

**NORTH WARREN
REGIONAL SCHOOL DISTRICT**

**North Warren Regional School District
Board of Education
Blairstown, Warren County
New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2020**

Comprehensive Annual

Financial Report

of the

North Warren Regional School District

Board of Education

Blairstown, New Jersey

For the Fiscal Year Ending June 30, 2020

Prepared by

North Warren Regional School District

Board of Education

Finance Department

OUTLINE OF CAFR

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Introductory Section



NORTH WARREN REGIONAL SCHOOL DISTRICT

Chris Heagele, School Business Administrator
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P.O. Box 410, 10 Noe Road, Blirstown, NJ 07825
Phone: 908-362-8211 Ext. 1204

December 9, 2020

Members of the Board of Education
North Warren Regional School District
10 Noe Road, P.O. Box 410
Blirstown, New Jersey 07825

Dear Board Members:

Each year, the District must submit a report entitled the Comprehensive Annual Financial Report (CAFR) reflecting the financial status of the entity as of June 30, 2020. This report is a synopsis of the fiscal soundness of the North Warren Regional School District. The Comprehensive Annual Financial Report is presented in four sections:

1. Introductory
2. Financial
3. Statistical
4. Single Audit

The introductory section includes this descriptive cover sheet that you are currently reading. Furthermore, this section includes the District's organizational chart and list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report. The statistical section includes selected financial and demographic information that is pertinent to the District. The single audit section of this report is included as per the Single Audit Act of 1996. Additionally, the information related to this single audit, including the auditor's report have been included for your information.

The Comprehensive Annual Financial Report (CAFR) of the North Warren Regional School District for the fiscal year ended June 30, 2020, 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 North Warren Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities are included.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget "Uniform Guidance", Audits of State and Local Governments, and the State Treasury Circular Letter 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

North Warren Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. All funds and account groups of the District are included in this report.

The District provides a full range of educational and extra-curricular activities and programs for students in grades seven through twelve. These programs and activities are designed for both regular education students as well as special education students. As of October 15, 2019, the District had a total enrollment of 767.

The following details the changes in the student enrollment of the District over the last ten years as of October 15.

| FISCAL YEAR | STUDENT ENROLLMENT | PERCENT CHANGE |
|-------------|--------------------|----------------|
| 2010-2011 | 1086 | -1.6% |
| 2011-2012 | 1031 | -5.0% |
| 2012-2013 | 1029 | -1.9% |
| 2013-2014 | 992 | -3.5% |
| 2014-2015 | 946 | -4.6% |
| 2015-2016 | 925 | -2.2% |
| 2016-2017 | 911 | -1.5% |
| 2017-2018 | 848 | -6.9% |
| 2018-2019 | 826 | -2.6% |
| 2019-2020 | 767 | -7.1% |

2. ECONOMIC CONDITION AND OUTLOOK

The enrollment in the North Warren Regional School District has been decreasing and is not projected to increase in the near future. However, the district must continue to address programmatic needs with little or no increase in budget while staying within the tax levy cap. Moreover, the local taxpayers will continue to feel an additional burden as the school district tries to balance a sound, diversified educational program while still maintaining a responsible financial base with decreased state aid and local tax levies.

The following charts reflect general sources of revenue and areas of expenditures experienced by the District during the current fiscal year.

| REVENUES | | | | |
|-----------------|-------------------|-------------------------|-------------------|--------------------|
| SOURCE | AMOUNT | PERCENT OF TOTAL | +/- AMOUNT | +/- PERCENT |
| Local | 12,660,163 | 62.77% | 117,951 | 0.94% |
| State | 7,156,946 | 35.49% | (173,675) | (2.37%) |
| Federal | 350,599 | 1.74% | (3,149) | (0.89%) |
| TOTAL | 20,167,708 | 100.00% | (58,873) | (0.29%) |

The District depends on local taxes as the main source of revenue to meet the increased costs of operations. Dramatic decreases in state aid continue to shift the burden to the local tax base. Recently enacted Senate Bill 2 provides for a major decrease in State funding to North Warren. The consequences of its passage provide the District Leadership team with high levels of concern.

In addition, Federal funding is used but cannot be counted on as a source of revenue. Federal law requires that Federal sources be used to supplement our programming only.

| EXPENDITURES | | | | |
|---------------------------------|-------------------|-------------------------|--------------------|--------------------|
| CLASSIFICATION | AMOUNT | PERCENT OF TOTAL | +/- AMOUNT | +/- PERCENT |
| Current Expense: Instruction | 6,814,431 | 34.44% | (385,223) | (5.35%) |
| Undistributed | 11,251,397 | 56.87% | (1,193,086) | (9.59%) |
| SUBTOTAL | 18,065,828 | 91.31% | (1,578,309) | (8.03%) |
| Capital Outlay | 1,353,841 | 6.84% | 1,350,441 | N/A |
| Capital Projects | | | | |
| Debt Service | | | | |
| Special Revenue | 364,700 | 1.84% | 10,952 | 3.10% |
| TOTAL | 19,784,369 | 100.00% | (216,916) | (1.08%) |

Expenditures were decreased and the district has made every effort to do more with less so as not to increase the burden on local taxpayers. Some operational savings were recouped in salaries due to several staff resignations. The current District Leadership Team has established a practice to right size through staff attrition. In addition, the District Leadership Team shifted health care coverage to the School Employees Health Benefit Plan (SEHBP) in 2017 to realize significant savings to both the District and its employees as employees share in the cost of health insurance premiums. Beginning in September of 2018, the District is requiring lower cost health care options, with the goal of realizing even more savings to taxpayers.

In all areas, the District has made a conscious effort to keep all costs down in order to conserve money to add to the District's Net Position. The District plans to identify uses for these funds as directed by the Board of Education.

3. MAJOR INITIATIVES

North Warren Regional School District prides itself on its focus on student achievement. During the 2019-2020 school year, North Warren Regional followed through on the goals set forth in its 2018-2020 Strategic Plan.

The District worked to increase its average AP testing score through a series of student-focused initiatives including formative testing, summative feedback, course prerequisites, enrollment in Warren County Community College's Dual Enrollment Program, and other measures aimed at helping our students shine. This netted a commendable average AP score of over 3.5.

The district has completed a technology infrastructure update that again increased our bandwidth and capacity and has added to our 1:1 ChromeBook initiative for our Middle School students and expanded the 1:1 ChromeBooks to all six grade levels in the District. This initiative included the formation of a Technology Council and is supported by the Academic Council and SCIP Committee.

The school continues outreach programs to the community. Students invite our local senior citizens to attend three major events throughout the school year. Students cater these events, create performances for the senior citizens, and help organize a culminating history activity, "Voices of the Veterans." Each year more than 75 veterans come to North Warren to share their experiences with our students.

In addition to these endeavors, North Warren Regional continues to boast over 75% student participation in extra and co-curricular activities and athletics. Additionally, North Warren Regional was named US News & World Reports top-ranked high school in Warren County for the 2020-2021 school year, and has held this honor now for multiple years.

4. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control

should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is 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 reservations of fund balance at June 30, 2020.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. DEBT ADMINISTRATION

As of June 30, 2020, the District does not have any outstanding debt issues. The District still maintains payments for multiple lease purchase agreements that addressed improvements to the facility, specifically, updating computer and technology needs.

8. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions

of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. 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.

10. OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Co., LLC, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB "Uniform Guidance" and State Treasury OMB Circular Letter 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report relates specifically to the single audit included in the single audit section of this report.

11. ACKNOWLEDGMENTS

It is our hope that this audit report provides valuable information as it pertains to the North Warren Regional School District. Additionally, we would like to thank the Board and community members for their support and guidance in the development and direction of the finances surrounding NWR. Finally, the acknowledgment of the Business Office staff for all of the time and effort related to this endeavor must be applauded.

Respectfully submitted,

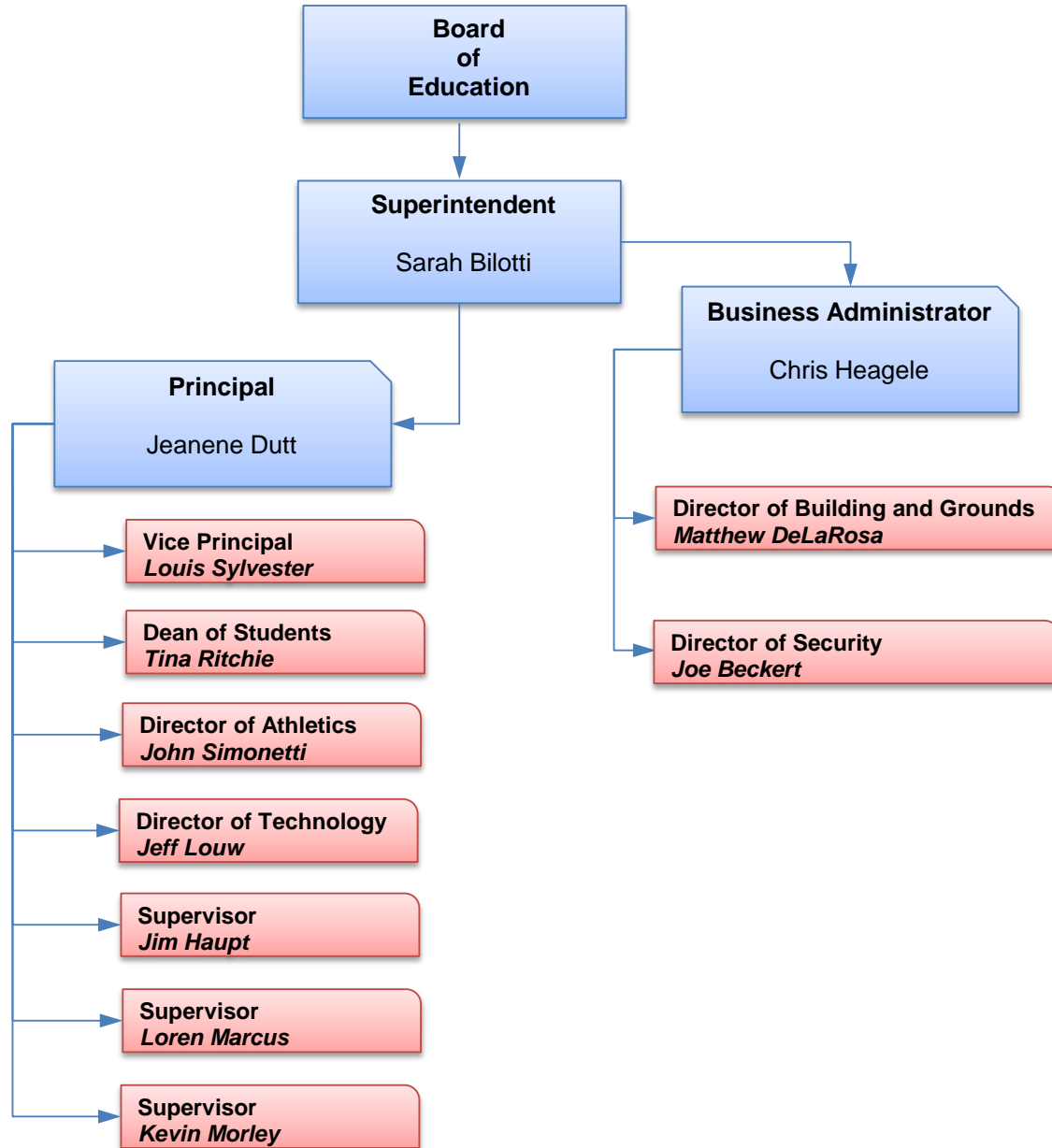


Sarah Bilotti
Superintendent



Chris Heagele
Business Administrator

North Warren Regional Organizational Chart



**NORTH WARREN REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2020

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Bethany Summers, President | 2021 |
| Anne Drescher, Vice-President | 2021 |
| Jessica Mlecz | 2020 |
| Robert Brandt | 2022 |
| Kevin B. Brennan | 2022 |
| Patti Doell | 2021 |
| Eugene Woznicki | 2020 |
| John Nause | 2020 |
| Tracy Albertson | 2022 |

Other Officials

Sarah Bilotti, Superintendent

Chris Heagele, Board Secretary/School Business Administrator

Randy Wilson, Treasurer

Stephen R. Fogarty, Esq., Legal Counsel

**NORTH WARREN REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

ARCHTECT

HQW Architects LLC
124 Main Street
Newton, New Jersey 07860

AUDIT FIRM

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ATTORNEY

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OFFICIAL DEPOSITORIES

First Hope Bank
P.O. Box 296
Hope, New Jersey 07844

Financial Section

Independent Auditor's Report

ARDITO & COMPANY LLC



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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
North Warren Regional School District
County of Warren
Blairstown, New Jersey 07825

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the North Warren Regional School District Board of Education, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

-Continued-

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21, the spread of the COVID 19 coronavirus is affecting the United States and global economies and may have an impact on the District's subsequent operational and financial performance. At this point, the District cannot reasonably estimate the impact on its subsequent operations or financial results. The accompanying financial statements do not include any adjustments related to subsequent events. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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.

-Continued-

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Warren Regional School District Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, statistical section, and schedule of state financial assistance, as required by New Jersey OMB's Circulars 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.

The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circulars 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statement information, long-term debt schedules, and schedule of state financial assistance, as required by New Jersey OMB's Circulars 15-08 ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated December 9, 2020, on our consideration of the North Warren Regional School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the District's internal control over financial reporting and compliance.



ARDITO & COMPANY LLC
December 9, 2020



Licensed Public School Accountant No. 2369

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

The discussion and analysis of North Warren Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- ◆ In total, Net Position increased \$1,199,403 which represents a 31.1% increase from 2019.
- ◆ General revenues accounted for \$12,656,670 in revenue or 59.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$8,509,222 or 40.2% of total revenues of \$21,165,892.
- ◆ Total assets of governmental activities increased by \$1,117,895, as cash and cash equivalents decreased by \$74,142, receivables increased by \$426,332, and capital assets increased by \$763,201.
- ◆ The School District had \$19,966,489 in expenses; only \$8,509,222 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,656,670 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$19,803,008 in revenues and \$19,419,669 in expenditures. The General Fund's surplus balance increased \$333,339 over 2019, which compares favorably to the budgeted decrease of \$80,000.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand North Warren Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of North Warren Regional School District, the General Fund is by far the most significant fund.

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 26. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Governmental Funds

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s Net Position for 2020 compared to 2019.

**Table 1
Net Position**

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current and Other Assets | \$ 2,345,413 | \$ 1,990,719 |
| Capital Assets | <u>7,482,617</u> | <u>6,719,416</u> |
| Total Assets | <u>9,828,030</u> | <u>8,710,135</u> |
| Deferred Outflows of Resources | <u>762,288</u> | <u>1,126,222</u> |
| Liabilities | | |
| Long-Term Liabilities | 208,660 | 263,937 |
| Other Liabilities | <u>4,074,935</u> | <u>4,375,650</u> |
| Total Liabilities | <u>4,283,595</u> | <u>4,639,587</u> |
| Deferred Inflows of Resources | <u>1,246,380</u> | <u>1,335,830</u> |
| Net Position | | |
| Invested in Capital Assets, Net of Debt | 7,434,663 | 6,730,444 |
| Restricted | 1,255,943 | 869,726 |
| Unrestricted | <u>(3,630,263)</u> | <u>(3,739,230)</u> |
| Total Net Position | <u>\$ 5,060,343</u> | <u>\$ 3,860,940</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Total assets of governmental activities increased by \$1,117,895, as cash and cash equivalents decreased by \$74,142, receivables increased by \$426,332, and capital assets increased by \$763,201.

The cash decrease and capital asset increase was mainly due to the use of capital reserves for capital equipment and improvements, and receivables increased due to an outstanding tax levy payment due from Blairstown Township.

Table 2 shows the changes in Net Position from fiscal year 2019.

Table 2
Changes in Net Position

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Revenues | | |
| Program Revenues: | | |
| Charges for Services | \$ 147,370 | \$ 262,112 |
| Operating Grants and Contributions | 8,361,852 | 9,542,725 |
| General Revenues: | | |
| Property Taxes | 12,608,323 | 12,361,101 |
| Federal & State Aid on Capital Asset Projects | - | - |
| Investment Earnings | 27,652 | 29,262 |
| Other | <u>20,695</u> | <u>86,274</u> |
| Total Revenues | <u>21,165,892</u> | <u>22,281,474</u> |
| Program Expenses | | |
| Instruction | 10,860,317 | 12,066,258 |
| Support Services: | | |
| Pupils and Instructional Staff | 3,206,117 | 4,215,849 |
| General Administration, School Administration, Business | 1,979,403 | 1,981,299 |
| Operations and Maintenance of Facilities | 2,031,088 | 2,238,857 |
| Pupil Transportation | 1,235,193 | 1,377,070 |
| Business-Type Activities | 193,995 | 295,979 |
| Interest and Fiscal Charges | <u>460,376</u> | <u>341,086</u> |
| Total Expenses | <u>19,966,489</u> | <u>22,516,398</u> |
| Increase in Net Position | <u>\$ 1,199,403</u> | <u>\$ (234,924)</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 59.6% percent of revenues for governmental activities for the North Warren Regional School District for the fiscal year 2020.

Instruction comprises 54.4% of district expenses. Support services expenses make up 42.3% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2019. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

| | <u>Total Cost of Services 2020</u> | <u>Net Cost of Services 2020</u> | <u>Total Cost of Services 2019</u> | <u>Net Cost of Services 2019</u> |
|---|--|--------------------------------------|--|--------------------------------------|
| Instruction | \$ 10,860,317 | \$ 6,082,268 | \$ 12,066,258 | \$ 6,644,768 |
| Support Services: | | | | |
| Pupils and Instructional Staff | 3,206,117 | 1,818,627 | 4,215,849 | 2,413,646 |
| General Admin., School Admin., Business | 1,979,403 | 1,161,313 | 1,981,299 | 1,153,358 |
| Operation and Maintenance of Facilities | 2,031,088 | 1,191,636 | 2,238,857 | 1,303,288 |
| Pupil Transportation | 1,235,193 | 724,685 | 1,377,070 | 801,623 |
| Business-Type Activities | 193,995 | 18,362 | 295,979 | 53,792 |
| Interest and Fiscal Charges | <u>460,376</u> | <u>460,376</u> | <u>341,086</u> | <u>341,086</u> |
| Total Expenses | <u>\$ 19,966,489</u> | <u>\$ 11,457,267</u> | <u>\$ 22,516,398</u> | <u>\$ 12,711,561</u> |

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 56.0% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 57.9%. The community, as a whole, is the primary support for the North Warren Regional School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$20,167,708 and expenditures of \$19,784,369. The General Fund's surplus balance increased \$333,339 over 2019, which compares favorably to the budgeted decrease of \$80,000.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2020 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$17,286,191, \$212,326 over original budgeted estimates of \$17,073,865. This difference was due primarily to an increase in extraordinary aid over budgeted amounts.

General fund revenues exceeded expenditures by \$257,682. Again this surplus compares to a budgeted deficit of \$80,000, which was due to the budgeted use of surplus needed to balance the 2019-2020 budget. The budgeted deficit was reduced due to continuing attention to managing expenses.

Overall general fund balance (budget basis) was \$1,399,457, and amounts ear-marked and reserved for future purposes were \$1,255,943, creating a surplus in unreserved fund balance of \$143,514. Although the unreserved amount is below the 2% statutory level, management believes continued efforts to manage expenditures will restore unreserved amounts

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Capital Assets

At the end of the fiscal year 2020, the School District had \$7,448,669 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2020 balances compared to 2019.

Table 4
Capital Assets (Net of Depreciation) at June 30,

| | <u>2020</u> | <u>2019</u> |
|----------------------------|---------------------|---------------------|
| Land | \$ 435,000 | \$ 435,000 |
| Land Improvements | 264,103 | 300,403 |
| Buildings and Improvements | 4,899,927 | 5,329,218 |
| Machinery and Equipment | <u>1,849,639</u> | <u>606,978</u> |
| Totals | <u>\$ 7,448,669</u> | <u>\$ 6,671,599</u> |

Overall capital assets increased \$777,070 from fiscal year 2019 to fiscal year 2020. The increase in capital assets was due to capital projects, net of depreciation expense for the year.

