - Preschool Education Aid	<u>\$ 451,185</u>
2022-23 Preschool Education Aid Carryover Budgeted in 2023-24	<u>\$ -0-</u>

CAPITAL PROJECTS FUND

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
DUFFY ELEMENTARY SCHOOL - VARIOUS UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Additional Project Information:

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

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
DUFFY ELEMENTARY SCHOOL - CORRIDOR CERAMIC TILE REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Additional Project Information:

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

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

WHARTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MACKINNON HVAC ROOFTOP UNITS AND BUILDING MANAGEMENT SYSTEMS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

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

Additional Project Information:

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

PROPRIETARY FUNDS

WHARTON BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$	109,166
Interfund Receivable		33,141
Intergovernmental Accounts Receivable:		
Federal		13,804
State		632
Other Accounts Receivable		324
Inventories		13,317

Total Current Assets		170,384
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Non-Current Assets:

Capital Assets		74,749
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Total Non-Current Assets		74,749
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Total Assets		245,133
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LIABILITIES:

Current Liabilities:

Unearned Revenue - Donated Commodities		5,954
Total Current Liabilities		5,954

Total Liabilities		5,954
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NET POSITION:

Net Investment in Capital Assets		74,749
Unrestricted		164,430

Total Net Position	\$	239,179
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WHARTON BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 111,708
Daily Sales - Non-Reimbursable Programs	7,130
	<hr/>
Total Operating Revenue	118,838
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	158,883
Cost of Sales - Non-Reimbursable Programs	10,141
Salaries	156,306
Benefits & Payroll Taxes	34,006
Management Fee	11,050
Miscellaneous	11,242
Depreciation Expense	1,760
	<hr/>
Total Operating Expenses	383,388
	<hr/>
Operating Loss	(264,550)
Non-Operating Revenue:	
Local Sources:	
Interest Revenue	3,089
State Sources:	
State School Lunch Program	11,404
Federal Sources:	
School Breakfast Program	30,200
National School Lunch Program	210,994
Food Distribution Program	23,097
	<hr/>
Total Non-Operating Revenue	278,784
	<hr/>
Change in Net Position	14,234
Net Position - Beginning of Year	224,945
	<hr/>
Net Position - End of Year	\$ 239,179
	<hr/> <hr/>

WHARTON BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 118,111
Payments to Employees	(46,275)
Payments to Food Service Vendor	(306,730)
Payments to Suppliers	(7,882)
	<hr/>
Net Cash Used for Operating Activities	(242,776)
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(59,703)
	<hr/>
Net Cash Used for Capital and Related Financing Activities	(59,703)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interest Revenue	3,089
State Sources:	
State School Lunch Program	9,980
Federal Sources:	
National School Lunch Program	200,915
School Breakfast Program	29,098
Interfund Advanced - General Fund	1,615
	<hr/>
Net Cash Provided by Noncapital Financing Activities	244,697
	<hr/>
Net Decrease in Cash and Cash Equivalents	(57,782)
Cash and Cash Equivalents, July 1	166,948
	<hr/>
Cash and Cash Equivalents, June 30	\$ 109,166
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (264,550)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	1,760
Food Distribution Program	23,097
Changes in Assets and Liabilities:	
(Decrease) in Inventory	(6,248)
Increase in Unearned Revenue - Donated Commodities	4,292
(Decrease) in Compensated Absences Payable	(400)
(Decrease) in Unearned Revenue - Prepaid Sales	(727)
	<hr/>
Net Cash Used for Operating Activities	\$ (242,776)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$27,389 and utilized U.S.D.A Commodities valued at \$23,097 for the fiscal year ended June 30, 2023.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

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

WHARTON BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

WHARTON BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

WHARTON BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

WHARTON BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
LONG-TERM LIABILITIES - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 170,039		\$ 170,039	\$ 170,039	
State Sources:					
Debt Service Aid Type II	62,212		62,212	62,212	
Total Revenues	<u>232,251</u>		<u>232,251</u>	<u>232,251</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	6,251		6,251	6,251	
Redemption of Principal	226,000		226,000	226,000	
Total Regular Debt Service	<u>232,251</u>		<u>232,251</u>	<u>232,251</u>	
Total Expenditures	<u>232,251</u>		<u>232,251</u>	<u>232,251</u>	
Deficit of Revenues Under Expenditures					
Fund Balance, July 1	<u>-0-</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ -0-</u>
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Recapitulation of Fund Balance at June 30, 2023</u>					
Restricted				<u>\$ -0-</u>	

STATISTICAL SECTION
(Unaudited)

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

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 4,061,526	\$ 3,930,297	\$ 4,979,520	\$ 5,537,678	\$ 6,104,371	\$ 6,262,066	\$ 6,781,065	\$ 7,324,039	\$ 7,965,340	\$ 8,570,497
Restricted	4,063,996	5,261,025	5,558,458	5,478,489	5,965,733	7,506,318	9,267,375	11,071,331	12,757,969	14,300,792
Unrestricted/(Deficit)	(1,240,198)	(1,296,576)	(1,430,055)	(1,501,803)	(1,785,845)	(1,808,134)	(1,495,954)	(1,791,542)	(1,555,717)	(1,671,506)
Total Governmental Activities Net Position	\$ 6,885,324	\$ 7,894,746	\$ 9,107,923	\$ 9,514,364	\$ 10,284,259	\$ 11,960,250	\$ 14,552,486	\$ 16,603,828	\$ 19,167,592	\$ 21,199,783
Business-Type Activities:										
Investment in Capital Assets	\$ 1,428									
Unrestricted	93,596	97,790	144,175	87,641	99,570	79,762	137,695	117,882	208,139	164,430
Total Business-Type Activities Net Position	\$ 95,024	\$ 97,790	\$ 144,175	\$ 87,641	\$ 99,570	\$ 79,762	\$ 144,140	\$ 130,909	\$ 224,945	\$ 239,179
District-Wide:										
Net Investment in Capital Assets	\$ 4,062,954	\$ 3,930,297	\$ 4,979,520	\$ 5,537,678	\$ 6,104,371	\$ 6,262,066	\$ 6,787,510	\$ 7,337,066	\$ 7,982,146	\$ 8,645,246
Restricted	4,063,996	5,261,025	5,558,458	5,478,489	5,965,733	7,506,318	9,267,375	11,071,331	12,757,969	14,300,792
Unrestricted/(Deficit)	(1,146,602)	(1,198,786)	(1,285,880)	(1,414,162)	(1,686,275)	(1,728,372)	(1,358,259)	(1,673,660)	(1,347,578)	(1,507,076)
Total District-Wide Net Position	\$ 6,980,348	\$ 7,992,536	\$ 9,252,098	\$ 9,602,005	\$ 10,383,829	\$ 12,040,012	\$ 14,696,626	\$ 16,734,737	\$ 19,392,537	\$ 21,438,962