\$1,350,441 in Capital improvements were purchased during fiscal year 2020 and consisted of the roof, LED lighting, and curbing projects.

Debt Administration

At June 30, 2020, the School District had \$229,356 as outstanding long term debt. Of this amount, \$181,402 is for compensated absences, and \$47,954 is for capital lease obligations.

At June 30, 2020, the School District's overall legal debt margin was \$45,082,052 and the unvoted debt margin was the same.

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

For the Future

The North Warren Regional School District is in good financial condition presently. A major concern is the lack of enrollment growth of the District with increased reliance on local property taxes. However, future finances are not without challenges as the budget costs continue to grow while state funding is stagnant.

North Warren Regional School District is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to foot the tax burden.

In conclusion, the North Warren Regional School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Christopher Heagele, School Business Administrator/Board Secretary at North Warren Regional School District, P.O. Box 410, 10 Noe Road, Blairstown, NJ 07825, or E-mail at cheagele@northwarren.org.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of Net Position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2020

| | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> | <u>TOTAL</u> |
|---|--|---|---------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 234,281 | \$ 51,956 | \$ 286,237 |
| Receivables, Net | 794,111 | 255 | 794,366 |
| Interfunds Receivable | | | |
| Inventory | | 8,867 | 8,867 |
| Restricted Assets: | | | |
| Capital Reserve Account - Cash | 1,000,000 | | 1,000,000 |
| Emergency Reserve Account - Cash | 250,000 | | 250,000 |
| Maintenance Reserve Account - Cash | 5,943 | | 5,943 |
| Capital Assets, Net (Note 5) | 7,448,669 | 33,948 | 7,482,617 |
| Total Assets | <u>9,733,004</u> | <u>95,026</u> | <u>9,828,030</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension Deferred Outflows | <u>762,288</u> | | <u>762,288</u> |
| LIABILITIES | | | |
| Accounts Payable | 1,343,404 | 2,186 | 1,345,590 |
| Interfunds Payable | | | |
| Net Pension Liability (Note 7) | 2,675,990 | | 2,675,990 |
| Unearned Revenue | 28,971 | 3,688 | 32,659 |
| Noncurrent Liabilities (Note 6): | | | |
| Due Within One Year | 20,696 | | 20,696 |
| Due Beyond One Year | 208,660 | | 208,660 |
| Total Liabilities | <u>4,277,721</u> | <u>5,874</u> | <u>4,283,595</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension Deferred Inflows | <u>1,246,380</u> | | <u>1,246,380</u> |
| NET POSITION | | | |
| Invested in Capital Assets, Net of Related Debt | 7,400,715 | 33,948 | 7,434,663 |
| Restricted for: | | | |
| Other Purposes | 1,255,943 | | 1,255,943 |
| Unrestricted | (3,685,467) | 55,204 | (3,630,263) |
| Total Net Position | <u>\$ 4,971,191</u> | <u>\$ 89,152</u> | <u>\$ 5,060,343</u> |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

| Functions/Programs | PROGRAM REVENUES | | | NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION | | TOTAL |
|--|------------------|-------------------------|--|---|----------------------------|---------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 7,528,662 | \$ 3,700 | \$ 3,397,370 | | \$ (4,127,592) | \$ (4,127,592) |
| Special Education | 2,015,108 | | 832,848 | | (1,182,260) | (1,182,260) |
| Other Special Instruction | 199,147 | | 82,308 | | (116,839) | (116,839) |
| Other Instruction | 1,117,400 | | 461,823 | | (655,577) | (655,577) |
| Support Services: | | | | | | |
| Tuition | 480,028 | | 198,396 | | (281,632) | (281,632) |
| Student & Instruction Related Serv. | 2,726,089 | | 1,189,094 | | (1,536,995) | (1,536,995) |
| School Administrative Services | 840,053 | | 347,195 | | (492,858) | (492,858) |
| General and Business Admin. Serv. | 1,139,350 | | 470,895 | | (668,455) | (668,455) |
| Plant Operations and Maintenance | 2,031,088 | | 839,452 | | (1,191,636) | (1,191,636) |
| Pupil Transportation | 1,235,193 | | 510,508 | | (724,685) | (724,685) |
| Unallocated Depreciation and Other Fiscal Charges | 460,376 | | | | (460,376) | (460,376) |
| Total Governmental Activities | 19,772,494 | 3,700 | 8,329,889 | | (11,438,905) | (11,438,905) |
| Business-Type Activities: | | | | | | |
| Food Service | 193,995 | 143,670 | 31,963 | | \$ (18,362) | (18,362) |
| Total Business-Type Activities | 193,995 | 143,670 | 31,963 | | (18,362) | (18,362) |
| Total Primary Government | \$ 19,966,489 | \$ 147,370 | \$ 8,361,852 | | \$ (11,438,905) | \$ (18,362) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, Levied for General Purposes,Net | | | | \$ 12,608,323 | | \$ 12,608,323 |
| Investment Earnings | | | | 27,652 | | 27,652 |
| Miscellaneous Income | | | | 20,488 | \$ 207 | 20,695 |
| Transfers | | | | (50,000) | 50,000 | |
| Total General Revenues, Special Items, Extraordinary Items and Transfers | | | | 12,606,463 | 50,207 | 12,656,670 |
| Change in Net Position | | | | 1,167,558 | 31,845 | 1,199,403 |
| Net Position—Beginning (As Restated) | | | | 3,803,633 | 57,307 | 3,860,940 |
| Net Position—Ending | | | | \$ 4,971,191 | \$ 89,152 | \$ 5,060,343 |

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

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2020

| | GENERAL FUND | SPECIAL REVENUE FUND | TOTAL GOVERNMENTAL FUNDS |
|---|-------------------------|-------------------------------------|---|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,490,224 | | \$ 1,490,224 |
| Receivables from Other Governments | 720,632 | \$ 72,479 | 793,111 |
| Other Receivables | 1,000 | | 1,000 |
| Interfund Receivables | 43,508 | | 43,508 |
| TOTAL ASSETS | \$ 2,255,364 | \$ 72,479 | \$ 2,327,843 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 1,343,404 | | \$ 1,343,404 |
| Interfund Payable | - | 43,508 | 43,508 |
| Deferred Revenue | | 28,971 | 28,971 |
| Total Liabilities | 1,343,404 | 72,479 | 1,415,883 |
| Fund Balances: | | | |
| <u>Restricted for:</u> | | | |
| Maintenance Reserve | 5,943 | | 5,943 |
| Capital Reserve Account | 1,000,000 | | 1,000,000 |
| Emergency Reserve | 250,000 | | 250,000 |
| <u>Unassigned:</u> | | | |
| General Fund | (343,983) | | (343,983) |
| Total Fund Balances | 911,960 | | 911,960 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 2,255,364 | \$ 72,479 | \$ 2,327,843 |

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

| | | |
|---|----|------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,166,165 and the accumulated depreciation is \$9,717,496. | \$ | 7,448,669 |
| Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note | | 762,288 |
| Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7) | | (1,246,380) |
| Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7) | | (2,675,990) |
| Long-term liabilities, including capital lease obligations payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6) | | (229,356) |
| Net Position of governmental activities (Exhibit A-1) | \$ | <u>4,971,191</u> |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

Exhibit B-2

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|---|
| REVENUES | | | |
| Local sources: | | | |
| Local Tax Levy | \$ 12,608,323 | | \$ 12,608,323 |
| Tuition | - | | - |
| Transportation | 3,700 | | 3,700 |
| Miscellaneous | 34,039 | \$ 14,101 | 48,140 |
| Total - Local Sources | <u>12,646,062</u> | <u>14,101</u> | <u>12,660,163</u> |
| State Sources | 7,156,946 | | 7,156,946 |
| Federal Sources | | 350,599 | 350,599 |
| Total Revenues | <u>19,803,008</u> | <u>364,700</u> | <u>20,167,708</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Regular Instruction | 4,611,108 | 302,304 | 4,913,412 |
| Special Education Instruction | 1,332,651 | | 1,332,651 |
| Other Special Instruction | 131,702 | | 131,702 |
| Other Instruction | 738,970 | | 738,970 |
| Support services and undistributed costs: | | | |
| Tuition | 480,028 | | 480,028 |
| Student and Instruction Related Services | 1,740,448 | 62,396 | 1,802,844 |
| School Administrative Services | 555,552 | | 555,552 |
| Other Administrative Services | 747,700 | | 747,700 |
| Plant Operations and Maintenance | 1,328,020 | | 1,328,020 |
| Pupil Transportation | 1,227,513 | | 1,227,513 |
| Unallocated Benefits | 4,921,818 | | 4,921,818 |
| Transfer to Charter School | 250,318 | | 250,318 |
| Capital Outlay | <u>1,353,841</u> | | <u>1,353,841</u> |
| Total Expenditures | <u>19,419,669</u> | <u>364,700</u> | <u>19,784,369</u> |
| Excess (Deficiency) of Revenues Over Expend. | <u>383,339</u> | | <u>383,339</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers - Food Service Fund | (50,000) | | (50,000) |
| Total Other Financing Sources and Uses | <u>(50,000)</u> | - | <u>(50,000)</u> |
| Net Change in Fund Balances | 333,339 | - | 333,339 |
| Fund Balance—July 1 | 578,621 | | 578,621 |
| Fund Balance—June 30 | <u>\$ 911,960</u> | | <u>\$ 911,960</u> |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 333,339

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

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

| | | |
|---|------------------|---------|
| Depreciation Expense | \$ (573,371) | |
| Capital Outlays, Net of Capital Lease Obligations | <u>1,350,441</u> | 777,070 |

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

2,802

Repayment of capital lease 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.

19,766

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

34,581

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,167,558

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2020

| | <u>Business-Type Activities - Enterprise Funds</u> | |
|--|--|------------------|
| | <u>Food Service</u> | <u>Totals</u> |
| ASSETS | | |
| Current assets: | | |
| Cash and Cash Equivalents | \$ 51,956 | \$ 51,956 |
| Accounts Receivable | 255 | 255 |
| Interfund Accounts Receivable | - | - |
| Inventories | <u>8,867</u> | <u>8,867</u> |
| Total Current Assets | <u>61,078</u> | <u>61,078</u> |
| Noncurrent Assets: | | |
| Furniture, Machinery and Equipment | 147,389 | 147,389 |
| Less Accumulated Depreciation | <u>(113,441)</u> | <u>(113,441)</u> |
| Total Noncurrent Assets | <u>33,948</u> | <u>33,948</u> |
| Total Assets | <u>95,026</u> | <u>95,026</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts Payable | 2,186 | 2,186 |
| Deferred Revenue | <u>3,688</u> | <u>3,688</u> |
| Total Current Liabilities | <u>5,874</u> | <u>5,874</u> |
| Total Liabilities | <u>5,874</u> | <u>5,874</u> |
| NET POSITION | | |
| Invested in Capital Assets Net of Related Debt | 33,948 | 33,948 |
| Unrestricted | <u>55,204</u> | <u>55,204</u> |
| Total Net Position | <u>\$ 89,152</u> | <u>\$ 89,152</u> |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-5

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

| | Business-type Activities - Enterprise Fund | |
|--|---|-----------------------------|
| | Food Service | Total Enterprise |
| Operating Revenues: | | |
| Charges for Services: | | |
| Daily Sales - Reimbursable | \$ 112,623 | \$ 112,623 |
| Daily Sales - Non-Reimbursable Programs | 31,047 | 31,047 |
| Miscellaneous Income | 207 | 207 |
| Total Operating Revenues | <u>143,877</u> | <u>143,877</u> |
| Operating Expenses: | | |
| Cost of Sales - Reimbursable Programs | 30,516 | 30,516 |
| Cost of Sales - Non-reimbursable Programs | 35,071 | 35,071 |
| Salaries | 70,339 | 70,339 |
| Employee Benefits | 19,275 | 19,275 |
| Purchased Property Service | 11,000 | 11,000 |
| Cleaning, Repair and Maintenance Services | 1,497 | 1,497 |
| General Supplies | 12,427 | 12,427 |
| Depreciation | <u>13,870</u> | <u>13,870</u> |
| Total Operating Expenses | <u>193,995</u> | <u>193,995</u> |
| Operating Income (Loss) | <u>(50,118)</u> | <u>(50,118)</u> |
| Nonoperating Revenues (Expenses): | | |
| State Sources: | | |
| State School Lunch Program | 1,245 | 1,245 |
| Federal Sources: | | |
| National School Lunch Program | 25,899 | 25,899 |
| Food Distribution Program | <u>4,819</u> | <u>4,819</u> |
| Total Nonoperating Revenues (Expenses) | <u>31,963</u> | <u>31,963</u> |
| Income (Loss) Before Contributions and Transfers | (18,155) | (18,155) |
| Transfers In (Out) | <u>50,000</u> | <u>50,000</u> |
| Change in Net Position | 31,845 | 31,845 |
| Total Net Position—Beginning | <u>57,307</u> | <u>57,307</u> |
| Total Net Position—Ending | <u>\$ 89,152</u> | <u>\$ 89,152</u> |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2020

| | Business-Type Activities - Enterprise Funds | |
|---|--|-----------------------------|
| | Food Service | Total Enterprise |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Customers | \$ 143,877 | \$ 143,877 |
| Payments to Employees | (70,339) | (70,339) |
| Payments for Employee Benefits | (19,275) | (19,275) |
| Payments to Suppliers | <u>(120,062)</u> | <u>(120,062)</u> |
| Net Cash Provided by (used for) Operating Activities | <u>(65,799)</u> | <u>(65,799)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State Sources | 1,295 | 1,295 |
| Federal Sources | 26,851 | 26,851 |
| Operating Subsidies and Transfers from Other Funds | <u>50,000</u> | <u>50,000</u> |
| Net Cash Provided by (used for) Non-Capital Financing Activities | <u>78,146</u> | <u>78,146</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 12,347 | 12,347 |
| Balances—Beginning of Year | <u>39,609</u> | <u>39,609</u> |
| Balances—End of Year | <u>\$ 51,956</u> | <u>\$ 51,956</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities: | | |
| Operating Income (Loss) | \$ (50,118) | \$ (50,118) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided | | |
| by (used for) Operating Activities: | | |
| Depreciation and Net Amortization | 13,870 | 13,870 |
| Federal Commodities | 4,819 | 4,819 |
| (Increase) Decrease in Accounts Receivable | - | - |
| (Increase) Decrease in Inventories | (2,505) | (2,505) |
| Increase (Decrease) in Accounts Payable | <u>(31,865)</u> | <u>(31,865)</u> |
| Total Adjustments | <u>(15,681)</u> | <u>(15,681)</u> |
| Net Cash Provided by (used for) Operating Activities | <u>\$ (65,799)</u> | <u>\$ (65,799)</u> |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-7

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2020

| | <u>Trust Funds</u> | <u>Agency Funds</u> |
|--|-------------------------------|--------------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 402,007 | \$ 126,677 |
| Total Assets | <u>\$ 402,007</u> | <u>\$ 126,677</u> |
| LIABILITIES | | |
| Accounts Payable | | \$ 14,144 |
| Payable to Student Groups | | 101,284 |
| Payroll Deductions and Withholdings | | 11,249 |
| Total Liabilities | <u>-</u> | <u>\$ 126,677</u> |
| NET POSITION | | |
| Held in Trust for Unemployment Claims & Other Purposes | <u>\$ 402,007</u> | |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended June 30, 2020

| | Unemployment Compensation Trust | Scholarship Trust Fund |
|-------------------------------------|--|---------------------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Plan Member | \$ 14,578 | - |
| Other | <u>-</u> | <u>-</u> |
| Total Contributions | <u>14,578</u> | <u>-</u> |
| Investment Earnings: | | |
| Interest | <u>3,542</u> | \$ <u>6</u> |
| Net Investment Earnings | <u>3,542</u> | <u>6</u> |
| Total Additions | <u>18,120</u> | <u>6</u> |
| DEDUCTIONS | | |
| Unemployment Claims and Transfers | <u>27,433</u> | <u>788</u> |
| Total Deductions | <u>27,433</u> | <u>788</u> |
| Change in Net Position | (9,313) | (782) |
| Net Position—Beginning of the Year | \$ <u>411,320</u> | \$ <u>782</u> |
| Net Position—End of the Year | <u>\$ 402,007</u> | <u>\$ -</u> |

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

Notes to Financial Statements

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and included a phased-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27 and GASB No. 75, Accounting for OPEB. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2019.

A. Reporting Entity:

The North Warren Regional School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 7-12. The North Warren Regional School District had an approximate enrollment at June 30, 2020, of 767 students.

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

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

Based on the aforementioned criteria, the District has no component units.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School 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, including its fiduciary funds. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No.34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

GOVERNMENTAL FUNDS

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 all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from 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.

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues 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 costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. 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. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

All budget 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). Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

D. Encumbrance Accounting:

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-------------------------------|-------------------------------|
| School Buildings | 50 |
| Building Improvements | 20 |
| Electrical/Plumbing | 30 |
| Vehicles | 8 |
| Office and Computer Equipment | 5-10 |
| Instructional Equipment | 10 |
| Grounds Equipment | 15 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2020 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues—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, income 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 income taxes is recognized in the period in which the income is earned. 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 available as an advance, interest and tuition.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues 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.

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2: CASH AND CASH EQUIVALENTS

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.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2020, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

| | <u>Cash and Cash Equivalents (A-1)</u> | <u>Cash and Cash Equivalents (H-1)</u> | <u>Total</u> |
|---------------------|--|--|--------------------|
| Checking | \$286,237 | \$528,684 | \$814,921 |
| Maintenance Reserve | 5,943 | | 5,943 |
| Capital Reserve | 1,000,000 | | 1,000,000 |
| | <u>\$1,292,180</u> | <u>\$528,684</u> | <u>\$1,820,864</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

The carrying amount of the Board’s cash and cash equivalents at June 30, 2020, was \$2,070,864 and the bank balance was \$2,996,622. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$2,746,622 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2020, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

| | Governmental Fund Financial <u>Statements</u> | Government-Wide Financial <u>Statements</u> |
|---------------------------------|---|---|
| State Aid | \$223,500 | \$223,504 |
| Federal Aid | 72,479 | 72,730 |
| Gross Receivable | <u>\$295,979</u> | <u>\$296,234</u> |
| Tax Levy - Blairstown Township | 497,132 | 497,132 |
| Tax Levy - Hardwick Township | 1,000 | 1,000 |
| Less: Allow. for Uncollectibles | <u>-</u> | <u>-</u> |
| Total Receivables, Net | <u><u>\$794,111</u></u> | <u><u>\$794,366</u></u> |

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2020, consisted of the following:

| | |
|------|----------------|
| Food | <u>\$8,867</u> |
|------|----------------|

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|--------------------|---------------------------|
| Governmental Activities: | | | | |
| <i>Capital Assets Not Being Depreciated:</i> | | | | |
| Land | \$ 435,000 | | | \$ 435,000 |
| Total Capital Assets Not Being Depreciated | 435,000 | | | 435,000 |
| <i>Capital Assets Being Depreciated:</i> | | | | |
| Land Improvements | 839,404 | | | 839,404 |
| Buildings and Building Improvements | 12,454,700 | | | 12,454,700 |
| Machinery and Equipment | 2,086,620 | \$ 1,350,441 | | 3,437,061 |
| Total at Historical Cost | 15,380,724 | 1,350,441 | | 16,731,165 |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (539,001) | (36,300) | | (575,301) |
| Building and Improvements | (7,125,482) | (429,291) | | (7,554,773) |
| Equipment | (1,479,642) | (107,780) | | (1,587,422) |
| Total Accumulated Depreciation | (9,144,125) | (573,371) | | (9,717,496) |
| Total Capital Assets Being Depreciated, net of Accumulated Depreciation | 6,236,599 | 777,070 | | 7,013,669 |
| Government Activity Capital Assets, Net | \$ 6,671,599 | \$ 777,070 | | \$ 7,448,669 |

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

| | |
|------------------------|-------------------|
| Regular Instruction | \$ 87,730 |
| Administrative | 5,786 |
| Transportation | 7,680 |
| Operations/Maintenance | 15,199 |
| Unallocated | 456,976 |
| Total | <u>\$ 573,371</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2020, are as follows:

| | Balance <u>7/1/19</u> | <u>Increases</u> | <u>Decreases</u> | Balance <u>6/30/20</u> | Amounts Due Within <u>One Year</u> |
|---------------------------------|--------------------------|------------------|-------------------|---------------------------|--|
| Governmental Activities: | | | | | |
| Other Liabilities: | | | | | |
| Capital Lease Obligations | \$67,720 | | (\$19,766) | \$47,954 | \$20,696 |
| Compensated Absences Payable | 215,983 | | (34,581) | 181,402 | |
| Total | \$283,703 | | (\$54,347) | \$229,356 | \$20,696 |

Compensated absences and capital leases have been liquidated in the General Fund.