Source: Borough of Wharton School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 5,984,273	\$ 7,482,805	\$ 7,511,041	\$ 8,178,991	\$ 8,711,712	\$ 7,805,295	\$ 7,241,936	\$ 7,150,135	\$ 7,484,046	\$ 7,181,627
Special Education	2,236,521	2,750,730	2,997,502	3,928,950	4,209,197	3,694,463	3,407,458	3,239,032	2,891,879	3,203,750
Other Instruction	202,473	271,083	422,908	531,035	548,488	552,791	490,367	399,027	542,859	470,758
Support Services:										
Tuition	308,897	227,982	240,662	414,885	410,281	315,147	359,002	372,202	595,355	842,075
Student & Instruction Related Services	1,417,537	1,730,120	1,775,976	1,742,506	1,833,008	1,761,267	2,925,496	3,936,653	4,061,032	3,965,495
General Administration Services	376,851	387,309	503,252	424,627	484,372	442,054	603,181	569,236	550,517	568,971
School Administration Services	411,514	513,234	517,485	612,901	698,412	639,633	559,754	611,035	584,713	565,930
Central Services	258,339	253,247	208,324	258,598	291,044	260,317	339,335	385,031	374,976	371,029
Plant Operations and Maintenance	1,018,812	788,112	795,040	896,478	817,351	862,300	1,081,010	1,003,479	959,363	1,203,360
Pupil Transportation	288,254	348,667	277,677	365,199	143,428	229,219	247,932	230,708	370,813	539,119
Administrative Information Technology	82,353	61,144	110,181	164,230	286,039	158,415	145,473	152,872	110,137	109,165
Interest On Long-Term Debt	96,200	120,426	18,200	34,666	29,564	24,605	19,779	15,086	10,592	6,251
Charter School	13,407	13,691	23,603	47,616	57,045	10,152	11,147	22,553	46,658	39,143
Capital Outlay	98,018	61,240	4,402	4,402	4,402	4,402	4,402	4,402	4,402	4,402
Unallocated Depreciation	329,028	270,773	270,773	358,173	340,877	382,758				
Total Governmental Activities Expenses	13,122,477	15,280,563	15,677,446	17,963,257	18,865,220	17,142,818	17,436,272	18,091,451	18,587,342	19,071,075
Expenses:										
Business-Type Activities:										
Food Service	365,088	340,918	318,046	417,167	351,643	378,985	285,603	233,474	412,896	383,388
Total Business-Type Activities Expenses	365,088	340,918	318,046	417,167	351,643	378,985	285,603	233,474	412,896	383,388
Total District-Wide Expenses	\$ 13,487,565	\$ 15,621,481	\$ 15,995,492	\$ 18,380,424	\$ 19,216,863	\$ 17,521,803	\$ 17,721,875	\$ 18,324,925	\$ 19,000,238	\$ 19,454,463
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 244,394	\$ 205,551	\$ 157,392	\$ 106,559	\$ 243,623	\$ 140,817	\$ 99,901	\$ 82,402	\$ 35,524	\$ 36,860
Operating Grants and Contributions	2,240,448	2,348,085	2,551,518	2,718,920	3,063,126	5,223,918	5,034,378	5,839,363	5,965,043	5,180,921
Total Governmental Activities Program Revenues	2,484,842	2,553,636	2,708,910	2,825,479	3,306,749	5,364,735	5,134,279	5,921,765	6,000,567	5,217,781
Business-Type Activities:										
Charges for Services:										
Food Service	99,911	98,235	97,213	104,560	112,544	116,731	83,977	6,083	1,430	118,838
Operating Grants and Contributions	245,834	245,377	267,125	255,899	250,504	242,199	229,743	214,053	505,351	275,695
Total Business Type Activities Program Revenues	345,745	343,612	364,338	360,459	363,048	358,930	313,720	220,136	506,781	394,533
Total District-Wide Program Revenues	2,830,587	2,897,248	3,073,248	3,185,938	3,669,797	5,723,665	5,447,999	6,141,901	6,507,348	5,612,314
Net Expenses/(Revenue):										
Governmental Activities	\$ 10,637,635	\$ 12,726,927	\$ 12,968,536	\$ 15,137,778	\$ 15,558,471	\$ 11,778,083	\$ 12,301,993	\$ 12,169,686	\$ 12,586,775	\$ 13,853,294
Business-Type Activities	19,343	(2,694)	(46,292)	56,708	(11,405)	20,055	(28,117)	13,338	(93,885)	(1,145)
Total District-Wide Net (Expenses)/Revenue	\$ 10,656,978	\$ 12,724,233	\$ 12,922,244	\$ 15,194,486	\$ 15,547,066	\$ 11,798,138	\$ 12,273,876	\$ 12,183,024	\$ 12,492,890	\$ 13,842,149

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,299,551	\$ 8,465,542	\$ 8,634,852	\$ 8,807,549	\$ 8,983,700	\$ 9,163,374	\$ 9,346,641	\$ 9,533,574	\$ 9,676,578	\$ 9,870,110
Taxes Levied for Debt Service	249,657	242,630	232,014	228,115	216,392	205,441	198,979	188,222	160,724	170,039
Federal and State Aid Not Restricted	3,703,327	4,997,074	5,275,776	6,479,445	7,043,101	4,011,533	4,249,757	4,478,310	5,274,757	5,494,405
Investment Earnings	3,761	1,218	3,761	3,476	9,645	52,729	47,812	13,467	14,558	254,981
Miscellaneous Income	196,813	29,885	35,310	25,634	75,528	20,997	2,198	7,455	23,922	95,950
Total Governmental Activities General Revenues & Other Changes in Net Position	12,453,109	13,736,349	14,181,713	15,544,219	16,328,366	13,454,074	13,845,387	14,221,028	15,150,539	15,885,485
Business-Type Activities:										
Investment Earnings	81	72	93	174	524	247	581	107	151	3,089
Cancellation of Prior Year Interfund							35,680			
Total Business-Type Activities General Revenues & Other Changes in Net Position	81	72	93	174	524	247	36,261	107	151	3,089
Total District-Wide General Revenues & Other Changes in Net Position	\$ 12,453,190	\$ 13,736,421	\$ 14,181,806	\$ 15,544,393	\$ 16,328,890	\$ 13,454,321	\$ 13,881,648	\$ 14,221,135	\$ 15,150,690	\$ 15,888,574
Change in Net Position:										
Governmental Activities	\$ 1,815,474	\$ 1,009,422	\$ 1,213,177	\$ 406,441	\$ 769,895	\$ 1,675,991	\$ 1,543,394	\$ 2,051,342	\$ 2,563,764	\$ 2,032,191
Business-Type Activities	(19,262)	2,766	46,385	(56,534)	11,929	(19,808)	64,378	(13,231)	94,036	14,234
Total District-Wide Change in Net Position	\$ 1,796,212	\$ 1,012,188	\$ 1,259,562	\$ 349,907	\$ 781,824	\$ 1,656,183	\$ 1,607,772	\$ 2,038,111	\$ 2,657,800	\$ 2,046,425

Source: Borough of Wharton School District Financial Reports.

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

UNAUDITED

(Modified Accrual Basis of Accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 4,063,995	\$ 5,254,757	\$ 5,524,466	\$ 5,444,497	\$ 5,931,741	\$ 6,522,214	\$ 9,220,582	\$ 11,033,181	\$ 12,716,872	\$ 14,267,934
Assigned	229,945	202,591	165,483	199,615	94,225	73,170	543,237	56,013	67,136	35,163
Unassigned				14,706				152,249	208,324	
Total General Fund	\$ 4,293,940	\$ 5,457,348	\$ 5,689,949	\$ 5,658,818	\$ 6,025,966	\$ 6,595,384	\$ 9,763,819	\$ 11,241,443	\$ 12,992,332	\$ 14,303,097
All Other Governmental Funds:										
Restricted			\$ 16,154	\$ 16,154	\$ 16,154	\$ 16,154	\$ 46,793	\$ 38,150	\$ 41,097	\$ 32,858
Committed	\$ 17,838	\$ 17,838	17,838	17,838	17,838	967,950	22,259	22,259	22,259	22,259
Unassigned/(Deficit)	(26,788)	(19,722)	(17,703)	(13,666)	(51,103)	(43,892)	(88,097)	(102,576)	(121,500)	(123,817)
Total All Other Governmental Funds/(Deficit)	\$ (8,950)	\$ (1,884)	\$ 16,289	\$ 20,326	\$ (17,111)	\$ 940,212	\$ (19,045)	\$ (42,167)	\$ (58,144)	\$ (68,700)
Total Governmental Funds:										
Restricted	\$ 4,063,996	\$ 5,254,757	\$ 5,524,466	\$ 5,444,497	\$ 5,931,741	\$ 6,522,214	\$ 8,218,533	\$ 11,071,331	\$ 12,757,969	\$ 14,300,792
Committed	17,838	17,838	17,838	17,838	17,838	17,838	22,259	22,259	22,259	22,259
Assigned	307,867	228,472	202,591	199,615	94,225	94,225	543,237	56,013	67,136	35,163
Unassigned/(Deficit)	(35,124)	(19,722)	(17,703)	1,040	(51,103)	(43,892)	(88,097)	49,673	86,824	(123,817)
Total All Governmental Funds	\$ 4,284,990	\$ 5,455,464	\$ 5,706,238	\$ 5,679,144	\$ 6,008,855	\$ 7,535,596	\$ 9,744,774	\$ 11,199,276	\$ 12,934,188	\$ 14,234,397