B. Debt Service Requirements:

The District has commitments to lease copying equipment, printers, and technology equipment under capital leases which expire on September 15, 2022. Total lease payments made during the year ended June 30, 2020, were \$14,208. This amount was liquidated in the General Fund. Future minimum lease payments are as follows and include interest of 4.65%.

| <u>Year Ended</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|------------------|-----------------|------------------|
| 6/30/21 | \$ 20,696 | \$ 1,792 | \$ 22,488 |
| 6/30/22 | 21,679 | 809 | 22,488 |
| 6/30/23 | <u>5,579</u> | <u>44</u> | <u>5,623</u> |
| Total Minimum Lease Payments | <u>\$ 47,954</u> | <u>\$ 2,645</u> | <u>\$ 50,599</u> |

NOTE7: PENSION PLANS

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$39,147,890 as measured on June 30, 2019 and \$40,999,121 as measured on June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$2,309,047 and revenue of \$2,309,047 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2020 is based upon changes in the collective net pension liability with a measurement period of June 30, 2018 through June 30, 2019. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2018 and June 30, 2019.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

| | <u>6/30/2018</u> | <u>6/30/2019</u> |
|--|------------------|------------------|
| Collective deferred outflows of resources | \$12,599,296,329 | \$10,077,460,797 |
| Collective deferred inflows of resources | \$16,171,861,734 | \$17,525,379,167 |
| Collective net pension liability (Nonemployer-State of New Jersey) | \$63,617,852,031 | \$61,370,943,870 |
| State's portion of the net pension liability that was associated with the district | \$40,999,121 | \$39,147,890 |
| State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability | 0.064446% | 0.063789% |

Actuarial assumptions - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|----------------------------|------------|
| Inflation: | 2.75% |
| Salary Increases: | |
| Through 2026 | 1.55-4.45% |
| Therafter | 2.75-5.65% |
| Investment Rate of Return: | 7.00% |

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

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------|--------------------------|---|
| Risk mitigation | 3.00% | 4.67% |
| Cash equivalents | 5.00% | 2.00% |
| US Treasuries | 5.00% | 2.68% |
| Investment Grade Credit | 10.00% | 4.25% |
| High Yeild | 2.00% | 5.37% |
| Private Credit | 6.00% | 7.92% |
| Real Assets | 2.50% | 9.31% |
| Real Estate | 7.50% | 8.33% |
| US Equity | 28.00% | 8.26% |
| Non-US developed markets l | 12.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |

Discount rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2019, calculated using the discount rate shown 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:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|--|--------------------|------------------------------|--------------------|
| | <u>(4.60%)</u> | <u>(5.60%)</u> | <u>(6.60%)</u> |

| | | | |
|--|-------------------|-------------------|-------------------|
| State's Collective Net Pension Liability | \$ 72,544,649,801 | \$ 61,519,112,443 | \$ 52,371,397,951 |
|--|-------------------|-------------------|-------------------|

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2019 was \$22,696,734,276

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

| | <u>Year Ended June 30:</u> |
|------------|----------------------------|
| 2020 | (\$272,405,510) |
| 2021 | (704,260,700) |
| 2022 | (630,562,767) |
| 2023 | (1,216,378,743) |
| 2024 | (2,381,316,232) |
| Thereafter | <u>(2,402,153,865)</u> |
| Total | <u>(\$7,607,077,817)</u> |

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2019 are as follows:

| | |
|---|------------------------|
| Service cost | \$1,882,081,572 |
| Interest on total pension liability | 4,201,672,382 |
| Member contributions | (846,166,328) |
| Administrative expens | 13,922,385 |
| Expected investment return net of investment expenses | (1,542,884,759) |
| Pension expense related to specific liabilities of individual employers | (300,112) |
| Recognition (amortization) of deferred inflows/outflows: | |
| Recognition of economic/demographic gains/losses | 178,228,412 |
| Recognition of assumption changes or inputs | (596,671,173) |
| Recognition of investment gains/losses | <u>338,679,314</u> |
| Total pension expense | <u>\$3,628,561,693</u> |

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2020, the District reported a liability of \$2,675,990 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability for the June 30, 2018 valuation was determined by an experience study for the period July 1, 2014 to June 30, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2019 and 2018. At June 30, 2019, the District's proportion was .0149% which was a decrease of 0.00015% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$136,854. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred</u> <u>Outflows of</u> <u>Resources</u> | <u>Deferred</u> <u>Inflows of</u> <u>Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 48,031 | \$ 11,821 |
| Changes of assumptions | 267,207 | 928,828 |
| Net difference between projected and actual earnings on pension plan investments | - | 42,242 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 301,477 | 263,469 |
| District contributions subsequent to the measurement date | 145,573 | |
| Total | <u>\$ 762,288</u> | <u>\$ 1,246,360</u> |

\$145,573 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability measured as of June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

| | <u>Year Ended June 30:</u> | |
|--|----------------------------|--------------------|
| | 2020 | (\$72,872) |
| | 2021 | (236,394) |
| | 2022 | (211,086) |
| | 2023 | (99,116) |
| | 2024 | <u>(10,177)</u> |
| | Total | <u>(\$629,645)</u> |
| | <u>6/30/2018</u> | <u>6/30/2019</u> |
| Collective deferred outflows of resources | \$4,684,852,302 | \$3,149,522,616 |
| Collective deferred inflows of resources | 7,646,736,226 | 7,645,087,574 |
| Collective net pension liability (Non State - Local Group) | \$19,689,501,539 | \$18,018,482,972 |
| District's portion of net pension liability | \$2,953,276 | \$2,675,990 |
| District's proportion % | 0.01499924% | 0.01485136% |

Actuarial assumptions - The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

| | |
|----------------------------|---------------------------------------|
| Inflation: | 2.75% |
| Salary Increases: | |
| Through 2026 | 2.00%-6.00% based on years of service |
| Thereafter | 3.00%-7.00% based on years of service |
| Investment Rate of Return: | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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-2019

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------|--------------------------|---|
| Risk mitigation | 3.00% | 4.67% |
| Cash equivalents | 5.00% | 2.00% |
| US Treasuries | 5.00% | 2.68% |
| Investment Grade Credit | 10.00% | 4.25% |
| High Yeild | 2.00% | 5.37% |
| Private Credit | 6.00% | 7.92% |
| Real Assets | 2.50% | 9.31% |
| Real Estate | 7.50% | 8.33% |
| US Equity | 28.00% | 8.26% |
| Non-US developed markets l | 12.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |

Discount rate - he discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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 net pension liability measured as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|------------------------------|--------------------|
| | <u>(5.28%)</u> | <u>(6.28%)</u> | <u>(7.28%)</u> |
| District's proportionate share of the net pension liability | \$ 3,380,210 | \$2,675,990 | \$ 2,082,585 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2019 are as follows:

| | |
|---|------------------|
| Service cost | \$113,687 |
| Interest on total ension liability | 336,958 |
| Member contributions | (78,305) |
| Administrative expens | 2,074 |
| Expected investment return net of investment expenses | (209,080) |
| Pension expense related to specific liabilities of individual employers | (979) |
| Recognition (amortization) of deferred inflows/outflows: | |
| Recognition of economic/demographic gains/losses | 25,369 |
| Recognition of assumption changes or inputs | (77,537) |
| Recognition of investment gains/losses | <u>24,666</u> |
| Total pension expense | <u>\$136,854</u> |

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE7: PENSION PLANS (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7: PENSION PLANS (Continued)

| <u>Three-Year Trend Information for PERS</u> | | | |
|--|--|--|---|
| <u>Year</u> <u>Funding</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
| 6/30/2020 | \$145,573 | 100 % | -0- |
| 6/30/2019 | \$150,358 | 100 % | -0- |
| 6/30/2018 | \$127,440 | 100 % | -0- |

| <u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u> | | | |
|---|--|--|---|
| <u>Year</u> <u>Funding</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
| 6/30/2020 | \$1,420,756 | 100 % | -0- |
| 6/30/2019 | \$1,282,111 | 100 % | -0- |
| 6/30/2018 | \$973,572 | 100 % | -0- |

During the fiscal year ended June 30, 2020, the State of New Jersey did contribute \$1,947,443 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$493,717 during the year ended June 30, 2020, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 8: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

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 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

Actuarial assumptions and other imputes The June 30, 2020 GASB 75 reporting is based on a measurement date of June 30, 2019. The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|--|---|
| Inflation rate | 2.50% |
| Salary Increases Through 2026: | 1.55-3.05% TPAF 2.00-6.00% PERS Based on service years |
| Salary Increases Thereafter: | 1.55-3.05% TPAF 2.00-7.00% PERS Based on service years |
| Discount rate (2019) | 3.50% |
| Discount rate (2018) | 3.87% |
| Healthcare cost trend rates (PPO Plans) | 5.7% decreasing to 4.5% after eight years |
| Healthcare cost trend rates (Self-insured post 65 PPO Plans) | 4.50% |
| Healthcare cost trend rates (HMO Plans) | 5.8% decreasing to 5.0% after eight years |
| Healthcare cost trend rates (Prescription Drug Benefits) | 7.5% decreasing to 4.5% after eight years |
| Healthcare cost trend rates (Medicare Part B reimbursement) | 5.00% |
| Healthcare cost trend rates (Medicare Advantage) | 4.50% |
| Retirees' share of benefit related Costs | Projected health insurance premiums for retirees based on the retiree's annual retirement benefit and level of coverage |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2018 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2018 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2018 scale.

Changes in the Total OPEB Liability reported by the State of New Jersey

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| The State's Total OPEB Liability Balance at 6/30/2018 | \$46,110,832,982 |
| <u>Changes for the year:</u> | |
| Service Cost | 1,734,404,850 |
| Interest | 1,827,787,206 |
| Change in Benefit Terms | - |
| Differences Between Expected and Actual Experience | (7,323,140,818) |
| Changes of Assumptions | 622,184,027 |
| Benefit Payments | (1,280,958,373) |
| Contributions from Members | 37,971,171 |
| Net changes | <u>(4,381,751,937)</u> |
| The State's Total OPEB Liability Balance at 6/30/2019 | <u>\$41,729,081,045</u> |
| The State's total OPEB liability attributable to the District: | \$29,357,148 |

There were no changes of benefit terms.

Changes of assumptions and other inputs reflects a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

| | June 30, 2019 | | |
|---|--------------------------------|----------------------------------|--------------------------------|
| | At 1% Decrease <u>2.50%</u> | At Discount Rate <u>3.50%</u> | At 1% Increase <u>4.50%</u> |
| Total OPEB Liability (School Retirees) | \$49,298,534,898 | \$41,729,081,045 | \$35,716,321,820 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

| | June 30, 2018 | | |
|--|------------------|------------------|------------------|
| | At 1% Decrease | At Discount Rate | At 1% Increase |
| | <u>2.87%</u> | <u>3.87%</u> | <u>4.87%</u> |
| Total OPEB Liability (School Retirees) | \$54,512,391,175 | \$46,110,832,982 | \$39,432,461,816 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | June 30, 2019 | | |
|--|------------------|------------------|------------------|
| | At 1% Decrease | Health Care Cost | At 1% Increase |
| | | Trend Rate | |
| Total OPEB Liability (School Retirees) | \$34,382,902,820 | \$41,729,081,045 | \$51,453,912,586 |

| | June 30, 2018 | | |
|--|------------------|------------------|------------------|
| | At 1% Decrease | Health Care Cost | At 1% Increase |
| | | Trend Rate | |
| Total OPEB Liability (School Retirees) | \$38,113,289,045 | \$46,110,832,982 | \$56,687,891,003 |

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$462,140 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

| | <u>Deferred Outflows</u> | <u>Deferred Inflows</u> |
|--|--------------------------|---------------------------|
| Differences Between Expected and Actual Experience | | (\$10,484,965,300) |
| Changes of assumptions or other inputs | | (\$8,481,529,343) |
| Total | - | <u>(\$18,966,494,643)</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | |
|---------------------|---------------------------|
| 2020 | (\$2,546,527,182) |
| 2021 | (\$2,546,527,182) |
| 2022 | (\$2,546,527,182) |
| 2023 | (\$2,546,527,182) |
| 2024 | (\$2,546,527,182) |
| Thereafter | <u>(\$6,233,858,733)</u> |
| | <u>(\$18,966,494,643)</u> |

NOTE 9: DEFERRED COMPENSATION

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

American Express Financial
American United Life
Fidelity Group Retiree Plan
Kemper Systems
Lincoln Financial

NOTE 10: ACCRUED SALARIES AND WAGES

Under contractual provisions between the District and the North Warren Regional Education Association, district personnel covered by this agreement are to be paid salaries on a bi-weekly basis over a twelve month period. As of June 30, 2020, the amount earned, but not disbursed, including payroll matching taxes, by ten month employees, was \$1,343,404.

NOTE 11: COMPENSATED ABSENCES

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

District employees are granted sick leave in varying amounts under the District's personnel agreement. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and amounts are payable at predetermined values upon retirement in the state pension system.

In the district-wide *Statement of Assets*, 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.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

No interfund balances remained on the balance sheet at June 30, 2020.

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|----------------------|---------------------------------|------------------------------|
| General Fund | \$43,508 | - |
| Special Revenue Fund | | \$43,508 |
| | <u>\$43,508</u> | <u>\$43,508</u> |

The interfund payable in the special revenue fund is due to the general fund for cash advances to cover cash deficit caused by federal grant reimbursements that have not yet been received.

NOTE 13: 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.

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

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

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2019-2020 | \$3,542 | \$14,578 | \$27,433 | \$402,007 |
| 2018-2019 | \$5,653 | \$13,607 | \$2,511 | \$411,320 |
| 2017-2018 | \$3,367 | \$14,028 | \$35,631 | \$394,571 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

The Board is not involved in any know claims or lawsuits. There are no outstanding judgments against the board as of June 30, 2020.

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the North Warren Regional School District Board of Education on October 16, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

| | |
|---|---------------------|
| Beginning balance July 1, 2019 | \$ 783,783 |
| Budgeted Withdrawal | (783,783) |
| Deposits (PL 2007 c.62 (A1)) - June 15, 2020 Board Resolution | <u>1,000,000</u> |
| Ending balance June 30, 2020 | <u>\$ 1,000,000</u> |

NOTE 16: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the North Warren Regional School District Board of Education in fiscal year 2008, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). 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, 2019 to June 30, 2020 fiscal year is as follows:

| | |
|--------------------------------|-----------------|
| Beginning balance July 1, 2019 | \$ 5,943 |
| Ending balance June 30, 2020 | <u>\$ 5,943</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 17: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the North Warren Regional School District Board of Education in fiscal year 19-20, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). 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 emergency reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

| | |
|---|-------------------|
| Deposits (PL 2007 c.62 (A1)) - June 15, 2020 Board Resolution | \$ 250,000 |
| Ending balance June 30, 2020 | <u>\$ 250,000</u> |

NOTE 18: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$911,960 General Fund fund balance at June 30, 2020, \$250,000 is reserved for emergency reserve; \$1,000,000 is reserved in the Capital Reserve Account; \$5,943 is reserved in the Maintenance Reserve Account; and (\$343,983) is unreserved and undesignated.

NOTE 19: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is -0-.

NOTE 20: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 21: SUBSEQUENT EVENTS

The District's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020 and continues subsequent to June 30, 2020. Additionally, New Jersey Governor Murphy has declared a state of emergency via Executive Order in response to the coronavirus outbreak. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the District's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the District's tax base revenue, absenteeism in the District's labor workforce, unavailability of supplies used in operations, and a decline in value of assets held by the District.

NOTE 22: RETROACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period:

The District adopted GASB No. 68 -Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2020 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2020 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2019 (as described in Note 8), the restatement adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2015. Also, in accordance with GASB No. 71 -Pension Transition for Contributions Made Subsequent to the Measurement Date, The district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2015 (deferred outflows).

As an ongoing process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2020. The appraisal revealed asset activity that that should be recorded as of June 30, 2019. Accordingly, a restatement of Net Position as of June 30, 2019 was necessary.

Governmental Activities Net Position:

| | |
|--|---------------------|
| Net Position (per A-1), June 30, 2019 | \$ 3,818,083 |
| Restatement of Capital Assets | (14,630) |
| Restatement of Capital Lease Obligations | <u>180</u> |
| Net Position (per A-1), June 30, 2019, as Restated | <u>\$ 3,803,633</u> |