Source: Borough of Wharton School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$ 8,549,208	\$ 8,708,172	\$ 8,866,866	\$ 9,035,664	\$ 9,200,092	\$ 9,368,815	\$ 9,545,620	\$ 9,721,796	\$ 9,837,302	\$ 10,040,149
Tuition Charges	244,394	205,551	157,392	106,559	243,623	140,817	99,901	68,765	3,146	
Interest on Capital Reserve	3,761	1,218	3,761	3,476	9,645	15,078	22,268	5,263	8,265	
Miscellaneous	197,267	29,885	35,310	25,634	75,528	58,648	27,742	29,296	62,593	387,791
State Sources	5,420,143	5,463,912	5,772,212	6,050,229	6,787,151	7,444,168	7,829,424	8,885,383	10,753,992	10,617,199
Federal Sources	523,179	620,014	569,599	585,858	467,152	467,650	694,530	807,481	942,313	1,244,220
Total Revenue	14,937,952	15,028,752	15,405,140	15,807,420	16,783,191	17,495,176	18,219,485	19,517,984	21,607,611	22,289,359
Expenditures:										
Instruction:										
Regular Instruction	4,548,219	4,910,471	4,566,042	4,503,745	4,734,653	4,810,764	4,395,576	4,320,802	4,705,431	4,700,605
Special Education Instruction	1,643,643	1,757,402	1,888,117	2,097,789	2,148,105	2,120,140	2,007,874	1,947,468	1,833,854	2,091,405
Other Instruction	142,987	159,932	224,155	270,771	266,734	279,773	269,347	220,045	324,660	289,004
Support Services:										
Tuition	308,897	227,982	240,662	414,885	410,281	315,147	359,002	372,202	595,355	842,075
Student & Instruction Related Services	1,214,213	1,400,885	1,486,320	1,415,009	1,372,131	1,366,733	2,257,703	3,186,802	3,496,526	3,412,047
General Administrative Services	329,684	369,936	436,974	346,574	397,662	367,653	345,233	366,329	364,593	389,721
School Administrative Services	295,382	308,100	332,075	339,205	338,830	333,903	370,315	383,022	363,140	360,838
Central Services	241,022	208,700	152,653	198,524	196,535	224,556	261,807	255,111	239,719	246,350
Administrative Information Technology	81,763	55,112	95,236	132,426	111,695	130,466	115,063	131,457	87,638	92,098
Plant Operations And Maintenance	1,018,812	779,469	785,764	810,199	889,223	923,817	941,137	966,688	919,219	1,154,198
Pupil Transportation	288,152	348,503	277,424	364,354	285,790	227,503	229,968	169,585	357,434	523,703
Unallocated Benefits	2,518,277	2,950,195	3,281,481	3,839,856	4,363,823	4,337,187	4,258,790	4,758,475	5,491,221	5,657,523
Capital Outlay	1,807,138	36,500	1,063,114	747,895	585,409	240,036	964,408	705,857	805,659	958,189
Debt Service:										
Principal	240,000	240,000	271,000	271,000	266,000	256,000	252,000	242,000	231,000	226,000
Interest And Other Charges	101,000	91,400	29,746	34,666	29,564	24,605	19,779	15,086	10,592	6,251
Transfer of funds to Charter Schools	13,407	13,691	23,603	47,616	57,045	10,152	11,147	22,553	46,658	39,143
Total Expenditures	14,779,189	13,844,587	15,130,763	15,834,514	16,453,480	15,968,435	17,059,149	18,063,482	19,872,699	20,989,150
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 158,763	\$ 1,184,165	\$ 274,377	\$ (27,094)	\$ 329,711	\$ 1,526,741	\$ 1,160,336	\$ 1,454,502	\$ 1,734,912	\$ 1,300,209
Net Change In Fund Balances	\$ 158,763	\$ 1,184,165	\$ 274,377	\$ (27,094)	\$ 329,711	\$ 1,526,741	\$ 1,160,336	\$ 1,454,502	\$ 1,734,912	\$ 1,300,209
Debt Service as a Percentage of Noncapital Expenditures	2.63%	2.40%	2.14%	2.03%	1.86%	1.78%	1.69%	1.48%	1.27%	1.16%

Source: Borough of Wharton School District Financial Reports.

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Other Misc.</u>	<u>Total</u>
2014	\$ 3,761	\$ 244,394	\$ 197,267	\$ 445,422
2015	1,218	205,551	29,885	236,654
2016	3,761	157,392	35,310	196,463
2017	3,476	106,559	25,634	135,669
2018	9,645	243,623	75,528	328,796
2019	15,078	140,817	58,648	214,543
2020	47,812	99,901	2,198	149,911
2021	13,467	68,765	7,455	89,687
2022	15,771	3,146	22,709	41,626
2023	254,981		95,950	350,931

Source: Borough of Wharton School District Financial Reports.

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

Year Ended December 31,	Vacant Land		Residential		Farm Qualified		Commercial		Industrial		Apartment		Total Assessed Value		Public Utilities ^a		Net Valuation Taxable		Tax-Exempt Property		Total Direct School Tax Rate ^b		Estimated Actual (County Equalized Value)	
2013	\$ 12,816,300	\$ 431,026,500	\$ 575,200	\$ 93,914,900	\$ 97,860,000	\$ 21,698,800	\$ 657,891,700	\$ -0-	\$ 657,891,700	\$ -0-	\$ 657,891,700	\$ 67,532,300	\$ 1.30	\$ 696,476,498										
2014	12,324,900	422,510,400	566,600	93,341,300	97,616,100	21,819,500	648,178,800	-0-	648,178,800	-0-	648,178,800	67,252,000	1.34	669,610,331										
2015	11,789,600	427,569,800	580,400	92,610,400	97,716,600	21,914,000	652,180,800	-0-	652,180,800	-0-	652,180,800	96,632,800	1.36	673,503,608										
2016	12,991,500	431,891,600	581,100	92,517,600	96,320,200	22,465,700	656,767,700	-0-	656,767,700	-0-	656,767,700	97,154,200	1.40	663,528,365										
2017	12,993,400	434,199,800	581,100	92,741,300	98,448,800	22,649,900	661,618,300	-0-	668,396,422	-0-	668,396,422	101,972,200	1.35	663,528,365										
2018	12,873,400	446,757,300	598,200	93,118,800	105,321,100	22,772,700	681,441,500	-0-	681,445,500	-0-	681,445,500	102,182,300	1.35	675,041,790										
2019	13,857,600	460,137,300	616,300	94,940,200	105,912,700	23,065,000	698,529,100	-0-	698,529,100	-0-	698,529,100	102,579,700	1.37	716,029,500										
2020	15,400,200	478,323,300	632,700	98,332,800	111,845,100	23,475,200	728,009,300	-0-	728,009,300	-0-	728,009,300	110,236,300	1.34	747,194,562										
2021	14,406,400	498,177,500	659,100	100,490,100	115,222,600	26,040,200	754,995,900	-0-	754,995,900	-0-	754,995,900	109,439,100	1.30	763,011,808										
2022	17,090,900	526,093,300	342,600	102,671,000	119,543,000	28,343,900	794,084,700	-0-	794,084,700	-0-	794,084,700	107,614,600	1.26	809,127,099										

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

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.
^b Tax rates are per \$100 of assessed value.

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

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

Year Ended December 31,	Wharton Board of Education						Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt ^b	Total Direct	Regional School District	Borough of Wharton	Morris County	
2013	\$ 1.26	\$ 0.04	\$ 1.30	\$ 0.66	\$ 0.58	\$ 0.28	\$ 2.82
2014	1.31	0.04	1.34	0.68	0.60	0.28	2.90
2015	1.32	0.04	1.36	0.67	0.61	0.26	2.89
2016	1.37	0.03	1.40	0.63	0.61	0.26	2.90
2017	1.32	0.03	1.35	0.68	0.62	0.26	2.91
2018	1.32	0.03	1.35	0.68	0.61	0.26	2.90
2019	1.34	0.03	1.37	0.68	0.61	0.27	2.92
2020	1.31	0.03	1.34	0.75	0.61	0.27	2.96
2021	1.28	0.02	1.30	0.78	0.57	0.24	2.89
2022	1.24	0.02	1.26	0.72	0.58	0.26	2.83

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

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

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

2023		2013	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
	% of Total District Net Assessed Value		% of Total District Net Assessed Value
N/A	N/A	N/A	N/A

N/A - Not Available

Source: Borough of Wharton Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 8,549,208	\$ 8,549,208	100.00%	-0-
2015	8,708,172	8,708,172	100.00%	-0-
2016	8,866,866	8,866,866	100.00%	-0-
2017	9,035,664	9,035,664	100.00%	-0-
2018	9,200,092	9,200,092	100.00%	-0-
2019	9,368,815	9,368,815	100.00%	-0-
2020	9,545,620	9,545,620	100.00%	-0-
2021	9,721,796	9,721,796	100.00%	-0-
2022	9,837,302	9,837,302	100.00%	-0-
2023	10,040,149	10,040,149	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Financed Purchases/ Leases			
2014	\$ 2,405,000	\$ -0-	\$ -0-	\$ 2,405,000	0.44%	\$ 367.68
2015	2,231,000	-0-	-0-	2,231,000	0.39%	341.13
2016	1,960,000	-0-	-0-	1,960,000	0.33%	300.80
2017	1,689,000	-0-	-0-	1,689,000	0.28%	260.05
2018	1,423,000	-0-	-0-	1,423,000	0.23%	220.89
2019	1,167,000	-0-	-0-	1,167,000	0.18%	183.38
2020	915,000	-0-	-0-	915,000	0.14%	141.58
2021	673,000	-0-	-0-	673,000	0.09%	92.97
2022	442,000	-0-	-0-	442,000	0.06%	61.01
2023	216,000	-0-	-0-	216,000	0.03%	29.81

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

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

Source: Borough of Wharton School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 2,405,000	\$ -0-	\$ 2,405,000	0.37%	\$ 367.68
2015	2,231,000	-0-	2,231,000	0.34%	341.13
2016	1,960,000	-0-	1,960,000	0.30%	300.80
2017	1,689,000	-0-	1,689,000	0.26%	260.05
2018	1,423,000	-0-	1,423,000	0.21%	220.89
2019	1,167,000	-0-	1,167,000	0.17%	183.38
2020	915,000	-0-	915,000	0.13%	141.58
2021	673,000	-0-	673,000	0.09%	92.97
2022	442,000	-0-	442,000	0.06%	61.01
2023	216,000	-0-	216,000	0.03%	29.81

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

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

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

Source: Borough of Wharton School District Financial Reports.

WHARTON BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Wharton	\$ 1,000,000	100.00%	\$ 1,000,000
Other Debt:			
Morris County General Obligation Debt	253,387,955	0.782%	1,980,804
Morris Hills Regional District Debt	23,880,000	8.005%	<u>1,911,568</u>
Subtotal, Overlapping Debt			4,892,372
Borough of Wharton School District Direct Debt			<u>216,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 5,108,372</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

	June 30,										Wharton Borough
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Equalized Valuation Basis											
2022											\$ 884,774,039
2021											803,785,691
2020											758,343,021
											<u>\$2,446,902,751</u>
Average Equalized Valuation of Taxable Property											<u>\$ 815,634,250</u>
Debt Limit (3% of Average Equalization Value) ^a											\$ 24,469,028
Net Bonded School Debt as of June 30, 2023											<u>216,000</u>
Legal Debt Margin											<u>\$ 24,253,028</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 21,634,054	\$ 20,868,029	\$ 20,412,829	\$ 19,935,913	\$ 19,856,492	\$ 20,454,907	\$ 21,210,567	\$ 22,093,386	\$ 23,021,744	\$ 24,469,028
Total Net Debt Applicable to Limit	2,405,000	2,231,000	1,960,000	1,689,000	1,423,000	1,167,000	915,000	673,000	442,000	216,000
Legal Debt Margin	<u>\$ 18,827,224</u>	<u>\$ 18,637,029</u>	<u>\$ 18,452,829</u>	<u>\$ 18,246,913</u>	<u>\$ 18,433,492</u>	<u>\$ 19,287,907</u>	<u>\$ 20,295,567</u>	<u>\$ 21,420,386</u>	<u>\$ 22,579,744</u>	<u>\$ 24,253,028</u>

Total Net Debt Applicable to the Limit	13.31%	10.69%	9.60%	8.47%	7.17%	5.71%	4.31%	3.05%	1.92%	0.88%
As a Percentage of Debt Limit										