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|-----------------------------|-------------------------|-------------------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 12,608,323 | | \$ 12,608,323 | \$ 12,608,323 | |
| Transportation | 10,000 | | 10,000 | 3,700 | \$ (6,300) |
| Miscellaneous | 20,000 | | 20,000 | 34,039 | 14,039 |
| Total - Local Sources | 12,638,323 | - | 12,638,323 | 12,646,062 | 7,739 |
| State Sources: | | | | | |
| Equalization Aid | 3,710,618 | | 3,710,618 | 3,710,618 | |
| School Choice Aid | 14,164 | | 14,164 | 14,164 | |
| Transportation Aid | 24,106 | | 24,106 | 24,106 | |
| Special Education Aid | 607,635 | | 607,635 | 607,635 | |
| Security Aid | 79,019 | | 79,019 | 79,019 | |
| Extraordinary Aid | | | | 199,743 | 199,743 |
| Non-Public Transportation Aid | | | | 4,844 | 4,844 |
| TPAF Pension (On-Behalf - Non-Budgeted) | | | | 1,419,711 | 1,419,711 |
| TPAF Post Retirement Medical (On-Behalf - Non-Budgeted) | | | | 526,687 | 526,687 |
| TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted) | | | | 1,045 | 1,045 |
| TPAF Social Security (Reimbursed - Non-Budgeted) | | | | 493,717 | 493,717 |
| Total State Sources | 4,435,542 | | 4,435,542 | 7,081,289 | 2,645,747 |
| TOTAL REVENUES | 17,073,865 | | 17,073,865 | 19,727,351 | 2,653,486 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|-----------------------------|-------------------------|------------------|--|
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 6-8 - Salaries of Teachers | 1,283,466 | (6,618) | 1,276,848 | 1,276,848 | |
| Grades 9-12 - Salaries of Teachers | 2,618,065 | 48,354 | 2,666,419 | 2,638,569 | 27,850 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 35,000 | (26,405) | 8,595 | 8,595 | |
| Purchased Professional-Educational Services | 10,000 | | 10,000 | 3,790 | 6,210 |
| Other Purchased Services (400-500 series) | 1,000 | | 1,000 | 197 | 803 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Purchased Professional-Educational Services | 5,000 | 3,659 | 8,659 | 8,659 | |
| Purchased Technical Services | 323,785 | 2,631 | 326,416 | 323,061 | 3,355 |
| Other Purchased Services (400-500 series) | 40,500 | (34,601) | 5,899 | 4,510 | 1,389 |
| General Supplies | 370,436 | 25,954 | 396,390 | 334,337 | 62,053 |
| Textbooks | 10,727 | | 10,727 | 10,037 | 690 |
| Other Objects | 5,500 | | 5,500 | 2,505 | 2,995 |
| TOTAL REGULAR PROGRAMS - INSTRUCTION | 4,703,479 | 12,974 | 4,716,453 | 4,611,108 | 105,345 |
| SPECIAL EDUCATION - INSTRUCTION | | | | | |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 1,156,908 | (2,972) | 1,153,936 | 1,153,936 | |
| Other Salaries for Instruction | 369,206 | (170,020) | 199,186 | 175,853 | 23,333 |
| General Supplies | 14,846 | | 14,846 | 2,862 | 11,984 |
| Textbooks | 550 | | 550 | | 550 |
| Total Resource Room/Resource Center | 1,541,510 | (172,992) | 1,368,518 | 1,332,651 | 35,867 |
| Home Instruction: | | | | | |
| Salaries of Teachers | 6,500 | (2,300) | 4,200 | | 4,200 |
| Purchased Professional-Educational Services | 5,000 | | 5,000 | | 5,000 |
| Total Home Instruction | 11,500 | (2,300) | 9,200 | | 9,200 |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | 1,553,010 | (175,292) | 1,377,718 | 1,332,651 | 45,067 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|-----------------------------|-------------------------|------------------|--|
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 102,132 | 29,074 | 131,206 | 131,206 | |
| General Supplies | 2,200 | | 2,200 | 496 | 1,704 |
| Total Basic Skills/Remedial - Instruction | 104,332 | 29,074 | 133,406 | 131,702 | 1,704 |
| School-Spon. Co/Extra Curricular Actvts. - Inst.: | | | | | |
| Salaries | 169,289 | | 169,289 | 169,284 | 5 |
| Purchased Services (300-500 series) | 14,380 | | 14,380 | 6,475 | 7,905 |
| Sup undistributed | 19,937 | | 19,937 | 15,893 | 4,044 |
| Dues / Fees/ Adm | 9,567 | | 9,567 | 6,981 | 2,586 |
| Total School-Spon. Cocurricular Actvts. - Inst. | 213,173 | | 213,173 | 198,633 | 14,540 |
| School-Spon. Athletics - Instruction: | | | | | |
| Salaries | 422,220 | | 422,220 | 413,061 | 9,159 |
| Purchased Services (300-500 series) | 75,500 | (2,000) | 73,500 | 61,727 | 11,773 |
| Sup undistributed | 47,710 | 2,000 | 49,710 | 45,643 | 4,067 |
| Dues / Fees/ Adm | 20,365 | | 20,365 | 19,906 | 459 |
| Total School-Spon. Athletics - Inst. | 565,795 | | 565,795 | 540,337 | 25,458 |
| TOTAL INSTRUCTION | 7,139,789 | (133,244) | 7,006,545 | 6,814,431 | 192,114 |
| UNDISTRIBUTED EXPENDITURES | | | | | |
| Instruction: | | | | | |
| Tuition to Other LEA's Within the State - Special | 242,526 | (37,769) | 204,757 | 176,170 | 28,587 |
| Tuition to County Voc. District - Regular | 101,850 | 39,819 | 141,669 | 141,669 | |
| Tuition to County Voc. District - Special | 37,450 | (2,050) | 35,400 | 28,520 | 6,880 |
| Tuition to Private Schools for the Disabled-Within State | 410,029 | (129,403) | 280,626 | 67,264 | 213,362 |
| Tuition - Other | 113,942 | 41,434 | 155,376 | 66,405 | 88,971 |
| Total Instruction | 905,797 | (87,969) | 817,828 | 480,028 | 337,800 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|-----------------------------|-------------------------|----------------|--|
| Attendance and Social Work: | | | | | |
| Salaries | 45,661 | 1,000 | 46,661 | 46,661 | |
| Supplies and Materials | | 181 | 181 | 181 | |
| Total Attendance and Social Work | 45,661 | 1,181 | 46,842 | 46,842 | |
| Health Services: | | | | | |
| Salaries | 88,804 | 319 | 89,123 | 83,828 | 5,295 |
| Purchased Professional and Technical Services | 20,000 | | 20,000 | 17,317 | 2,683 |
| Other Purchased Services (400-500 series) | 2,000 | | 2,000 | 1,677 | 323 |
| Supplies and Materials | 5,000 | | 5,000 | 2,875 | 2,125 |
| Total Health Services | 115,804 | 319 | 116,123 | 105,697 | 10,426 |
| Other Supp. Services Students-Related Services: | | | | | |
| Purchased Professional - Educational Services | 279,983 | (53,336) | 226,647 | 226,647 | |
| Supplies and Materials | 1,856 | | 1,856 | 707 | 1,149 |
| Total Other Supp. Services Students-Related Services | 281,839 | (53,336) | 228,503 | 227,354 | 1,149 |
| Other Supp. Services Students-Extra Services: | | | | | |
| Purchased Professional - Educational Services | 134,330 | (6,814) | 127,516 | 114,770 | 12,746 |
| Other Supp. Services Students-Regular: | | | | | |
| Salaries of Other Professional Staff | 471,210 | (31,000) | 440,210 | 424,501 | 15,709 |
| Salaries of Secretarial and Clerical Assistants | 38,587 | 1,000 | 39,587 | 39,588 | (1) |
| Other Purchased Prof. and Tech. Services | 10,000 | | 10,000 | 3,978 | 6,022 |
| Supplies and Materials | 14,500 | (4,858) | 9,642 | 3,945 | 5,697 |
| Total Other Supp. Services Students-Regular | 534,297 | (34,858) | 499,439 | 472,012 | 27,427 |
| Other Supp. Services Students-Special: | | | | | |
| Salaries of Other Professional Staff | 262,020 | (9,596) | 252,424 | 232,022 | 20,402 |
| Salaries of Secretarial and Clerical Assistants | 43,507 | 1,001 | 44,508 | 44,508 | |
| Misc. Pur Serv (400-500 series O/than Resid Costs) | 43,962 | 5,092 | 49,054 | 47,716 | 1,338 |
| Supplies and Materials | 4,524 | 7,975 | 12,499 | 12,499 | |
| Total Other Supp. Services Students-Special | 354,013 | 4,472 | 358,485 | 336,745 | 21,740 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|-----------------------------|-------------------------|----------------|--|
| Improvement of Instruction Services : | | | | | |
| Salaries of Other Professional Staff | 257,434 | (12,206) | 245,228 | 244,757 | 471 |
| Other Objects | 787 | 6,983 | 7,770 | 7,770 | |
| Total Improvement of Instruction Services | 258,221 | (5,223) | 252,998 | 252,527 | 471 |
| Educational Media Services/School Library: | | | | | |
| Salaries | 46,050 | 26,703 | 72,753 | 72,753 | |
| Salaries of Technology Coordinators | 45,077 | | 45,077 | 45,077 | |
| Other Purchased Services (400-500 series) | 9,955 | (2,053) | 7,902 | 7,902 | |
| Supplies and Materials | 6,908 | (2,760) | 4,148 | 3,966 | 182 |
| Total Educational Media Services/School Library | 107,990 | 21,890 | 129,880 | 129,698 | 182 |
| Instructional Staff Training Services: | | | | | |
| Purchased Professional-Educational Services | 5,000 | (4,931) | 69 | | 69 |
| Other Purchased Services (400-500 series) | 30,000 | 24,803 | 54,803 | 54,803 | |
| Total Instructional Staff Training Services | 35,000 | 19,872 | 54,872 | 54,803 | 69 |
| Supp. Services - General Administration: | | | | | |
| Salaries | 262,187 | (25,325) | 236,862 | 233,770 | 3,092 |
| Legal Services | 37,000 | 9,216 | 46,216 | 32,967 | 13,249 |
| Audit Fees | 18,259 | | 18,259 | 18,259 | |
| Other Purchased Professional Services | 10,000 | (6,436) | 3,564 | 1,953 | 1,611 |
| Purchased Technical Services | 5,500 | (3,780) | 1,720 | | 1,720 |
| Communications/Telephone | 26,000 | 8,000 | 34,000 | 22,892 | 11,108 |
| BOE Other Purchased Services | 1,000 | | 1,000 | | 1,000 |
| Other Purchased Services (400-500 series) | 23,100 | (12,322) | 10,778 | 6,187 | 4,591 |
| General Supplies | 5,500 | 8,323 | 13,823 | 13,823 | |
| BOE In-House Training/Meeting Supplies | 500 | | 500 | | 500 |
| Miscellaneous Expenditures | 8,000 | 1,413 | 9,413 | 6,639 | 2,774 |
| BOE Membership Dues and Fees | 12,500 | 2,500 | 15,000 | 11,946 | 3,054 |
| Total Supp. Services - General Administration | 409,546 | (18,411) | 391,135 | 348,436 | 42,699 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|-----------------------------|-------------------------|----------------|--|
| Support Services - School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | 282,780 | | 282,780 | 282,780 | |
| Salaries of Other Professional Staff | 186,604 | 25,430 | 212,034 | 212,034 | |
| Salaries of Secretarial and Clerical Assistants | 51,242 | 1,841 | 53,083 | 53,083 | |
| Other Purchased Services (400-500 series) | 2,900 | 1,411 | 4,311 | 3,798 | 513 |
| Supplies and Materials | 3,240 | 617 | 3,857 | 3,857 | |
| Other Objects | 400 | | 400 | | 400 |
| Total Support Services - School Administration | 527,166 | 29,299 | 556,465 | 555,552 | 913 |
| Central Services: | | | | | |
| Salaries | 242,172 | 15,693 | 257,865 | 251,093 | 6,772 |
| Purchased Professional Services | 16,500 | | 16,500 | 2,700 | 13,800 |
| Purchased Technical Services | 2,000 | | 2,000 | | 2,000 |
| Misc. Purchased Services (400-500 series) | 1,300 | | 1,300 | | 1,300 |
| Supplies and Materials | 7,000 | | 7,000 | 1,980 | 5,020 |
| Miscellaneous Expenditures | 3,000 | | 3,000 | 2,830 | 170 |
| Central Services | 271,972 | 15,693 | 287,665 | 258,603 | 29,062 |
| Admin. Information Technology: | | | | | |
| Salaries | 130,427 | | 130,427 | 130,427 | |
| Purchased Professional Services | 1,300 | (61) | 1,239 | 173 | 1,066 |
| Purchased Technical Services | 10,000 | 61 | 10,061 | 10,061 | |
| Admin. Information Technology | 141,727 | | 141,727 | 140,661 | 1,066 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|-----------------------------|-------------------------|----------------|--|
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 110,974 | 11,250 | 122,224 | 122,224 | |
| Cleaning, Repair, and Maintenance Services | 178,000 | (62,517) | 115,483 | 114,139 | 1,344 |
| General Supplies | 18,600 | 41,317 | 59,917 | 59,917 | |
| Other Objects | 1,200 | 1,640 | 2,840 | 2,840 | |
| Total Required Maintenance for School Facilities | 308,774 | (8,310) | 300,464 | 299,120 | 1,344 |
| Other Operations and Maintenance of Plant: | | | | | |
| Salaries | 237,528 | (20,749) | 216,779 | 216,048 | 731 |
| Cleaning, Repair and Maintenance Services | 69,000 | 40,823 | 109,823 | 109,823 | |
| Rental of Land, Building & Other than Lease Purchases | 2 | | 2 | | 2 |
| Other Purchased Property Services | 4,000 | | 4,000 | | 4,000 |
| Insurance | 79,876 | 2,355 | 82,231 | 82,229 | 2 |
| Miscellaneous Purchased Services | 2,000 | | 2,000 | | 2,000 |
| General Supplies | 41,000 | (2,355) | 38,645 | 26,585 | 12,060 |
| Energy (Electricity) | 150,000 | | 150,000 | 145,627 | 4,373 |
| Energy (Oil) | 130,000 | (55,980) | 74,020 | 74,020 | |
| Other Objects | 200 | | 200 | | 200 |
| Total Other Operations and Maintenance of Plant | 713,606 | (35,906) | 677,700 | 654,332 | 23,368 |
| Care and Upkeep of Grounds: | | | | | |
| Salaries | 135,337 | 3,705 | 139,042 | 139,042 | |
| Supplies and Materials | 75,000 | 26,092 | 101,092 | 95,515 | 5,577 |
| Total Care and Upkeep of Grounds | 210,337 | 29,797 | 240,134 | 234,557 | 5,577 |
| Undist. Expend. -Security | | | | | |
| Salaries | 181,112 | (26,221) | 154,891 | 140,011 | 14,880 |
| Total Undist. Expend. -Security | 181,112 | (26,221) | 154,891 | 140,011 | 14,880 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|-----------------------------|-------------------------|------------------|--|
| Student Transportation Services | | | | | |
| Salaries of Non-Instructional Aides | 1,400 | | 1,400 | | 1,400 |
| Management Fees - ESC & CTSA Transportation Programs | 20,000 | | 20,000 | 19,938 | 62 |
| Contract Services - Aid in Lieu of Payments-Nonpub.Sch. | 47,000 | | 47,000 | 25,012 | 21,988 |
| Contract Services - (Between Home and School) - Vendors | 630,169 | | 630,169 | 611,181 | 18,988 |
| Contract Services (Other than Between Home & School)-Vendors | 95,460 | 11,096 | 106,556 | 98,917 | 7,639 |
| Contract Services - (Between Home and School) - Joint Agreements | 6,500 | | 6,500 | 2,105 | 4,395 |
| Contract Services - (Spl. Ed. Students) - Vendors | 45,000 | | 45,000 | 25,327 | 19,673 |
| Contracted Services (Special Education Students)-Joint Agrmnts. | 1,000 | | 1,000 | | 1,000 |
| Contract Services - (Regular Students) - ESCs & CTSA's | 70,000 | (12,393) | 57,607 | 54,649 | 2,958 |
| Contract Services - (Special Ed. Students) - ESCs & CTSA's | 430,650 | 12,393 | 443,043 | 390,384 | 52,659 |
| Total Student Transportation Services | 1,347,179 | 11,096 | 1,358,275 | 1,227,513 | 130,762 |
| UNALLOCATED BENEFITS | | | | | |
| Social Security Contributions | 223,000 | (51,643) | 171,357 | 169,547 | 1,810 |
| Other Retirement Contributions - Regular | 155,354 | | 155,354 | 145,573 | 9,781 |
| Workmen's Compensation | 82,749 | | 82,749 | 74,213 | 8,536 |
| Health Benefits | 2,109,445 | (197,429) | 1,912,016 | 1,904,832 | 7,184 |
| Tuition Reimbursement | 85,000 | | 85,000 | 44,406 | 40,594 |
| Other Employee Benefits | 70,000 | | 70,000 | 53,000 | 17,000 |
| Unused Sick Payments to Terminated/Retired Staff | 50,000 | 39,087 | 89,087 | 89,087 | |
| TOTAL UNALLOCATED BENEFITS | 2,775,548 | (209,985) | 2,565,563 | 2,480,658 | 84,905 |
| On-behalf TPAF pension Contrib. (non-budgeted) | | | | 1,419,711 | (1,419,711) |
| On-behalf TPAF PRM Contrib. (non-budgeted) | | | | 526,687 | (526,687) |
| On-behalf TPAF pension Non-contributory Ins. (non-budgeted) | | | | 1,045 | (1,045) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 493,717 | (493,717) |
| TOTAL ON-BEHALF CONTRIBUTIONS | | | | 2,441,160 | (2,441,160) |
| TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS | 2,775,548 | (209,985) | 2,565,563 | 4,921,818 | (2,356,255) |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|--|----------------------------|-----------------------------|-------------------------|-------------------|--|
| TOTAL UNDISTRIBUTED EXPENDITURES | 9,659,919 | (353,414) | 9,306,505 | 11,001,079 | (1,694,574) |
| TOTAL GENERAL CURRENT EXPENSE | 16,799,708 | (486,658) | 16,313,050 | 17,815,510 | (1,502,460) |
| Facilities Acquisition and Construction Services | | | | | |
| Construction Services | 80,000 | 1,270,441 | 1,350,441 | 1,350,441 | |
| Assessment for Debt Service on SDA Funding | 3,400 | | 3,400 | 3,400 | |
| Total Facilities Acquisition and Construction Services | 83,400 | 1,270,441 | 1,353,841 | 1,353,841 | |
| TOTAL CAPITAL OUTLAY | 83,400 | 1,270,441 | 1,353,841 | 1,353,841 | |
| Transfer of Funds to Charter Schools | 270,757 | | 270,757 | 250,318 | 20,439 |
| TOTAL EXPENDITURES | 17,153,865 | 783,783 | 17,937,648 | 19,419,669 | (1,482,021) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (80,000) | (783,783) | (863,783) | 307,682 | 1,171,465 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2020

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|-----------------------------|-------------------------|---------------------|--|
| Other Financing Sources: | | | | | |
| Operating Transfer In/(Out) | | | | | |
| Transfer to Food Service Fund | | | | (50,000) | 50,000 |
| Total Other Financing Sources: | - | - | - | (50,000) | 50,000 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses) | | | | | |
| | (80,000) | (783,783) | (863,783) | 257,682 | 1,221,465 |
| Fund Balance, July 1 | 1,141,775 | | 1,141,775 | 1,141,775 | |
| Fund Balance, June 30 | <u>\$ 1,061,775</u> | <u>(783,783)</u> | <u>\$ 277,992</u> | <u>\$ 1,399,457</u> | <u>\$ 1,221,465</u> |
| Recapitulation: | | | | | |
| Restricted for: | | | | | |
| Capital Reserve | | | | \$ 1,000,000 | |
| Maintenance Reserve | | | | 5,943 | |
| Emergency Reserve | | | | 250,000 | |
| Unassigned: | | | | | |
| Unrestricted Fund Balance | | | | 143,514 | |
| Fund Balance per Governmental Funds(Budgetary Basis) | | | | <u>\$ 1,399,457</u> | |
| Reconciliation to Governmental Funds Statement(GAAP Basis): | | | | | |
| Last State Aid Payment not recognized on GAAP basis | | | | (487,497) | |
| Fund Balance per Governmental Funds(GAAP Basis B-2) | | | | <u>\$ 911,960</u> | |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable/ (Unfavorable) |
|---|----------------------------|-----------------------------|-------------------------|-------------------|--|
| REVENUES: | | | | | |
| Local Sources | | \$ 14,101 | \$ 14,101 | \$ 14,101 | - |
| Federal Sources | \$ 288,531 | 91,039 | 379,570 | 350,599 | \$ (28,971) |
| Total Revenues | 288,531 | 105,140 | 393,671 | 364,700 | (28,971) |
| EXPENDITURES: | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 26,775 | (26,775) | - | - | |
| Tuition | 201,185 | 35,637 | 236,822 | 236,822 | |
| General Supplies | 19,201 | 75,252 | 94,453 | 65,482 | 28,971 |
| Total Instruction | 247,161 | 84,114 | 331,275 | 302,304 | 28,971 |
| Support Services | | | | | |
| Personal Services - Employee Benefits | 8,300 | (8,300) | - | - | |
| Purchased Professional Educational Services | 24,153 | 24,862 | 49,015 | 49,015 | |
| Other Purchased Services | 3,100 | (1,820) | 1,280 | 1,280 | |
| Supplies and Materials | 5,817 | 6,284 | 12,101 | 12,101 | |
| Total Support Services | 41,370 | 21,026 | 62,396 | 62,396 | - |
| Total Expenditures | 288,531 | 105,140 | 393,671 | 364,700 | 28,971 |
| Total Outflows | \$ 288,531 | \$ 105,140 | \$ 393,671 | \$ 364,700 | \$ 28,971 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) | | | | | |
| Fund Balance per Governmental Funds(Budgetary Basis) | | | | NONE | |
| Reconciliation to Governmental Funds Statement(GAAP Basis): | | | | | |
| Last State Aid Payment not recognized on GAAP basis | | | | NONE | |
| Fund Balance per Governmental Funds(GAAP Basis) | | | | <u>NONE</u> | |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2020