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

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

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

Year Ended December 31,	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2014	\$ 6,541	\$ 84,287	\$ 551,321,267	6.00%
2015	6,540	88,298	577,468,920	5.00%
2016	6,516	91,252	594,598,032	5.00%
2017	6,495	93,544	607,568,280	4.60%
2018	6,442	97,244	626,445,848	4.20%
2019	6,364	99,140	630,926,960	4.20%
2020	6,463	102,227	660,693,101	11.00%
2021	7,239	107,767	780,125,313	7.20%
2022	7,245	107,767 **	780,771,915 ***	4.30%
2023	7,245 *	107,767 **	780,771,915 ***	N/A

* - Latest Morris County population available (2022) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

***- Latest available population data (2022) and latest Morris County per capita personal income (2021) was used for calculation purposes

N/A - Not Available

Sources:

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

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

	2023			2013		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health Systems		10,552	3.93%	US Army Armament Research & Development	5,841	2.13%
Novartis		6,500	2.42%	Novartis	5,035	1.84%
Picatinny Arsenal		6,000	2.23%	Atlantic Health Systems	4,463	1.63%
Barclays		3,374	1.26%	ADP, Inc.	2,060	0.75%
ADP, Inc.		2,400	0.89%	Bayer Healthcare, LLC	1,900	0.69%
Accenture		2,344	0.87%	County of Morris	1,674	0.61%
PricewaterhouseCoopers		2,095	0.78%	Wyndham Worldwide	1,653	0.60%
Cigna		1,686	0.63%	St. Clare's	1,642	0.60%
Deloitte & Touche		1,646	0.61%	BASF Corporation	1,500	0.55%
St. Clare's		1,473	0.55%	Accenture	1,480	0.54%
Total		<u>38,070</u>	<u>14.16%</u>		<u>27,248</u>	<u>9.93%</u>
Total County Labor Force		<u>268,713</u>			<u>274,179</u>	

Source: Morris County Treasurer's Office

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	49.5	56.3	56.1	56.1	56.1	56.1	56.1	55.7	50.2	50.2
Special Education	16.5	16.6	16.5	16.5	16.5	16.5	16.5	17.0	21.4	21.4
Other Special Education	16.5	14.9	15.0	15.0	15.0	15.0	15.0	14.1	16.4	16.4
Other Instruction	3.0	3.0	3.0	2.3	2.5	2.5	2.5	2.5	2.5	3.5
Support Services:										
Student & Instruction Related Services	9.3	16.1	16.1	16.1	16.1	14.6	14.6	14.0	15.2	14.8
General Administration	5.6	5.5	5.5	5.5	5.5	5.0	5.0	3.4	3.5	3.5
School Administrative Services	6.2	4.7	4.7	4.7	5.0	5.0	5.0	4.3	5.9	5.7
Other Administrative Services									1.0	1.0
Central Services	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.0		
Pupil Transportation	0.2	0.2	0.2	0.2	0.2					
Other Support Services	2.4	2.4	2.4	3.3	3.0	3.0	3.0	2.4		
Food Service	1.0	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.8	0.8
Total	111.5	123.0	122.8	123.0	123.2	120.81	120.81	117.17	118.80	119.28

Source: Borough of Wharton District Personnel Records.

WHARTON BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2014	780	\$ 12,631,051	\$ 16,194	5.23%	78	10.3	8.4	777	756	1.16%	97.30%
2015	789	13,476,687	17,081	5.48%	79	9.5	10.8	803	770	-3.24%	95.89%
2016	786	13,766,903	17,515	2.54%	78	9.1	10.4	786	754	2.16%	95.93%
2017	781	14,712,351	18,838	7.55%	78	9.0	10.5	782	751	0.51%	95.59%
2018	741	14,485,324	19,548	3.77%	78	10.2	8.8	745	710	4.97%	95.30%
2019	744	15,447,794	20,763	6.21%	78	10.3	8.4	744	704	0.13%	94.59%
2020	750	15,822,962	21,097	1.61%	80	10.0	11.0	752	729	-1.10%	96.94%
2021	740	17,100,539	23,109	9.53%	81	10.2	11.1	689	675	9.19%	97.51%
2022	704	18,825,448	26,741	15.72%	81	8.8	11.0	694	646	-0.72%	93.18%
2023	704	19,798,710	28,123	5.17%	81	9.8	11.0	691	650	0.43%	94.08%

Note: Enrollment based on annual October District count.

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

Source: Borough of Wharton School District records.

WHARTON BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Buildings</u>										
<u>Elementary</u>										
Marie V. Duffy Elementary (1962)	35,173	35,173	35,173	35,173	35,173	35,173	35,173	35,173	35,173	35,173
Square Feet										
MacKinnon North Wing (1974)	36,291	36,291	36,291	36,291	36,291	36,291	36,291	36,291	36,291	36,291
Square Feet										
Combined Capacity (Students)	617	617	617	617	617	617	617	617	617	617
Combined Enrollment	478	478	478	478	470	469	456	469	431	431
<u>Middle</u>										
MacKinnon Middle School (2000)	28,654	28,654	28,654	28,654	28,654	28,654	28,654	28,654	28,654	28,654
Square Feet										
Capacity (Students)	259	259	259	259	259	259	259	259	273	273
Enrollment	213	213	213	213	266	271	294	271	273	273
<u>Other</u>										
Child Study Team Addition (1994)	1,469	1,469	1,469	1,469	1,469	1,469	1,469	1,469	1,469	1,469
Maint. Garage/Recreation Annex(1982)	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561
<u>Number of Schools at June 30, 2023:</u>										
Elementary = 1										
Middle = 1										

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

Source: Wharton Board of Education Facilities Office.

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Facilities										
Wharton Public Schools	\$ 230,270	\$ 93,160	\$ 118,613	\$ 141,921	\$ 186,551	\$ 187,430	\$ 186,682	\$ 151,564	\$ 132,592	\$ 265,790

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

Source: Borough of Wharton School District Reports.

WHARTON BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

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

Source: Borough of Wharton School District Records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wharton Board of Education, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

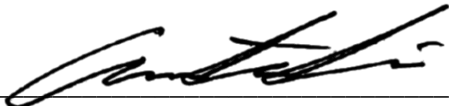
As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

October 26, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Wharton Board of Education (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

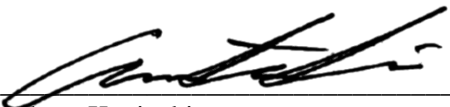
Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

October 26, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Adjustment	Balance June 30, 2023		Amount Paid to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/21-6/30/22	\$ 16,383	\$	1,662	\$ 27,389	\$ (1,662)				
Federal Food Distribution Program	10.555	N/A	7/1/22-6/30/23	27,389			(21,435)				\$ 5,954	
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	30,200			28,054	(30,200)		\$ (2,146)		
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	210,994			199,336	(210,994)		(11,658)		
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	459,450	\$ (34,299)		34,299			(13,804)		
Total Child Nutrition Cluster					(34,299)	1,662	289,078	(264,291)		(13,804)	5,954	
Total U.S. Department of Agriculture					(34,299)	1,662	289,078	(264,291)		(13,804)	5,954	
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Elementary and Secondary Education Act:												
Title I	84.010A	ESEA-5770-22	7/1/21-9/30/22	246,147	(80,439)		80,439	(199,880)		(60,864)		
Title I	84.010A	ESEA-5770-23	7/1/22-9/30/23	306,303	(80,439)		139,016	(199,880)		(60,864)		
Total Title I							219,455	(199,880)				
Title II A	84.367A	ESEA-5770-22	7/1/21-9/30/22	40,127	(5,950)		5,950	(11,799)				
Title II A	84.367A	ESEA-5770-23	7/1/22-9/30/23	40,244	(5,950)		11,799	(11,799)				
Total Title II A					(438)		17,749	(11,799)				
Title III	84.365A	ESEA-5770-22	7/1/21-9/30/22	18,320	(438)		438	(8,990)				
Title III	84.365A	ESEA-5770-23	7/1/22-9/30/23	29,861	(438)		8,990	(8,990)				
Total Title III					(438)		9,428	(8,990)				
Title III - Immigrant	84.365A	ESEA-5770-22	7/1/21-9/30/22	10,511	(1,566)		1,566	(3,768)		(123)		
Title III - Immigrant	84.365A	ESEA-5770-23	7/1/22-9/30/23	14,501	(1,566)		3,645	(3,768)		(123)		
Total Title III - Immigrant					(1,566)		5,211	(3,768)		(123)		
Title IV	84.424	ESEA-5770-22	7/1/21-9/30/22	36,607	(3,542)		3,542	(20,966)		(881)		
Title IV	84.424	ESEA-5770-23	7/1/22-9/30/23	41,615	(3,542)		20,085	(20,966)		(881)		
Total Title IV					(3,542)		23,627	(20,966)		(881)		
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA-5770-22	7/1/21-9/30/22	204,928	(2,184)		2,184	(203,892)		(19,531)		
I.D.E.A. Part B, Basic	84.027	IDEA-5770-23	7/1/22-9/30/23	206,076	(2,184)		184,361	(203,892)		(19,531)		
I.D.E.A. Part B, Preschool	85.173	IDEA-5770-23	7/1/22-9/30/23	8,116	(2,184)		6,524	(8,116)		(1,592)		
Subtotal Special Education Cluster					(2,184)		193,069	(212,008)		(21,123)		

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Adjustment	Balance June 30, 2023		Amount Paid to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Education Stabilization Fund:												
COVID-19 - CARES Emergency Relief	84.425D	CARES109020	3/13/20-9/30/22	\$ 257,210	\$ (190)	\$	190					
COVID-19 - CRRSA:												
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	888,383	(47,028)		284,643	\$ (367,284)	\$ (129,669)			
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	57,012	(11,790)		29,499	(17,709)				
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000			4,000	(5,000)		(1,000)		
COVID-19 - ARP:												
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,996,583			291,006	(323,611)		(32,605)		
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	75,336			48,000	(48,000)				
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000			2,925	(2,925)				
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000			40,000	(40,000)				
Subtotal Education Stabilization Fund							700,263	(804,529)		(163,274)		
Total U.S. Department of Education / Special Revenue Fund							1,168,802	(1,261,940)		(246,265)		
U.S. Department of Health and Human Services:												
Medicaid Cluster:												
Medicaid Assistance Program	93.778	N/A	7/1/22-6/30/23	32,887			32,887	(32,887)				
Total U.S. Department of Health and Human Services							32,887	(32,887)				
Total Federal Financial Awards							\$ 1,662	\$ (1,559,118)	\$ -0-	\$ (260,069)	\$ 5,954	\$ -0-