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

| | General Fund | Special Revenue Fund |
|---|-------------------------|----------------------------|
| | <u> </u> | <u> </u> |
| Sources/Inflows of Resources | | |
| Actual amounts (budgetary basis) "revenue" | | |
| from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively) | \$19,727,351 | \$364,700 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | N/A | N/A |
| Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes | 563,154 | N/A |
| Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes | <u>(487,497)</u> | <u>N/A</u> |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2) | <u>\$19,803,008</u> | <u>\$ 364,700</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively) | \$19,419,669 | \$364,700 |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. | <u>N/A</u> | <u>N/A</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2) | <u>\$19,419,669</u> | <u>\$ 364,700</u> |

North Warren Regional School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years *

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------|
| District's proportion of the net pension liability (asset) ** | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | | |
| District's proportionate share of the net pension liability (asset) ** | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | | |
| State's proportionate share of the net pension liability (asset) associated with the District | \$ 39,147,890 | \$ 40,999,121 | \$ 48,823,841 | \$ 57,564,524 | \$ 46,015,696 | \$ 38,648,263 | \$ 36,203,413 | | | |
| Total | \$ 39,147,890 | \$ 40,999,121 | \$ 48,823,841 | \$ 57,564,524 | \$ 46,015,696 | \$ 38,648,263 | \$ 36,203,413 | | | |
| District's covered employee payroll | \$ 6,851,283 | \$ 7,117,519 | \$ 6,841,384 | \$ 6,301,664 | \$ 7,583,124 | \$ 7,926,962 | \$ 7,859,596 | | | |
| District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% | 33.76% | | | |

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Exhibit L-1

Public Employees' Retirement System (PERS)

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|
| District's proportion of the net pension liability (asset) | 0.014851361% | 0.014999242% | 0.013474084% | 0.015778619% | 0.157786193% | 0.013746359% | 0.014437551% | | | |
| District's proportionate share of the net pension liability (asset) | \$ 2,675,990 | \$ 2,953,276 | \$ 3,136,551 | \$ 4,673,174 | \$ 3,326,760 | \$ 2,573,694 | \$ 2,759,303 | | | |
| District's covered employee payroll | \$ 1,033,924 | \$ 1,044,630 | \$ 1,053,014 | \$ 982,965 | \$ 1,447,595 | \$ 1,518,318 | \$ 1,383,440 | | | |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 258.82% | 282.71% | 297.86% | 475.42% | 229.81% | 169.51% | 199.45% | | | |
| Plan fiduciary net position as a percentage of the total pension liability (Local) | 56.27% | 53.60% | 58.18% | 40.14% | 47.92% | 52.08% | 48.72% | | | |

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

North Warren Regional School District
 Required Supplementary Information - Part III
 Schedule of District Contributions
 Last Ten Fiscal Years *

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|------|------|
| Contractually required contribution ** | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | | |
| Contributions in relation to the contractually required contribution ** | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | | |
| Contribution deficiency (excess) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | | |
| District's covered employee payroll | \$ 6,851,283 | \$ 7,117,519 | \$ 6,841,384 | \$ 6,301,664 | \$ 7,583,124 | \$ 7,926,962 | \$ 7,859,596 | | | |
| Contributions as a percentage of covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | | |

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|--------------|--------------|--------------|------------|--------------|--------------|--------------|------|------|------|
| Contractually required contribution | \$ 145,573 | \$ 150,358 | \$ 127,440 | \$ 141,668 | \$ 127,411 | \$ 113,323 | \$ 108,784 | | | |
| Contributions in relation to the contractually required contribution | (145,573) | (150,358) | (127,440) | (141,668) | (127,411) | (113,323) | (108,784) | | | |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | | | |
| District's covered employee payroll | \$ 1,033,924 | \$ 1,044,630 | \$ 1,053,014 | \$ 982,965 | \$ 1,447,595 | \$ 1,518,318 | \$ 1,383,440 | | | |
| Contributions as a percentage of covered-employee payroll | 14.08% | 14.39% | 12.10% | 14.41% | 8.80% | 7.46% | 7.86% | | | |

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

North Warren Regional School District
 Required Supplementary Information - Part III
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years *

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

| <u>The State of New Jersey's Total OPEB Liability</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|--------------------------|-------------------------|-------------------------|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Service Cost | \$ 1,734,404,850 | \$ 1,984,642,729 | \$ 2,391,878,884 | \$ 1,723,999,319 | | | | | | |
| Interest | 1,827,787,206 | 1,970,236,232 | 1,699,441,736 | 1,823,643,792 | | | | | | |
| Change in Benefit Terms | | | | | | | | | | |
| Differences Between Expected and Actual Experience | (7,323,140,818) | (5,002,065,740) | | | | | | | | |
| Benefit Payments | (1,280,958,373) | (1,232,987,247) | (1,242,412,566) | (1,223,298,019) | | | | | | |
| Contributions from Members | 37,971,171 | 42,614,005 | 45,748,749 | 46,273,747 | | | | | | |
| Changes of Assumptions or other inputs | <u>622,184,027</u> | <u>(5,291,448,855)</u> | <u>(7,086,599,129)</u> | <u>8,611,513,521</u> | | | | | | |
| Net change in total OPEB liability | (4,381,751,937) | (7,529,008,876) | (4,191,942,326) | 10,982,132,360 | | | | | | |
| Total OPEB Liability - Beginning | \$ 46,110,832,982 | \$53,639,841,858 | \$57,831,784,184 | \$ 46,849,651,824 | | | | | | |
| Total OPEB Liability - Ending | \$ 41,729,081,045 | \$46,110,832,982 | \$53,639,841,858 | \$ 57,831,784,184 | | | | | | |
| The State of New Jersey's total OPEB liability ** | \$ 41,729,081,045 | \$46,110,832,982 | \$53,639,841,858 | \$ 57,831,784,184 | | | | | | |
| The State of New Jersey's OPEB liability attributable to the District ** | \$ 29,357,148 | \$ 32,848,709 | \$ 38,377,078 | \$ 41,824,071 | | | | | | |
| The District's proportionate share of the total OPEB liability | <i>Zero</i> | <i>Zero</i> | <i>Zero</i> | <i>Zero</i> | | | | | | |
| District's covered employee payroll | \$ 7,885,207 | \$ 8,162,149 | \$ 7,894,398 | \$ 7,284,629 | | | | | | |
| Total District's OPEB liability as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | | | | | | |
| District's contribution | <i>None</i> | <i>None</i> | <i>None</i> | <i>None</i> | | | | | | |
| State's covered employee payroll *** | \$ 13,929,083,479 | \$13,640,275,833 | \$13,493,400,208 | \$ 13,493,400,208 | | | | | | |
| Total State's OPEB liability as a percentage of its covered-employee payroll | 299.58% | 338.05% | 397.53% | 428.59% | | | | | | |

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2018 and June 30, 2019 is based on the payroll on the June 30, 2017 and June 30, 2018 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and OPEB Schedules

For the Fiscal Year Ended June 30, 2020

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

OPEB Schedules

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

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

Public Employees' Retirement System (PERS)

Pension Schedules

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

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019

OPEB Schedules

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

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

OTHER SUPPLEMENTARY INFORMATION

| |
|--|
| <p style="text-align: center;">SPECIAL REVENUE FUND DETAIL STATEMENTS</p> |
|--|

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2020

| | Title I | Title II (A) | Title IV | Federal Perkins | CARES | IDEA Part B | VOYA Grant | NJ SAIG Safety Grant | Totals |
|---|--------------------|-------------------------|---------------------|----------------------------|------------------|------------------------|-----------------------|---------------------------------|-------------------|
| REVENUES | | | | | | | | | |
| Local Sources | | | | | | | \$ 12,000 | \$ 2,101 | \$ 14,101 |
| Federal Sources | \$ 41,693 | \$ 14,749 | \$ 10,000 | \$ 3,827 | \$ 43,508 | \$ 236,822 | | | 350,599 |
| TOTAL REVENUES | 41,693 | 14,749 | 10,000 | 3,827 | 43,508 | 236,822 | 12,000 | 2,101 | 364,700 |
| EXPENDITURES: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of Teachers | | | | | | | | | - |
| Tuition | | | | | | 236,822 | | | 236,822 |
| General Supplies | 19,427 | | | 2,547 | 43,508 | | | | 65,482 |
| Total Instruction | 19,427 | | | 2,547 | 43,508 | 236,822 | | | 302,304 |
| Support Services: | | | | | | | | | |
| Personal Services - Employee Benefits | | | | | | | | | - |
| Purchased Professional Educational Services | 22,266 | 14,749 | 10,000 | | | | 2,000 | | 49,015 |
| Other Purchased Services | | | | 1,280 | | | | | 1,280 |
| Supplies and Materials | | | | | | | 10,000 | 2,101 | 12,101 |
| Total Support Services | 22,266 | 14,749 | 10,000 | 1,280 | | | 12,000 | 2,101 | 62,396 |
| TOTAL EXPENDITURES | 41,693 | 14,749 | 10,000 | 3,827 | 43,508 | 236,822 | 12,000 | 2,101 | 364,700 |
| Total Outflows | \$ 41,693 | \$ 14,749 | \$ 10,000 | \$ 3,827 | \$ 43,508 | \$ 236,822 | \$ 12,000 | \$ 2,101 | \$ 364,700 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) | | | | | | | | | |

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

**PROPRIETARY FUND
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

| |
|--|
| <p style="text-align: center;">FIDUCIARY FUND DETAIL STATEMENTS</p> |
|--|

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2020

| | UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u> | <u>AGENCY FUNDS</u> STUDENT <u>ACTIVITY</u> | PAYROLL <u>AGENCY</u> | <u>TOTALS</u> |
|---|---|---|--------------------------|-------------------|
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$402,007 | \$ 101,284 | \$ 25,393 | \$ 528,684 |
| TOTAL ASSETS | \$402,007 | \$ 101,284 | \$ 25,393 | \$ 528,684 |
| LIABILITIES: | | | | |
| Liabilities: | | | | |
| Accounts Payable | | | \$ 14,144 | \$ 14,144 |
| Payroll Deductions and Withholdings | | | 11,249 | 11,249 |
| Payable to Student Groups | | \$ 101,284 | | 101,284 |
| Total Liabilities | | 101,284 | 25,393 | 126,677 |
| NET POSITION | | | | |
| Held in Trust for Unemployment | | | | |
| Claims and Other Purposes | \$402,007 | | | 402,007 |
| TOTAL LIABILITIES AND NET POSITION | \$402,007 | \$ 101,284 | \$ 25,393 | \$ 528,684 |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020

| | UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u> | KEVIN SEAL MEMORIAL SCHOLARSHIP <u>FUND</u> | <u>TOTALS</u> |
|-------------------------------------|---|--|--------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Plan Member | \$ 14,578 | | \$ 14,578 |
| Employer | - | - | - |
| Total Contributions | <u>14,578</u> | <u>-</u> | <u>14,578</u> |
| Investment Earnings: | | | |
| Interest | 3,542 | \$ 6 | 3,548 |
| Net Investment Earnings | <u>3,542</u> | <u>6</u> | <u>3,548</u> |
| Total Additions | <u>18,120</u> | <u>6</u> | <u>18,126</u> |
| DEDUCTIONS | | | |
| Transfer to Student Activity Fund | | 788 | 788 |
| Unemployment Claims | 27,433 | | 27,433 |
| Total Deductions | <u>27,433</u> | <u>788</u> | <u>28,221</u> |
| Change in Net Position | (9,313) | (782) | (10,095) |
| Net Position—Beginning of the Year | 411,320 | 782 | 412,102 |
| Net Position—End of the Year | <u>\$ 402,007</u> | <u>-</u> | <u>\$ 402,007</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit H-3

**STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

| <u>ACTIVITY</u> | BALANCE | <u>TRANSFERS</u> | | CASH | CASH | BALANCE |
|-------------------------------|------------------|------------------|-----------------|-------------------|----------------------|------------------|
| | July 1, 2019 | <u>TO</u> | <u>FROM</u> | <u>RECEIPTS</u> | <u>DISBURSEMENTS</u> | June 30, 2020 |
| NWR - Clubs/Princ | \$ (546) | | | \$ 327 | \$ 160 | \$ (379) |
| Patriot Outreach | (77) | | 135 | 773 | 130 | 431 |
| Interest Reserve | 1,432 | | | 509 | - | 1,941 |
| Exchange | (92) | | 3,038 | 3,138 | 100 | (92) |
| B.O.E. - Fines and Charges | 832 | | | (109) | 27 | 696 |
| Voices of Veterans | (270) | | | 3,000 | 2,771 | (41) |
| B.O.E. - Test Holding | 3,055 | | | 28,463 | 26,493 | 5,025 |
| B.O.E. Athletics | (1,519) | | | 11,124 | 1,100 | 8,505 |
| Class of 2024 (7th & 8th) | 9,531 | | 4,732 | 20,423 | 18,432 | 6,790 |
| Class of 2025 | - | | | 80 | - | 80 |
| Class of 2009 | 425 | | | - | - | 425 |
| Class of 2011 | 44 | | | - | - | 44 |
| Class of 2013 | 269 | | | - | - | 269 |
| Class of 2014 | 279 | | | - | - | 279 |
| Class of 2015 | 20 | | | - | - | 20 |
| Class of 2017 | 1,068 | | | - | - | 1,068 |
| Class of 2018 | 194 | | | - | - | 194 |
| Class of 2019 | 1,327 | | | 95 | 4,048 | (2,626) |
| Class of 2020 | 3,340 | | 56 | 16,213 | 13,109 | 6,388 |
| Class of 2021 | 4,417 | 406 | | - | 650 | 4,173 |
| Class of 2022 | 4,750 | | | 619 | 576 | 4,793 |
| Class of 2023 | - | 4,787 | | - | - | 4,787 |
| Student Council-High School | 2,408 | 36 | | 2,722 | 2,062 | 3,104 |
| Friends of Rachel | 504 | | | 1,077 | 1,063 | 518 |
| Student Council-Middle School | 1,268 | | | 260 | 260 | 1,268 |
| National Honor Society | 312 | | | 1,120 | 2,032 | (600) |
| National Art Honor Society | 810 | | | 2,060 | 1,859 | 1,011 |
| Tri M Music Honors | (333) | | | 3,016 | 2,755 | (72) |
| Spanish Honor Society | 930 | | | 3,058 | 2,942 | 1,046 |
| Math Honor Society | 95 | | | 345 | - | 440 |
| S.S. Honor Society | 95 | | | 286 | 240 | 141 |
| VOYA | - | | | 12,000 | - | 12,000 |
| Gay/Straight Alliance | 75 | | | 22 | - | 97 |
| German Club | 52 | | | - | - | 52 |
| Marching Band | (10) | | | - | - | (10) |
| Chorus - Musical | 4,145 | 483 | | 276 | 5,185 | (281) |
| Drama Club - Fall Play | 3,548 | | 20 | 1,362 | 1,156 | 3,734 |
| M. S. Play | 901 | | 463 | 2,583 | 1,423 | 1,598 |
| Athletics | (23,329) | | | 16,780 | 5,702 | (12,251) |
| Red White Blue Club | | | | 3,009 | 2,925 | 84 |
| Football Club | 389 | - | - | - | - | 389 |
| | <u>\$ 20,339</u> | <u>\$ 5,712</u> | <u>\$ 8,444</u> | <u>\$ 134,631</u> | <u>\$ 97,200</u> | <u>\$ 55,038</u> |

-Continued on Next Page-

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit H-3

**STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

| ACTIVITY | BALANCE | TRANSFERS | | CASH | CASH | BALANCE |
|------------------------------------|------------------|-----------------|-----------------|-------------------|-------------------|-------------------|
| | July 1, 2019 | TO | FROM | RECEIPTS | DISBURSEMENTS | June 30, 2020 |
| Baseball Club | \$ 619 | | | \$ 565 | \$ - | \$ 1,184 |
| Softball Club | 400 | | | 1,207 | - | 1,607 |
| NWR Golf | 197 | | | - | 46 | 151 |
| Girls Basketball | 1,490 | | | 13,928 | 9,511 | 5,907 |
| Boys Basketball | 26 | | | 1,140 | 791 | 375 |
| Cross Country Club | 1,300 | | | 1,424 | 2,111 | 613 |
| Cheerleaders H.S. | 3,342 | | | 11,686 | 9,716 | 5,312 |
| Field Hockey | 1,169 | | | 5,683 | 4,583 | 2,269 |
| Girls Lacrosse | 881 | | | 205 | - | 1,086 |
| Indoor Track and Field Club | 2 | | | 694 | 202 | 494 |
| Patriot Varsity Club | 503 | | | 1,212 | 40 | 1,675 |
| School Store | 599 | | | 1,660 | 1,430 | 829 |
| VOC-LIFE | 1,989 | | | 103 | - | 2,092 |
| TSA/Robotics | 954 | | 954 | - | - | (0) |
| First Robotics | (17,004) | 954 | | 18,447 | 18,533 | (16,136) |
| Future Business Leaders of America | 1,779 | | | 602 | 635 | 1,746 |
| JSA (Mock Trial) | (136) | | | 4,806 | 5,130 | (460) |
| Future Farmers of America | 9,872 | 20 | | 1,693 | 648 | 10,937 |
| Chinese Club | 650 | | | - | - | 650 |
| Press Club | 413 | | | - | - | 413 |
| Chess Club | 37 | | | - | - | 37 |
| Ski Club | 3,953 | | | 3,092 | 4,129 | 2,916 |
| Art Show Fund | 119 | | | - | - | 119 |
| Interact Club | 319 | | | 502 | 797 | 24 |
| Leo | 618 | | | - | - | 618 |
| Yearbook | 6,150 | 2,712 | | 11,530 | 2,909 | 17,483 |
| Patriot Coffee Club | 541 | | | - | - | 541 |
| Prom Committee | 3,727 | | | 15,014 | 15,423 | 3,318 |
| Project Graduation | 1,034 | | | 240 | 825 | 449 |
| | <u>\$ 25,541</u> | <u>\$ 3,686</u> | <u>\$ 954</u> | <u>\$ 95,433</u> | <u>\$ 77,459</u> | <u>\$ 46,247</u> |
| TOTALS | <u>\$ 45,879</u> | <u>\$ 9,398</u> | <u>\$ 9,398</u> | <u>\$ 230,064</u> | <u>\$ 174,659</u> | <u>\$ 101,284</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

| | BALANCE | | | BALANCE |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------|
| | <u>July 1, 2019</u> | <u>ADDITIONS</u> | <u>DELETIONS</u> | <u>June 30, 2020</u> |
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 11,651 | \$ 9,933,239 | \$ 9,919,497 | \$ 25,393 |
| Total Assets | \$ 11,651 | \$ 9,933,239 | \$ 9,919,497 | \$ 25,393 |
| | | | | |
| LIABILITIES: | | | | |
| Accrued Salaries and Wages | - | \$ 5,739,867 | \$ 5,739,867 | - |
| Accounts Payable | \$ 11,651 | 14,144 | 11,651 | \$ 14,144 |
| Payroll Deductions and Withholdings | - | 4,179,228 | 4,167,979 | 11,249 |
| Total Liabilities | \$ 11,651 | \$ 9,933,239 | \$ 9,919,497 | \$ 25,393 |

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

| <u>SERIES</u> | <u>INTEREST RATE PAYABLE</u> | <u>LEASE TERM</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>AMOUNT OUTSTANDING 7/1/2019</u> | <u>ADDITIONAL OBLIGATIONS INCURRED</u> | <u>RETIRED CURRENT YEAR PRINCIPAL PAYMENTS</u> | <u>AMOUNT OUTSTANDING 6/30/2020</u> |
|---------------------------------|--------------------------------------|-----------------------|---|--|--|--|---|
| Copier Equipment - Admin Office | 4.65% | 4 Years | 81,928 | \$ 67,720 | | \$ 19,766 | \$ 47,954 |
| Total | | | | \$ 67,720 | \$ - | \$ 19,766 | \$ 47,954 |

North Warren Regional School District
Statistical Section

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. | 98-103 |
| Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. | 104-116 |
| Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. | 117-123 |
| Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. | 124-125 |
| Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. | 126-130 |