N/A - Not Available/Applicable

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

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Project Number	Grant or State	Grant Period	Award Amount	Balance June 30, 2022			Balance June 30, 2023			MEMO	
					Unearned Revenue/(Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor
NJ Department of Education:												
General Fund:												
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23		\$ 4,698,499	\$ 4,230,638	\$ (4,698,499)	\$ (4,698,499)			\$ (467,861)	\$ 4,698,499	
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22		4,551,194	449,189						4,551,194	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23		62,576	56,345	(62,576)	(62,576)			(6,231)	62,576	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22		62,576	6,176						62,576	
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23		647,293	582,838	(647,293)	(647,293)			(64,455)	647,293	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22		647,293	63,886						647,293	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23		242,102	217,994	(242,102)	(242,102)			(24,108)	242,102	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22		242,102	23,895						242,102	
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23		477,090	429,583	(477,090)	(477,090)			(47,507)	477,090	
School Choice Aid	22-495-034-5120-068	7/1/21-6/30/22		477,090	48,007						477,090	
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23		233,507		(233,507)	(233,507)		\$ (233,507)	(233,507)	233,507	
Extraordinary Aid	22-100-034-5120-473	7/1/21-6/30/22		234,610	234,610						234,610	
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23		465,409	443,427	(465,409)	(465,409)		(21,982)	(21,982)	465,409	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22		447,296	21,982						447,296	
On-Behalf TPAF Post Retirement Contributions	23-495-034-5097-001	7/1/22-6/30/23		571,993	571,993	(571,993)	(571,993)				571,993	
On-Behalf TPAF Pension Contributions	23-495-034-5097-002	7/1/22-6/30/23		2,147,586	2,147,586	(2,147,586)	(2,147,586)				2,147,586	
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5097-004	7/1/22-6/30/23		29,795	29,795	(29,795)	(29,795)				29,795	
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5097-004	7/1/22-6/30/23		781	781	(781)	(781)				781	
Total General Fund State Aid					9,558,725	(9,576,631)	(9,576,631)		(255,489)		(865,651)	16,248,107
Special Revenue Fund:												
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23		1,238,174	1,114,356	(786,989)	(786,989)			(123,818)	786,989	
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22		1,215,004	121,500						1,215,004	
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20		880,965		(212,693)	(212,693)				880,965	
Nonpublic Handicapped Services:												
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22		7,205		\$ 3,793	\$ 3,793				3,793	
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22		4,956		2,065	2,065				2,065	
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22		930		930	930				930	
Auxiliary Services:												
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22		13,437		5,375	5,375				5,375	
Nonpublic Security Aid	22-100-034-5120-070	7/1/21-6/30/22		21,000		8,800	8,800				8,800	
Technology Initiative	22-100-034-5120-373	7/1/21-6/30/22		1,722		42	42				42	
Total Special Revenue Fund					1,235,856	(999,682)	(999,682)		21,005		(123,818)	2,909,523

WHARTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2022		Balance June 30, 2023			MEMO						
				Unearned Revenue/(Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
NJ Department of Education: Capital Projects Fund: School Development Authority: Corridor Ceramic Tile Replacement Project				5770-040-09-1002	7/1/10-6/30/22	\$ 16,266	\$ (16,266)	\$ 10,794,581	\$ (10,576,313)	\$ 21,005	\$ (255,489)	\$ 451,185	\$ (16,266)	\$ 16,266	
Total NJ Department of Education														\$ (1,005,735)	19,173,896
NJ Department of Agriculture: Enterprise Fund: School Breakfast Program				23-100-010-3350-021	7/1/22-6/30/23	1,025		958	(1,025)		(67)			(67)	1,025
State School Lunch Program				23-100-010-3350-023	7/1/22-6/30/23	10,379		9,814	(10,379)		(565)			(565)	10,379
COVID-19 - Seamless Summer Program				22-100-010-3350-023	7/1/21-6/30/22	9,487	(673)	673							9,487
Total Enterprise Fund							(673)	11,445	(11,404)		(632)		(632)		20,891
Debt Service Fund: Debt Service Aid Type II				23-100-034-5120-124	7/1/22-6/30/23	62,212		62,212	(62,212)						62,212
Total State Awards Subject to Single Audit Determination							(789,757)	\$ 10,868,238	\$ (10,649,929)	\$ 21,005	\$ (256,121)	\$ 451,185	\$ -0-	\$ (1,022,633)	\$ 19,273,265
Less: State Awards Not Subject to Single Audit Major Program Determination															
On-Behalf TPAF Pension System Contributions:															
On-Behalf TPAF Post Retirement Contributions				23-495-034-5097-001	7/1/22-6/30/23	(571,993)			\$ 571,993						
On-Behalf TPAF Pension Contributions				23-495-034-5097-002	7/1/22-6/30/23	(2,147,586)			2,147,586						
On-Behalf TPAF Non-Contributory Insurance				23-495-034-5097-004	7/1/22-6/30/23	(29,795)			29,795						
On-Behalf TPAF Long-Term Disability Insurance				23-495-034-5097-004	7/1/22-6/30/23	(781)			781						
Subtotal - On-Behalf TPAF Pension System Contributions									2,750,155						
Total State Awards Subject to Single Audit Major Program Determination									\$ (7,899,774)						

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

WHARTON BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Wharton Board of Education, under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$19,009 for the general fund and \$52,924 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented on the following page.

WHARTON BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 32,887	\$ 9,557,622	\$ 9,590,509
Special Revenue Fund	1,211,333	997,365	2,208,698
Debt Service Fund		62,212	62,212
Food Service Fund	264,291	11,404	275,695
	<u>\$ 1,508,511</u>	<u>\$ 10,628,603</u>	<u>\$ 12,137,114</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

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

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 8. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

The District has an active grant in the amount of \$16,266 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2023, \$16,266 of the grant funds have not been expended or drawn down on a GAAP basis on this grant. In the Capital Projects Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and is realizing the grant revenue on a GAAP basis as it is expended and submitted for reimbursement.

WHARTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

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

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Educational Stabilization Aid:				
COVID-19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	\$ 888,383	\$ 367,284
Learning Acceleration	84.425D	3/13/20-9/30/23	57,012	17,709
Mental Health	84.425D	3/13/20-9/30/23	45,000	5,000
COVID-19 - ARP:				
ESSER III	84.425U	3/13/20-9/30/24	1,996,583	323,611
Accelerated Learning Coach and Educator Support	84.425U	3/13/20-9/30/24	75,336	48,000
Summer Learning and Enrichment	84.425U	3/13/20-9/30/24	40,000	2,925
Mental Health	84.425U	3/13/20-9/30/24	45,000	40,000
<u>State:</u>				
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	4,698,499	4,698,499
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	647,293	647,293
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	242,102	242,102
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23	477,090	477,090

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

WHARTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

WHARTON BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior year audit findings.