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

**North Warren Regional School District
Net Position by Component,
Last Ten Fiscal Years**

Exhibit J-1

(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 6,870,347 | \$ 8,096,471 | \$ 8,216,553 | \$ 7,830,857 | \$ 7,347,048 | \$ 7,150,031 | \$ 7,007,910 | \$ 7,024,396 | \$ 6,682,627 | \$ 7,400,715 |
| Restricted | 849,544 | 1,224,767 | 480,147 | 422,104 | 152,252 | 136,194 | 748,072 | 581,535 | 869,726 | 1,255,943 |
| Unrestricted | 340,394 | (972,857) | (829,923) | (953,554) | (3,613,789) | (2,942,801) | (3,297,627) | (3,606,279) | (3,734,270) | (3,685,467) |
| Total governmental activities Net Position | \$ 8,060,285 | \$ 8,348,381 | \$ 7,866,777 | \$ 7,299,407 | \$ 3,885,511 | \$ 4,343,424 | \$ 4,458,355 | \$ 3,999,652 | \$ 3,818,083 | \$ 4,971,191 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 40,068 | \$ 55,847 | \$ 36,857 | \$ 29,343 | \$ 29,215 | \$ 52,168 | \$ 87,146 | \$ 67,481 | \$ 47,817 | \$ 33,948 |
| Restricted | | | | | - | - | - | - | - | - |
| Unrestricted | 113,163 | 99,897 | 107,309 | 127,604 | 131,875 | 96,292 | 63,872 | 43,181 | 9,490 | 55,204 |
| Total business-type activities Net Position | \$ 153,231 | \$ 155,744 | \$ 144,166 | \$ 156,947 | \$ 161,090 | \$ 148,460 | \$ 151,018 | \$ 110,662 | \$ 57,307 | \$ 89,152 |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 6,910,415 | \$ 8,152,318 | \$ 8,253,410 | \$ 7,860,200 | \$ 7,376,263 | \$ 7,202,199 | \$ 7,095,056 | \$ 7,091,877 | \$ 6,730,444 | \$ 7,434,663 |
| Restricted | 849,544 | 1,224,767 | 480,147 | 422,104 | 152,252 | 136,194 | 748,072 | 581,535 | 869,726 | 1,255,943 |
| Unrestricted | 453,557 | (872,960) | (722,614) | (825,950) | (3,481,914) | (2,846,509) | (3,233,755) | (3,563,098) | (3,724,780) | (3,630,263) |
| Total district Net Position | \$ 8,213,516 | \$ 8,504,125 | \$ 8,010,943 | \$ 7,456,354 | \$ 4,046,601 | \$ 4,491,884 | \$ 4,609,373 | \$ 4,110,314 | \$ 3,875,390 | \$ 5,060,343 |

Source: CAFR Schedule A-1

North Warren Regional School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

| | 2011 | | 2012 | | 2013 | | 2014 | | Fiscal Year Ending June 30, | | 2017 | | 2018 | | 2019 | | 2020 | | | |
|---|------|--------------|------|--------------|------|--------------|------|--------------|-----------------------------|--------------|------|--------------|------|--------------|------|--------------|------|--------------|----|--------------|
| | | | | | | | | | 2015 | 2016 | | | | | | | | | | |
| Expenses | | | | | | | | | | | | | | | | | | | | |
| Governmental activities | | | | | | | | | | | | | | | | | | | | |
| Instruction | | | | | | | | | | | | | | | | | | | | |
| Regular | \$ | 6,781,346 | \$ | 6,770,787 | \$ | 7,173,028 | \$ | 6,883,697 | \$ | 7,765,856 | \$ | 8,062,619 | \$ | 8,781,821 | \$ | 9,443,741 | \$ | 8,480,801 | \$ | 7,528,662 |
| Special education | | 1,316,866 | | 1,395,867 | | 1,510,989 | | 1,619,468 | | 1,862,106 | | 1,866,507 | | 2,034,902 | | 2,192,137 | | 2,220,051 | | 2,015,108 |
| Other special education | | 274,962 | | 221,458 | | 232,602 | | 233,090 | | 249,533 | | 126,032 | | 153,916 | | 158,790 | | 150,081 | | 199,147 |
| Other instruction | | 783,015 | | 853,789 | | 907,049 | | 969,350 | | 1,110,442 | | 1,212,037 | | 1,318,354 | | 1,230,327 | | 1,215,325 | | 1,117,400 |
| Support Services: | | | | | | | | | | | | | | | | | | | | |
| Tuition | | 620,666 | | 895,148 | | 861,562 | | 860,130 | | 1,023,509 | | 1,257,307 | | 1,303,086 | | 1,417,070 | | 1,226,184 | | 480,028 |
| Student & instruction related services | | 2,020,791 | | 2,303,326 | | 2,093,470 | | 2,130,674 | | 2,538,211 | | 2,531,391 | | 2,905,644 | | 3,201,965 | | 2,989,665 | | 2,726,089 |
| General administrative services | | 1,011,328 | | 1,032,936 | | 1,034,288 | | 1,045,811 | | 1,190,447 | | 1,285,934 | | 1,314,672 | | 1,375,771 | | 1,190,346 | | 1,139,350 |
| School administrative services | | 744,162 | | 790,652 | | 974,748 | | 1,090,029 | | 1,172,400 | | 1,146,680 | | 1,073,217 | | 1,008,958 | | 790,953 | | 840,053 |
| Plant operations and maintenance | | 1,553,519 | | 1,402,301 | | 1,412,499 | | 1,763,828 | | 1,891,301 | | 1,629,739 | | 2,218,579 | | 2,281,040 | | 2,238,857 | | 2,031,088 |
| Pupil transportation | | 1,057,823 | | 988,682 | | 989,910 | | 1,024,765 | | 1,027,473 | | 1,075,286 | | 1,180,055 | | 1,244,460 | | 1,377,070 | | 1,235,193 |
| Interest on long-term debt | | 16,466 | | 3,011 | | - | | - | | - | | - | | - | | - | | - | | - |
| Unallocated depreciation | | 238,004 | | 258,081 | | 443,839 | | 433,018 | | 276,836 | | 276,553 | | 302,085 | | 336,421 | | 341,086 | | 460,374 |
| Total governmental activities expenses | | 16,418,948 | | 16,916,038 | | 17,633,984 | | 18,053,860 | | 20,108,114 | | 20,470,085 | | 22,586,331 | | 23,890,680 | | 22,220,419 | | 19,772,494 |
| Business-type activities: | | | | | | | | | | | | | | | | | | | | |
| Food service | | 322,329 | | 305,578 | | 314,280 | | 297,957 | | 305,074 | | 301,571 | | 304,455 | | 265,629 | | 295,979 | | 193,995 |
| Total business-type activities expense | | 322,329 | | 305,578 | | 314,280 | | 297,957 | | 305,074 | | 301,571 | | 304,455 | | 265,629 | | 295,979 | | 193,995 |
| Total district expenses | \$ | 16,741,277 | \$ | 17,221,616 | \$ | 17,948,264 | \$ | 18,351,817 | \$ | 20,413,188 | \$ | 20,771,656 | \$ | 22,890,786 | \$ | 24,156,309 | \$ | 22,516,398 | \$ | 19,966,489 |
| Program Revenues | | | | | | | | | | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | | | | | | | | | | |
| Charges for services: | | | | | | | | | | | | | | | | | | | | |
| Instruction (regular & special education) | \$ | 83,076 | \$ | 80,304 | \$ | 104,034 | \$ | 76,298 | \$ | 64,206 | \$ | 55,752 | \$ | 45,788 | \$ | 13,187 | \$ | 66,012 | \$ | 3,700 |
| Business and other support services | | | | | | | | | | | | | | | | | | | | |
| Operating grants and contributions | | 6,187,711 | | 6,768,606 | | 6,908,674 | | 6,750,029 | | 8,784,516 | | 9,524,620 | | 10,974,995 | | 11,507,262 | | 9,496,638 | | 8,329,889 |
| Capital grants and contributions | | - | | - | | - | | - | | - | | - | | - | | - | | - | | - |
| Total governmental activities program revenues | | 6,270,787 | | 6,848,910 | | 7,012,708 | | 6,826,327 | | 8,848,722 | | 9,580,372 | | 11,020,783 | | 11,520,449 | | 9,562,650 | | 8,333,589 |
| Business-type activities: | | | | | | | | | | | | | | | | | | | | |
| Charges for services | | | | | | | | | | | | | | | | | | | | |
| Food service | | 271,140 | | 258,649 | | 247,272 | | 258,340 | | 242,422 | | 240,105 | | 232,868 | | 180,117 | | 196,100 | | 143,670 |
| Operating grants and contributions | | 45,743 | | 49,437 | | 53,949 | | 47,552 | | 48,659 | | 48,438 | | 65,134 | | 44,017 | | 46,087 | | 31,963 |
| Capital grants and contributions | | - | | - | | - | | - | | - | | - | | - | | - | | - | | - |
| Total business type activities program revenues | | 316,883 | | 308,086 | | 301,221 | | 305,892 | | 291,081 | | 288,543 | | 298,002 | | 224,134 | | 242,187 | | 175,633 |
| Total district program revenues | \$ | 6,587,670 | \$ | 7,156,996 | \$ | 7,313,929 | \$ | 7,132,219 | \$ | 9,139,803 | \$ | 9,868,915 | \$ | 11,318,785 | \$ | 11,744,583 | \$ | 9,804,837 | \$ | 8,509,222 |
| Net (Expense)/Revenue | | | | | | | | | | | | | | | | | | | | |
| Governmental activities | | | | | | | | | | | | | | | | | | | | |
| | \$ | (10,148,161) | \$ | (10,067,128) | \$ | (10,621,276) | \$ | (11,227,533) | \$ | (11,259,392) | \$ | (10,889,713) | \$ | (11,565,548) | \$ | (12,370,231) | \$ | (12,657,769) | \$ | (11,438,905) |
| Business-type activities | | | | | | | | | | | | | | | | | | | | |
| | | (5,446) | | 2,508 | | (13,059) | | 7,935 | | (13,993) | | (13,028) | | (6,453) | | (41,495) | | (53,792) | | (18,362) |
| Total district-wide net expense | \$ | (10,153,607) | \$ | (10,064,620) | \$ | (10,634,335) | \$ | (11,219,598) | \$ | (11,273,385) | \$ | (10,902,741) | \$ | (11,572,001) | \$ | (12,411,726) | \$ | (12,711,561) | \$ | (11,457,267) |

-Continued-

North Warren Regional School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

| | 2011 | | 2012 | | 2013 | | 2014 | | Fiscal Year Ending June 30, | | 2017 | | 2018 | | 2019 | | 2020 | | | |
|---|------|------------|------|------------|------|------------|------|------------|-----------------------------|------------|------|------------|------|------------|------|------------|------|------------|----|------------|
| | | | | | | | | | 2015 | | 2016 | | | | | | | | | |
| General Revenues and Other Changes in Net Position | | | | | | | | | | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ | 10,267,275 | \$ | 10,117,743 | \$ | 10,117,743 | \$ | 10,623,032 | \$ | 10,755,574 | \$ | 11,317,236 | \$ | 11,654,305 | \$ | 11,887,390 | \$ | 12,361,101 | \$ | 12,608,323 |
| Taxes levied for debt service | | 248,648 | | 150,988 | | - | | - | | - | | - | | - | | - | | - | | - |
| Tuition Received | | | | | | | | | | | | | | | | | | | | |
| Investment earnings | | 12,397 | | 7,631 | | 1,755 | | 3,022 | | 2,041 | | 3,294 | | 10,448 | | 20,814 | | 29,262 | | 27,652 |
| Miscellaneous income | | 53,010 | | 78,862 | | 85,821 | | 34,109 | | 36,208 | | 27,096 | | 15,726 | | 3,224 | | 85,837 | | 20,488 |
| Federal/State Aid for Capital Assets Projects | | (21,123) | | - | | - | | - | | - | | - | | - | | - | | - | | - |
| Transfers | | | | | | | | | | | | | | | | | | | | |
| Total governmental activities | | 10,560,207 | | 10,355,224 | | 10,205,319 | | 10,660,163 | | 10,793,823 | | 11,347,626 | | 11,680,479 | | 11,911,428 | | 12,476,200 | | 12,656,463 |
| Business-type activities: | | | | | | | | | | | | | | | | | | | | |
| Miscellaneous Income | | 2,017 | | 5 | | 1,481 | | 4,845 | | 18,137 | | 398 | | 9,011 | | 1,139 | | 437 | | 207 |
| Transfers | | | | | | | | | | | | | | | | | | | | |
| Total business-type activities | | 2,017 | | 5 | | 1,481 | | 4,845 | | 18,137 | | 398 | | 9,011 | | 1,139 | | 437 | | 207 |
| Total district-wide | \$ | 10,562,224 | \$ | 10,355,229 | \$ | 10,206,800 | \$ | 10,665,008 | \$ | 10,811,960 | \$ | 11,348,024 | \$ | 11,689,490 | \$ | 11,912,567 | \$ | 12,476,637 | \$ | 12,656,670 |
| Change in Net Position | | | | | | | | | | | | | | | | | | | | |
| Governmental activities | \$ | 412,046 | \$ | 288,096 | \$ | (415,957) | \$ | (567,370) | \$ | (465,569) | \$ | 457,913 | \$ | 114,931 | \$ | (458,803) | \$ | (181,569) | \$ | 1,217,558 |
| Business-type activities | | (3,429) | | 2,513 | | (11,578) | | 12,780 | | 4,144 | | (12,630) | | 2,558 | | (40,356) | | (53,355) | | (18,155) |
| Total district | \$ | 408,617 | \$ | 290,609 | \$ | (427,535) | \$ | (554,590) | \$ | (461,425) | \$ | 445,283 | \$ | 117,489 | \$ | (499,159) | \$ | (234,924) | \$ | 1,199,403 |

Source: CAFR Schedule A-2

North Warren Regional School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

| | Fiscal Year Ending June 30, | | | | | | | | | |
|------------------------------------|-----------------------------|-------------------|-------------------|--------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 949,694 | \$ 782,902 | \$ 446,904 | \$ 462,603 | \$ 164,206 | \$ 194,638 | \$ 748,048 | \$ 581,535 | \$ 869,726 | \$ 1,255,943 |
| Unreserved | (140,959) | (435,813) | (329,149) | (541,896) | (539,147) | 31,504 | 20,038 | (228,210) | (291,105) | (343,983) |
| Total general fund | <u>\$ 808,735</u> | <u>\$ 347,089</u> | <u>\$ 117,755</u> | <u>\$ (79,293)</u> | <u>\$ (374,941)</u> | <u>\$ 226,142</u> | <u>\$ 768,086</u> | <u>\$ 353,325</u> | <u>\$ 578,621</u> | <u>\$ 911,960</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | - | - | - | - | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | | | | | | - | - | - | - | - |
| Capital projects fund | \$ (74,079) | \$ 475,303 | \$ 33,243 | \$ 24 | \$ 24 | \$ 24 | \$ 24 | - | - | - |
| Debt service fund | - | 1 | | | | | | | | |
| Total all other governmental funds | <u>\$ (74,079)</u> | <u>\$ 475,304</u> | <u>\$ 33,243</u> | <u>\$ 24</u> | <u>\$ 24</u> | <u>\$ 24</u> | <u>\$ 24</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Source: CAFR Schedule B-1

**North Warren Regional School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|---------------------|-------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 10,515,923 | \$ 10,268,731 | \$ 10,117,743 | \$ 10,623,032 | \$ 10,755,574 | \$ 11,317,236 | \$ 11,654,305 | \$ 11,887,390 | \$ 12,361,101 | \$ 12,608,323 |
| Tuition charges | - | - | 21,205 | 8,706 | - | - | - | - | 61,500 | - |
| Transportation | 83,076 | 80,304 | 82,829 | 67,592 | 64,206 | 55,752 | 45,788 | 13,187 | 4,512 | 3,700 |
| Interest earnings | 3,400 | 2,713 | 904 | 201 | 148 | 145 | - | - | - | - |
| Miscellaneous | 62,007 | 83,780 | 86,672 | 36,930 | 38,101 | 30,245 | 26,174 | 24,038 | 115,099 | 48,140 |
| State sources | 5,797,948 | 6,247,043 | 6,572,667 | 6,430,812 | 6,780,889 | 6,959,574 | 7,139,987 | 7,267,829 | 7,330,621 | 7,156,946 |
| Federal sources | 368,640 | 521,563 | 336,007 | 319,217 | 317,597 | 341,245 | 326,453 | 317,433 | 353,748 | 350,599 |
| Total revenue | 16,830,994 | 17,204,134 | 17,218,027 | 17,486,490 | 17,956,515 | 18,704,197 | 19,192,707 | 19,509,877 | 20,226,581 | 20,167,708 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 5,183,491 | 5,051,683 | 5,249,616 | 5,030,400 | 5,064,262 | 4,917,661 | 4,837,816 | 5,239,609 | 5,266,443 | 4,913,412 |
| Special education instruction | 1,025,350 | 1,061,806 | 1,119,104 | 1,212,208 | 1,231,303 | 1,150,636 | 1,126,207 | 1,232,865 | 1,390,972 | 1,332,651 |
| Other special instruction | 214,093 | 168,458 | 172,275 | 174,473 | 165,002 | 77,694 | 85,184 | 89,304 | 94,033 | 131,702 |
| Other instruction | 609,678 | 649,459 | 671,800 | 725,580 | 734,271 | 747,178 | 729,637 | 691,940 | 761,461 | 738,970 |
| Support Services: | | | | | | | | | | |
| Tuition | 620,666 | 895,148 | 861,562 | 860,130 | 1,023,509 | 1,257,307 | 1,303,086 | 1,417,070 | 1,226,184 | 480,028 |
| Student & instruction related services | 1,573,446 | 1,752,091 | 1,550,515 | 1,594,857 | 1,678,372 | 1,560,514 | 1,608,115 | 1,800,739 | 1,873,173 | 1,802,844 |
| School Administrative services | 579,426 | 601,432 | 721,941 | 815,911 | 775,240 | 706,888 | 593,967 | 567,441 | 495,571 | 555,552 |
| General administrative services | 781,966 | 780,249 | 760,556 | 777,330 | 783,724 | 789,274 | 723,817 | 769,521 | 741,535 | 747,700 |
| Plant operations and maintenance | 1,195,213 | 1,052,298 | 1,031,756 | 1,305,863 | 1,241,547 | 995,592 | 1,217,928 | 1,271,788 | 1,391,524 | 1,328,020 |
| Pupil transportation | 1,050,546 | 981,405 | 982,633 | 1,017,488 | 1,022,895 | 1,070,696 | 1,175,036 | 1,238,863 | 1,371,395 | 1,227,513 |
| Business and other support services | | | | | | | | | | |
| Unallocated employee benefits | 3,196,320 | 3,633,382 | 3,917,365 | 3,824,044 | 4,130,048 | 4,522,847 | 4,815,865 | 5,035,871 | 5,147,728 | 4,921,818 |
| Charter Schools | 149,814 | 77,816 | 130,528 | 181,788 | 218,620 | 157,496 | 232,965 | 124,272 | 237,866 | 250,318 |
| Capital outlay | 1,043,745 | 408,159 | 719,771 | 196,685 | 183,370 | 149,331 | 201,140 | 445,379 | 3,400 | 1,353,841 |
| Debt service: | | | | | | | | | | |
| Principal | 320,000 | 200,000 | - | - | - | - | - | - | - | - |
| Interest and other charges | 17,967 | 3,011 | - | - | - | - | - | - | - | - |
| Total expenditures | 17,561,721 | 17,316,397 | 17,889,422 | 17,716,757 | 18,252,163 | 18,103,114 | 18,650,763 | 19,924,662 | 20,001,285 | 19,784,369 |
| Excess (Deficiency) of revenues over (under) expenditures | (730,727) | (112,263) | (671,395) | (230,267) | (295,648) | 601,083 | 541,944 | (414,785) | 225,296 | 383,339 |
| Other Financing Sources (uses) | | | | | | | | | | |
| Bond proceeds | | | | | | | | | | |
| Temporary Note Redemption | 200,000 | 200,000 | - | - | - | - | - | - | - | - |
| Transfers in/(out) | | | | | | | | | | (50,000) |
| Total other financing sources (uses) | 200,000 | 200,000 | - | - | - | - | - | - | - | (50,000) |
| Net change in fund balances | \$ (530,727) | \$ 87,737 | \$ (671,395) | \$ (230,267) | \$ (295,648) | \$ 601,083 | \$ 541,944 | \$ (414,785) | \$ 225,296 | \$ 333,339 |
| Debt service as a percentage of noncapital expenditures | | | | | | | | | | |
| | 2.0% | 1.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Source: CAFR Schedule B-2

NORTH WARREN REGIONAL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

| <u>Fiscal Year</u> <u>Ended June 30,</u> | <u>Interest on</u> <u>Investments</u> | <u>Interest</u> <u>Earned</u> <u>on Capital</u> <u>Reserve</u> <u>Funds</u> | <u>Refund</u> <u>Prior Year</u> <u>Expenditures</u> | <u>Transportation</u> <u>Fees</u> | <u>Rentals</u> | <u>Tuition</u> | <u>Miscellaneous</u> | <u>Total</u> |
|---|--|---|---|--------------------------------------|----------------|----------------|----------------------|--------------|
| 2011 | \$ 8,997 | \$ 2,953 | \$ 19,398 | \$ 83,076 | \$ 2,353 | | \$ 31,259 | \$ 148,036 |
| 2012 | 4,918 | 1,396 | 22,831 | 80,304 | 6,201 | | 44,196 | 159,846 |
| 2013 | 851 | 260 | 40,393 | 82,829 | 1,310 | \$ 21,205 | 40,454 | 187,302 |
| 2014 | 2,880 | 142 | 2,590 | 67,592 | 2,634 | 8,706 | 26,986 | 111,530 |
| 2015 | 1,893 | 148 | 1,019 | 64,206 | - | - | 25,189 | 92,455 |
| 2016 | 3,294 | 145 | 450 | 55,752 | - | - | 26,501 | 86,142 |
| 2017 | 10,166 | 282 | 11,291 | 45,788 | - | - | 3,135 | 70,662 |
| 2018 | 20,065 | 749 | 3,217 | 13,187 | - | - | 687 | 37,905 |
| 2019 | 29,262 | - | 84,988 | 4,512 | - | 61,500 | 849 | 181,111 |
| 2020 | 27,652 | - | 6,372 | 3,700 | - | | 15 | 37,739 |

SOURCE: District Records

**North Warren Regional School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years - Blairstown Township**

Exhibit J-6

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities a | Net Valuation Taxable | Total Direct School Tax Rate b | Estimated Actual (County Equalized Value) |
|----------------------------|--------------|---------------|--------------|-------------|--------------|-------------|-----------|----------------------|---------------------------|---------------------------|-----------------------|---------------------------------------|---|
| 2011 | \$30,691,900 | \$694,723,800 | \$97,834,200 | \$2,064,325 | \$73,815,850 | \$8,300,300 | - | \$1,032,598,182 | \$122,932,042 | \$2,235,765 | \$909,666,140 | \$0.576 | \$920,140,839 |
| 2012 | 19,587,700 | 558,981,200 | 75,042,600 | 2,097,700 | 63,314,000 | 7,525,200 | - | 825,492,860 | 96,699,303 | 2,245,157 | 728,793,557 | 0.713 | 870,135,402 |
| 2013 | 17,560,200 | 552,802,300 | 76,294,600 | 2,133,400 | 61,280,500 | 7,526,200 | - | 815,607,689 | 95,982,717 | 2,027,772 | 719,624,972 | 0.672 | 786,160,323 |
| 2014 | 17,324,800 | 554,018,900 | 74,566,200 | 2,146,300 | 60,606,200 | 7,426,000 | - | 814,057,450 | 95,984,317 | 1,984,733 | 718,073,133 | 0.693 | 747,038,890 |
| 2015 | 17,534,500 | 553,802,200 | 73,824,500 | 2,129,800 | 59,922,200 | 7,506,300 | - | 812,711,502 | 95,881,017 | 2,110,985 | 716,830,485 | 0.703 | 712,612,284 |
| 2016 | 16,459,000 | 553,436,700 | 74,089,900 | 2,161,200 | 58,825,700 | 7,506,300 | - | 810,249,679 | 95,338,017 | 2,432,862 | 714,911,662 | 0.755 | 719,403,395 |
| 2017 | 16,383,200 | 554,080,200 | 73,348,600 | 2,154,600 | 58,811,400 | 7,406,800 | - | 811,128,643 | 96,664,417 | 2,279,426 | 714,464,226 | 0.778 | 721,829,604 |
| 2018 | 16,149,900 | 554,611,400 | 72,389,300 | 2,117,000 | 58,729,300 | 7,406,800 | - | 808,683,577 | 94,990,933 | 2,288,944 | 713,692,644 | 0.769 | 709,362,651 |
| 2019 | 16,014,700 | 553,340,800 | 72,772,000 | 2,121,500 | 59,326,400 | 7,406,800 | - | 808,696,405 | 95,364,233 | 2,349,972 | 713,332,172 | 0.757 | 698,104,592 |
| 2020 | 16,363,100 | 551,619,900 | 73,095,300 | 2,114,400 | 59,362,200 | 7,664,000 | - | 806,090,845 | 93,528,633 | 2,343,312 | 712,562,212 | 0.837 | 726,196,562 |

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**North Warren Regional School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years - Frelinghuysen Township**

Exhibit J-6

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities a | Net Valuation Taxable | Total Direct School Tax Rate b | Estimated Actual (County Equalized Value) |
|----------------------------|-------------|---------------|--------------|-------------|--------------|------------|-----------|----------------------|---------------------------|--------------------|-----------------------|--------------------------------|---|
| 2011 | \$6,610,600 | \$189,298,100 | \$73,119,000 | \$2,431,500 | \$19,512,578 | - | - | \$329,446,124 | \$37,813,920 | \$660,426 | \$291,632,204 | \$0.586 | \$325,652,702 |
| 2012 | 6,290,600 | 190,055,000 | 73,634,400 | 2,415,900 | 19,532,578 | - | - | 319,977,547 | 27,399,040 | 650,029 | 292,578,507 | 0.599 | 310,300,130 |
| 2013 | 5,723,800 | 190,139,800 | 74,683,500 | 2,411,900 | 19,532,578 | - | - | 322,262,605 | 29,125,840 | 645,187 | 293,136,765 | 0.641 | 319,671,008 |
| 2014 | 5,515,900 | 191,028,400 | 74,521,500 | 2,385,200 | 19,708,678 | - | - | 324,444,214 | 30,688,540 | 595,996 | 293,755,674 | 0.729 | 328,448,574 |
| 2015 | 5,309,800 | 190,137,200 | 74,509,500 | 2,359,900 | 19,695,878 | - | - | 323,297,669 | 30,688,540 | 596,851 | 292,609,129 | 0.739 | 295,544,328 |
| 2016 | 5,725,100 | 189,281,500 | 74,232,400 | 2,348,200 | 19,375,178 | - | - | 323,025,633 | 31,577,140 | 486,115 | 291,448,493 | 0.755 | 291,646,351 |
| 2017 | 5,132,100 | 129,084,000 | 71,205,900 | 2,319,300 | 19,375,178 | - | - | 260,128,524 | 32,544,540 | 467,506 | 290,583,984 | 0.718 | 276,619,093 |
| 2018 | 4,860,300 | 191,901,400 | 72,260,200 | 2,306,800 | 19,375,178 | - | - | 324,159,163 | 32,974,040 | 481,245 | 291,185,123 | 0.694 | 278,427,549 |
| 2019 | 4,335,500 | 192,630,300 | 71,003,900 | 2,305,000 | 19,616,678 | - | - | 323,375,740 | 32,974,040 | 510,322 | 290,401,700 | 0.723 | 276,716,136 |
| 2020 | 3,893,900 | 191,930,400 | 72,006,600 | 2,264,400 | 19,581,578 | - | - | 323,612,559 | 33,421,440 | 514,241 | 290,191,119 | 0.771 | 287,386,828 |

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**North Warren Regional School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years - Hardwick Township**

Exhibit J-6

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities a | Net Valuation Taxable | Total Direct School Tax Rate b | Estimated Actual (County Equalized Value) |
|----------------------------|-------------|---------------|--------------|-------------|------------|------------|-----------|----------------------|---------------------------|--------------------|-----------------------|--------------------------------|---|
| 2011 | \$5,468,400 | \$110,708,700 | \$37,826,500 | \$1,232,300 | \$839,400 | \$627,000 | - | \$225,348,587 | \$68,282,700 | \$363,587 | \$157,065,887 | \$0.786 | \$232,447,723 |
| 2012 | 5,406,700 | 110,585,150 | 38,832,800 | 1,067,100 | 839,400 | 627,000 | - | 226,584,341 | 68,822,600 | 403,591 | 157,761,741 | 0.684 | 226,265,738 |
| 2013 | 5,660,800 | 110,017,450 | 39,201,100 | 1,050,100 | 705,700 | 627,000 | - | 227,338,257 | 69,620,400 | 455,707 | 157,717,857 | 0.847 | 210,701,695 |
| 2014 | 5,640,900 | 111,075,050 | 38,132,600 | 1,040,900 | 705,700 | 627,000 | - | 227,339,808 | 69,638,300 | 479,358 | 157,701,508 | 0.866 | 194,779,597 |
| 2015 | 5,555,700 | 112,159,350 | 37,735,800 | 1,005,600 | 705,700 | 627,000 | - | 227,917,499 | 69,638,300 | 490,049 | 158,279,199 | 0.911 | 186,361,299 |
| 2016 | 5,894,900 | 113,171,150 | 37,252,000 | 916,650 | 705,700 | 627,000 | - | 229,741,582 | 70,571,100 | 603,082 | 159,170,482 | 1.019 | 187,209,847 |
| 2017 | 5,384,300 | 112,005,350 | 37,710,800 | 1,002,050 | 705,700 | 627,000 | - | 228,536,194 | 70,571,100 | 529,894 | 157,965,094 | 1.133 | 185,060,822 |
| 2018 | 4,913,000 | 110,817,150 | 38,799,000 | 990,550 | 705,700 | 627,000 | - | 228,526,211 | 71,131,700 | 542,111 | 157,394,511 | 1.087 | 184,578,807 |
| 2019 | 4,790,800 | 110,631,850 | 39,888,600 | 945,350 | 705,700 | 627,000 | - | 229,964,306 | 71,798,200 | 576,806 | 158,166,106 | 1.054 | 183,541,516 |
| 2020 | 4,564,200 | 109,432,850 | 40,487,600 | 937,600 | 705,700 | 627,000 | - | 229,793,721 | 72,485,800 | 552,971 | 157,307,921 | 1.000 | 190,664,492 |

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**North Warren Regional School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years - Knowlton Township**

Exhibit J-6

| <u>Fiscal Year Ended June 30,</u> | <u>Vacant Land</u> | <u>Residential</u> | <u>Farm Reg.</u> | <u>Qfarm</u> | <u>Commercial</u> | <u>Industrial</u> | <u>Apartment</u> | <u>Total Assessed Value</u> | <u>Less: Tax-Exempt Property</u> | <u>Public Utilities a</u> | <u>Net Valuation Taxable</u> | <u>Total Direct School Tax Rate b</u> | <u>Estimated Actual (County Equalized Value)</u> |
|-----------------------------------|--------------------|--------------------|------------------|--------------|-------------------|-------------------|------------------|-----------------------------|----------------------------------|---------------------------|------------------------------|---------------------------------------|--|
| 2011 | \$6,838,700 | \$193,045,800 | \$35,542,500 | \$2,796,040 | \$20,636,900 | - | \$665,700 | \$285,676,867 | \$25,515,900 | \$635,327 | \$260,160,967 | \$0.896 | \$396,818,747 |
| 2012 | 6,815,100 | 193,748,800 | 34,475,500 | 2,732,840 | 20,638,000 | - | 665,700 | 286,035,174 | 26,280,800 | 678,434 | 259,754,374 | 0.862 | 369,513,265 |
| 2013 | 6,627,600 | 194,646,300 | 33,953,200 | 2,734,840 | 20,642,000 | - | 665,700 | 286,246,017 | 26,280,800 | 695,577 | 259,965,217 | 0.793 | 356,512,227 |
| 2014 | 6,230,100 | 195,036,500 | 33,034,500 | 2,731,740 | 20,720,500 | - | 665,700 | 285,904,453 | 26,769,700 | 715,713 | 259,134,753 | 0.827 | 324,354,292 |
| 2015 | 6,051,000 | 195,127,800 | 33,526,200 | 2,756,940 | 20,654,700 | - | 665,700 | 286,246,112 | 26,683,700 | 780,072 | 259,562,412 | 0.812 | 306,839,048 |
| 2016 | 5,722,900 | 194,371,100 | 34,050,200 | 2,766,640 | 20,003,800 | - | 665,700 | 285,246,159 | 26,737,500 | 928,319 | 258,508,659 | 0.908 | 300,125,043 |
| 2017 | 5,934,500 | 194,680,700 | 33,861,300 | 2,749,640 | 20,093,900 | - | 665,700 | 285,796,298 | 26,940,600 | 869,958 | 304,702,339 | 0.945 | 300,125,043 |
| 2018 | 6,303,700 | 194,568,700 | 33,981,500 | 2,715,740 | 19,541,700 | - | 665,700 | 285,781,507 | 27,150,900 | 853,567 | 258,630,607 | 1.002 | 312,078,626 |
| 2019 | 6,321,600 | 194,206,300 | 33,713,800 | 2,698,740 | 19,960,700 | - | 665,700 | 285,969,431 | 27,514,500 | 888,091 | 258,454,931 | 1.081 | 311,529,335 |
| 2020 | 5,953,100 | 194,233,800 | 33,876,500 | 2,694,940 | 19,941,900 | - | 665,700 | 285,474,591 | 27,186,000 | 922,651 | 258,288,591 | 1.096 | 306,987,140 |

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**North Warren Regional School District
Direct and Overlapping Property Tax Rates - Blairstown Township
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

| Fiscal Year Ended June 30, | North Warren Regional Board of Education | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------------|--|--|-----------------|---|------------------------|------------------|---|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Blairstown Township School District | Blairstown Township | Warren County | |
| 2011 | \$0.562 | \$0.014 | \$0.576 | \$0.537 | \$0.035 | \$0.619 | \$1.767 |
| 2012 | \$0.703 | \$0.010 | \$0.713 | \$0.657 | \$0.035 | \$0.758 | \$2.163 |
| 2013 | \$0.672 | \$0.000 | \$0.672 | \$0.714 | \$0.035 | \$0.738 | \$2.159 |
| 2014 | \$0.693 | \$0.000 | \$0.693 | \$0.720 | \$0.015 | \$0.739 | \$2.167 |
| 2015 | \$0.703 | \$0.000 | \$0.703 | \$0.742 | \$0.020 | \$0.766 | \$2.231 |
| 2016 | \$0.755 | \$0.000 | \$0.755 | \$0.720 | \$0.020 | \$0.781 | \$2.276 |
| 2017 | \$0.755 | \$0.000 | \$0.778 | \$0.747 | \$0.020 | \$0.770 | \$2.315 |
| 2018 | \$0.769 | \$0.000 | \$0.769 | \$0.760 | \$0.020 | \$0.758 | \$2.307 |
| 2019 | \$0.757 | \$0.000 | \$0.757 | \$0.808 | \$0.020 | \$0.714 | \$2.299 |
| 2020 | \$0.837 | \$0.000 | \$0.837 | \$0.774 | \$0.075 | \$0.730 | \$2.416 |

Source: District Records and Municipal Tax Collector

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

**North Warren Regional School District
Direct and Overlapping Property Tax Rates - Frelinghuysen Township
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

| Fiscal Year Ended June 30, | North Warren Regional Board of Education | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------------|--|--|-----------------|--|---------------------------|------------------|---|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Frelinghuysen Township School District | Frelinghuysen Township | Warren County | |
| 2011 | \$0.572 | \$0.014 | \$0.586 | \$0.671 | \$0.158 | \$0.682 | \$2.097 |
| 2012 | \$0.590 | \$0.009 | \$0.599 | \$0.666 | \$0.164 | \$0.674 | \$2.103 |
| 2013 | \$0.641 | \$0.000 | \$0.641 | \$0.655 | \$0.194 | \$0.730 | \$2.220 |
| 2014 | \$0.729 | \$0.000 | \$0.729 | \$0.628 | \$0.197 | \$0.797 | \$2.351 |
| 2015 | \$0.739 | \$0.000 | \$0.739 | \$0.643 | \$0.227 | \$0.779 | \$2.388 |
| 2016 | \$0.755 | \$0.000 | \$0.755 | \$0.666 | \$0.242 | \$0.777 | \$2.440 |
| 2017 | \$0.755 | \$0.000 | \$0.718 | \$0.668 | \$0.247 | \$0.724 | \$2.357 |
| 2018 | \$0.742 | \$0.000 | \$0.694 | \$0.742 | \$0.250 | \$0.729 | \$2.415 |
| 2019 | \$0.723 | \$0.000 | \$0.723 | \$0.748 | \$0.277 | \$0.695 | \$2.443 |
| 2020 | \$0.771 | \$0.000 | \$0.771 | \$0.724 | \$0.304 | \$0.702 | \$2.501 |

Source: District Records and Municipal Tax Collector

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

**North Warren Regional School District
Direct and Overlapping Property Tax Rates - Hardwick Township
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

| Fiscal Year Ended June 30, | North Warren Regional Board of Education | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------------|--|--|-----------------|---|----------------------|------------------|---|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Hardwick Township School District | Hardwick Township | Warren County | |
| 2011 | \$0.767 | \$0.019 | \$0.786 | \$0.862 | \$0.245 | \$0.904 | \$2.797 |
| 2012 | \$0.674 | \$0.010 | \$0.684 | \$0.916 | \$0.232 | \$0.913 | \$2.745 |
| 2013 | \$0.847 | \$0.000 | \$0.847 | \$0.778 | \$0.277 | \$0.894 | \$2.796 |
| 2014 | \$0.866 | \$0.000 | \$0.866 | \$0.836 | \$0.324 | \$0.880 | \$2.906 |
| 2015 | \$0.911 | \$0.000 | \$0.911 | \$0.822 | \$0.330 | \$0.906 | \$2.969 |
| 2016 | \$1.019 | \$0.000 | \$1.019 | \$0.705 | \$0.417 | \$0.913 | \$3.054 |
| 2017 | \$1.019 | \$0.000 | \$1.133 | \$0.608 | \$0.458 | \$0.895 | \$3.094 |
| 2018 | \$1.087 | \$0.000 | \$1.087 | \$0.736 | \$0.472 | \$0.894 | \$3.189 |
| 2019 | \$1.054 | \$0.000 | \$1.054 | \$0.773 | \$0.495 | \$0.848 | \$3.170 |
| 2020 | \$1.000 | \$0.000 | \$1.000 | \$0.879 | \$0.512 | \$0.867 | \$3.258 |

Source: District Records and Municipal Tax Collector

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

**North Warren Regional School District
Direct and Overlapping Property Tax Rates - Knowlton Township
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

| Fiscal Year Ended June 30, | North Warren Regional Board of Education | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------------|--|--|-----------------|---|----------------------|------------------|---|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Knowlton Township School District | Knowlton Township | Warren County | |
| 2011 | \$0.875 | \$0.021 | \$0.896 | \$1.064 | \$0.353 | \$0.934 | \$3.247 |
| 2012 | \$0.849 | \$0.013 | \$0.862 | \$1.062 | \$0.370 | \$0.905 | \$3.199 |
| 2013 | \$0.793 | \$0.000 | \$0.793 | \$1.013 | \$0.420 | \$0.925 | \$3.151 |
| 2014 | \$0.827 | \$0.000 | \$0.827 | \$1.028 | \$0.430 | \$0.892 | \$3.177 |
| 2015 | \$0.812 | \$0.000 | \$0.812 | \$1.035 | \$0.429 | \$0.911 | \$3.187 |
| 2016 | \$0.908 | \$0.000 | \$0.908 | \$1.060 | \$0.431 | \$0.901 | \$3.300 |
| 2017 | \$0.908 | \$0.000 | \$0.945 | \$1.079 | \$0.418 | \$0.899 | \$3.341 |
| 2018 | \$1.080 | \$0.000 | \$1.002 | \$1.080 | \$0.418 | \$0.915 | \$3.415 |
| 2019 | \$1.081 | \$0.000 | \$1.081 | \$1.067 | \$0.423 | \$0.881 | \$3.452 |
| 2020 | \$1.096 | \$0.000 | \$1.096 | \$1.081 | \$0.443 | \$0.851 | \$3.471 |

Source: District Records and Municipal Tax Collector

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

**North Warren Regional School District
Principal Property Tax Payers- Blirstown Township
Current Year and Nine Years Ago**

Exhibit J-8

| Taxpayer | 2019 | | | 2007 | | |
|----------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Public Service Gas & Electric | \$ 9,195,500 | 1 | 1.29% | | | |
| Blirstown Realty Associates, LLC | 8,826,700 | 2 | 1.24% | \$ 2,078,500 | 2 | 0.71% |
| First National Bank of Hope | 2,707,100 | 3 | 0.38% | 1,360,600 | 6 | 0.46% |
| JD Air, Inc. | 2,683,400 | 4 | 0.38% | | | |
| Rite Aid | 2,486,200 | 5 | 0.35% | | | |
| Embarq | 2,432,688 | 6 | 0.34% | | | |
| Blair Academy | 2,045,400 | 7 | 0.29% | | | |
| Grater, LLC | 1,963,500 | 8 | 0.28% | 1,392,400 | 5 | 0.47% |
| Individual Taxpayer #1 | 1,705,000 | 9 | 0.24% | 1,265,446 | 7 | 0.43% |
| Lane Enterprises | 1,692,000 | 10 | 0.24% | | | |
| Individual Taxpayer | | | | 789,900 | 10 | 0.27% |
| Great Atlantic & Pacific Co. | | | | 6,592,000 | 1 | 2.24% |
| Jersey Central Power & Light | | | | 2,078,500 | 3 | 0.71% |
| Blair Air | | | | 1,613,000 | 4 | 0.55% |
| Woodborne Lane | | | | 1,070,000 | 8 | 0.36% |
| JMS Associates | | | | 800,000 | 9 | 0.27% |
| Total | <u>\$ 35,737,488</u> | | <u>5.02%</u> | <u>\$ 19,040,346</u> | | <u>6.47%</u> |

Embarq

Source: District CAFR & Municipal Tax Assessor

**North Warren Regional School District
Principal Property Tax Payers- Frelinghuysen Township
Current Year and Nine Years Ago**

Exhibit J-8

| Taxpayer | 2019 | | | 2007 | | |
|-----------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| TI Properties I LLC | \$ 11,482,000 | 1 | 3.96% | | | |
| 845 Frelinghuysen LLC | 1,783,800 | 2 | 0.61% | | | |
| Individual Taxpayer #1 | 1,412,100 | 3 | 0.49% | \$ 859,400 | 2 | 0.65% |
| Individual Taxpayer #2 | 1,306,100 | 4 | 0.45% | 612,500 | 6 | 0.46% |
| Individual Taxpayer #3 | 1,116,300 | 5 | 0.38% | 519,000 | 7 | 0.39% |
| Individual Taxpayer #4 | 988,800 | 6 | 0.34% | | | |
| Weidner Family Partnership LP | 928,800 | 7 | 0.32% | | | |
| Individual Taxpayer #5 | 856,300 | 8 | 0.30% | 802,700 | 3 | 0.60% |
| Individual Taxpayer #6 | 813,300 | 9 | 0.28% | 462,900 | 9 | 0.35% |
| Individual Taxpayer #7 | 811,300 | 10 | 0.28% | 424,600 | 10 | 0.32% |
| Westbrook Realty | | | | 969,000 | 1 | 0.73% |
| Terra Co., LLC | | | | 735,300 | 4 | 0.55% |
| Homestead Farm Assoc., LLC | | | | 671,900 | 5 | 0.51% |
| United Telephone Co. of NJ., Inc. | | | | 502,692 | 8 | 0.38% |
| Total | <u>\$ 21,498,800</u> | | <u>7.41%</u> | <u>\$ 6,559,992</u> | | <u>4.94%</u> |

Source: District CAFR & Municipal Tax Assessor

**North Warren Regional School District
Principal Property Tax Payers- Hardwick Township
Current Year and Nine Years Ago**

Exhibit J-8

| Taxpayer | 2019 | | | 2007 | | |
|------------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Jersey Central Power and Light Co. | \$ 996,100 | 1 | 0.63% | | | |
| Public Service Gas and Electric | 996,100 | 2 | 0.63% | | | |
| Individual Taxpayer #1 | 706,300 | 3 | 0.45% | \$ 834,000 | 2 | 0.86% |
| Individual Taxpayer #2 | 690,700 | 4 | 0.44% | 740,300 | 3 | 0.77% |
| Jerome Goodman Revocable Trust | 687,700 | 5 | 0.44% | 643,900 | 4 | 0.67% |
| Individual Taxpayer #3 | 654,700 | 6 | 0.42% | 604,400 | 6 | 0.63% |
| Individual Taxpayer #4 | 627,000 | 7 | 0.40% | 585,900 | 7 | 0.61% |
| Individual Taxpayer #5 | 608,300 | 8 | 0.39% | 536,500 | 8 | 0.56% |
| Individual Taxpayer #6 | 596,400 | 9 | 0.38% | 524,800 | 9 | 0.54% |
| United Telephone Co. of NJ, Inc. | 587,794 | 10 | 0.37% | 608,310 | 10 | 0.54% |
| Little Hill Foundation | | | | 2,406,100 | 1 | 2.49% |
| Total | \$ 7,151,094 | | 4.55% | \$ 7,484,210 | | 7.67% |

Source: District CAFR & Municipal Tax Assessor

**North Warren Regional School District
Principal Property Tax Payers- Knowlton Township
Current Year and Nine Years Ago**

Exhibit J-8

| Taxpayer | 2019 | | | 2007 | | |
|---------------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| TA Operating Corporation | \$ 3,752,200 | 1 | 1.45% | \$ 3,562,300 | 1 | 2.19% |
| Gary Gray | 1,620,500 | 2 | 0.63% | | | |
| Taylor Family Limited Partnership | 1,450,000 | 3 | 0.56% | 601,900 | 6 | 0.37% |
| Columbia Associates | 1,124,500 | 4 | 0.44% | | | |
| Triple Brook RV & Camping Resort, LLC | 986,800 | 5 | 0.38% | | | |
| Embarq | 925,021 | 6 | 0.36% | | | |
| Delaware River Family Campground | 794,700 | 7 | 0.31% | 775,000 | 3 | 0.61% |
| Individual Taxpayer #1 | 787,000 | 8 | 0.30% | 1,000,000 | 2 | 0.61% |
| Individual Taxpayer #2 | 774,400 | 9 | 0.30% | 719,000 | 4 | 0.44% |
| Individual Taxpayer #2 | 680,300 | 10 | 0.26% | | | |
| Northwest Farming, Inc. | | | | 481,600 | 7 | 0.30% |
| Individual Taxpayer #4 | | | | 451,100 | 8 | 0.28% |
| Individual Taxpayer #5 | | | | 442,500 | 9 | 0.27% |
| K.A.K.S. | | | | 437,700 | 10 | 0.27% |
| Total | <u>\$ 12,895,421</u> | | <u>4.99%</u> | <u>\$ 8,471,100</u> | | <u>5.34%</u> |

Source: District CAFR & Municipal Tax Assessor

**North Warren Regional School District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Exhibit J-9

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|----------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2011 | \$10,267,275 | \$10,267,275 | 100.00% | - |
| 2012 | \$10,117,743 | \$10,117,743 | 100.00% | - |
| 2013 | \$10,117,743 | \$10,117,743 | 100.00% | - |
| 2014 | \$10,623,032 | \$10,623,032 | 100.00% | - |
| 2015 | \$10,755,574 | \$10,755,574 | 100.00% | - |
| 2016 | \$11,317,236 | \$11,317,236 | 100.00% | - |
| 2017 | \$11,654,305 | \$11,654,305 | 100.00% | - |
| 2018 | \$11,887,390 | \$11,887,390 | 100.00% | - |
| 2019 | \$12,361,101 | \$12,361,101 | 100.00% | - |
| 2020 | \$12,608,323 | \$12,608,323 | 100.00% | - |

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

Note:

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 is the amount voted upon or certified prior to the end of the school year.

**North Warren Regional School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

| Fiscal Year Ended June 30, | Governmental Activities | | | | Business-Type Activities | | Total District | Percentage of Personal Income ^a | Per Capita ^a |
|----------------------------------|---|----------------------------------|----------------|---|-----------------------------|------------|----------------|--|-------------------------|
| | General Obligation Bonds ^b | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | | | | |
| 2011 | - | - | \$ 344,616 | \$ 200,000 | -0- | \$ 544,616 | 0.09% | \$42.33 | |
| 2012 | - | - | 52,423 | - | -0- | 52,423 | 0.01% | 4.10 | |
| 2013 | - | - | 584,106 | - | -0- | 584,106 | 0.09% | 46.15 | |
| 2014 | - | - | 426,925 | - | -0- | 426,925 | 0.07% | 33.73 | |
| 2015 | - | - | 280,360 | - | -0- | 280,360 | 0.05% | 22.15 | |
| 2016 | - | - | 143,646 | - | -0- | 143,646 | 0.02% | 2.82 | |
| 2017 | - | - | 7,111 | - | -0- | 7,111 | 0.00% | 0.14 | |
| 2018 | - | - | 3,602 | - | -0- | 3,602 | 0.00% | 0.07 | |
| 2019 | - | - | 67,720 | - | -0- | 67,720 | 0.01% | 1.27 | * |
| 2020 | - | - | 47,954 | - | -0- | 47,954 | 0.01% | 0.86 | * |

Source: District CAFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

* Current data unavailable

**North Warren Regional School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years - Blairstown Township**

Exhibit J-11

| General Bonded Debt Outstanding | | | | | |
|----------------------------------|--------------------------------|------------|---|--|-------------------------|
| Fiscal Year Ended June 30, | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | Per Capita ^b |
| 2011 | -0- | -0- | -0- | N/A | N/A |
| 2012 | -0- | -0- | -0- | N/A | N/A |
| 2013 | -0- | -0- | -0- | N/A | N/A |
| 2014 | -0- | -0- | -0- | N/A | N/A |
| 2015 | -0- | -0- | -0- | N/A | N/A |
| 2016 | -0- | -0- | -0- | N/A | N/A |
| 2017 | -0- | -0- | -0- | N/A | N/A |
| 2018 | -0- | -0- | -0- | N/A | N/A |
| 2019 | -0- | -0- | -0- | N/A | N/A |
| 2020 | -0- | -0- | -0- | N/A | N/A |

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

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

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

R Revised

* Current data unavailable

**North Warren Regional School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years - Frelinghuysen Township**

Exhibit J-11

| 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 | | |
| 2011 | -0- | -0- | -0- | N/A | N/A |
| 2012 | -0- | -0- | -0- | N/A | N/A |
| 2013 | -0- | -0- | -0- | N/A | N/A |
| 2014 | -0- | -0- | -0- | N/A | N/A |
| 2015 | -0- | -0- | -0- | N/A | N/A |
| 2016 | -0- | -0- | -0- | N/A | N/A |
| 2017 | -0- | -0- | -0- | N/A | N/A |
| 2018 | -0- | -0- | -0- | N/A | N/A |
| 2019 | -0- | -0- | -0- | N/A | N/A |
| 2020 | -0- | -0- | -0- | N/A | N/A |

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

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

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

R Revised

* Current data unavailable

**North Warren Regional School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years - Hardwick Township**

Exhibit J-11

| 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 | | |
| 2011 | -0- | -0- | -0- | N/A | N/A |
| 2012 | -0- | -0- | -0- | N/A | N/A |
| 2013 | -0- | -0- | -0- | N/A | N/A |
| 2014 | -0- | -0- | -0- | N/A | N/A |
| 2015 | -0- | -0- | -0- | N/A | N/A |
| 2016 | -0- | -0- | -0- | N/A | N/A |
| 2017 | -0- | -0- | -0- | N/A | N/A |
| 2018 | -0- | -0- | -0- | N/A | N/A |
| 2019 | -0- | -0- | -0- | N/A | N/A |
| 2020 | -0- | -0- | -0- | N/A | N/A |

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

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

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

R Revised

* Current data unavailable

**North Warren Regional School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years - Knowlton Township**

Exhibit J-11

| 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 | | |
| 2011 | -0- | -0- | -0- | N/A | N/A |
| 2012 | -0- | -0- | -0- | N/A | N/A |
| 2013 | -0- | -0- | -0- | N/A | N/A |
| 2014 | -0- | -0- | -0- | N/A | N/A |
| 2015 | -0- | -0- | -0- | N/A | N/A |
| 2016 | -0- | -0- | -0- | N/A | N/A |
| 2017 | -0- | -0- | -0- | N/A | N/A |
| 2018 | -0- | -0- | -0- | N/A | N/A |
| 2019 | -0- | -0- | -0- | N/A | N/A |
| 2020 | -0- | -0- | -0- | N/A | N/A |

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

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

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

R Revised

* Current data unavailable

**North Warren Regional School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2020**

Exhibit J-12

| <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 | | | |
| Constituent Townships | \$ 5,799,714 | 100% | \$ 5,799,714 |
| Other debt | | | |
| Warren County | 2,205,000 | 13.73% | <u>302,774</u> |
| Subtotal, overlapping debt | | | 6,102,488 |
| North Warren Regional School District Direct Debt | - | 100% | <u>-</u> |
| Total direct and overlapping debt | | | <u><u>\$ 6,102,488</u></u> |

Sources: Constituent Townships Finance Officers, Warren County Finance Office and Utility Authorities

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 district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

**North Warren Regional School District
Legal Debt Margin Information,
Last Ten Fiscal Years**

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2020

| | |
|---|------------------------------------|
| | Equalized valuation basis |
| | 2017 \$ 1,461,919,170 |
| | 2018 1,504,962,103 |
| | 2019 1,541,323,958 |
| | [A] <u>\$ 4,508,205,231</u> |
| Average equalized valuation of taxable property | [A/3] \$ 1,502,735,077 |
| Debt limit (3 % of average equalization value) | [B] 45,082,052 |
| Net bonded school debt | [C] - |
| Legal debt margin | [B-C] <u>\$ 45,082,052</u> |

| | Fiscal Year | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| Debt limit | \$55,398,387 | \$52,975,509 | \$50,239,027 | \$47,543,833 | \$45,748,349 | \$44,689,114 | \$44,521,045 | \$44,207,655 | \$44,440,349 | \$45,082,052 |
| Total net debt applicable to limit | <u>200,000</u> | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$55,198,387</u> | <u>\$52,975,509</u> | <u>\$50,239,027</u> | <u>\$47,543,833</u> | <u>\$45,748,349</u> | <u>\$44,689,114</u> | <u>\$44,521,045</u> | <u>\$44,207,655</u> | <u>\$44,440,349</u> | <u>\$45,082,052</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.36% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: Abstract of Ratables and District Records CAFR Schedule J-7

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

**North Warren Regional School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

| <u>Year</u> | <u>Population ^a</u> | <u>Personal Income (thousands of dollars) ^b</u> | <u>Per Capita Personal Income ^c</u> | <u>Unemployment Rate ^d</u> |
|-------------|--------------------------------|--|--|---|
| 2011 | 12,898 | \$ 588,883,986 | \$45,807 R | 9.1% |
| 2012 | 12,866 | \$ 602,501,914 | \$47,098 R | 8.9% |
| 2013 | 12,775 | \$ 603,797,600 | \$47,609 R | 6.6% |
| 2014 | 12,658 | \$ 615,153,484 | \$49,188 R | 5.9% |
| 2015 | 12,657 | \$ 637,609,032 | \$51,010 R | 5.1% |
| 2016 | 12,658 | \$ 651,304,732 | \$51,850 R | 4.5% |
| 2017 | 12,618 | \$ 649,246,572 | \$53,405 R | 4.1% |
| 2018 | 12,623 | \$ 649,503,842 | \$56,058 R | 3.8% |
| 2019 | 12,482 | \$ 668,173,942 * | \$56,058 * | 3.5% |
| 2020 | 12,411 | \$ 695,735,838 * | \$56,058 * | * |

Source:

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

^b Personal income provided by US Dept Commerce

^c Per Capita provided by NJ Dept of Labor

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

R Revised

P Projected

* Current data unavailable

**North Warren Regional School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

| Employer | 2020 | | | 2011 | | |
|-----------------------------|------------|-----------------|--------------------------------|-----------|-----------------|--------------------------------|
| | Employees | Rank (Optional) | Percentage of Total Employment | Employees | Rank (Optional) | Percentage of Total Employment |
| Blair Academy | 150 | 1 | N/A | - | N/A | |
| Gary W/ Gray Trucking | 150 | 2 | | - | | |
| A & P Food Store-Blairstown | 100 | 3 | | - | | |
| | | 4 | | - | | |
| | | 5 | | - | | |
| | | 6 | | - | | |
| | | 7 | | - | | |
| | | 8 | | - | | |
| | | 9 | | - | | |
| | | 10 | | - | | |
| | <u>400</u> | | | <u>-</u> | | |

Source: Warren County Chamber of Commerce

**North Warren Regional School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years**

Exhibit J-16

| <u>Function/Program</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instruction | | | | | | | | | | |
| Regular | 71.0 | 73.5 | 73.0 | 71.0 | 70.2 | 60.0 | 60.2 | 60.2 | 55.2 | 49.2 |
| Special education | 15.0 | 15.0 | 15.0 | 17.0 | 15.0 | 13.0 | 13.0 | 14.0 | 15.0 | 15.0 |
| Other special education | 4.0 | 4.0 | 10.0 | 10.0 | 10.0 | 8.0 | 8.0 | 9.0 | 10.0 | 8.0 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 19.0 | 22.0 | 22.0 | 22.0 | 21.0 | 20.4 | 20.8 | 20.8 | 20.8 | 19.7 |
| General administrative services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| School administrative services | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 6.8 | 6.8 | 6.8 | 6.6 |
| Business administrative services | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 2.5 | 2.5 | 2.5 | 2.5 | 3.0 |
| Plant operations and maintenance | 10.0 | 10.0 | 9.0 | 9.0 | 9.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Pupil transportation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 131.0 | 136.5 | 141.0 | 141.0 | 137.2 | 120.4 | 120.8 | 122.8 | 119.8 | 111.0 |

Source: District Personnel Records

North Warren Regional School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

| <u>Fiscal Year</u> | <u>Enrollment</u> | <u>Operating Expenditures^a</u> | <u>Cost Per Pupil</u> | <u>Percentage Change</u> | <u>Teaching Staff^b</u> | <u>Pupil/Teacher Ratio</u> | <u>Average Daily Enrollment (ADE)^c</u> | <u>Average Daily Attendance (ADA)^c</u> | <u>% Change in Average Daily Enrollment</u> | <u>Student Attendance Percentage</u> |
|--------------------|-------------------|---|-----------------------|--------------------------|-----------------------------------|----------------------------|---|---|---|--------------------------------------|
| 2011 | 1,086 | \$ 16,180,009 | \$ 14,899 | 0.83% | 100 | 10.5:1 | 1,051.6 | 988.0 | -4.66% | 94.0% |
| 2012 | 1,031 | 16,705,227 | 16,203 | 8.75% | 105 | 9.9:1 | 995.2 | 943.6 | -5.36% | 94.8% |
| 2013 | 1,029 | 17,169,651 | 16,686 | 2.98% | 106 | 9.7:1 | 993.9 | 938.4 | -0.13% | 94.4% |
| 2014 | 992 | 17,520,072 | 17,661 | 5.85% | 106 | 9.4:1 | 963.8 | 911.3 | -3.03% | 94.6% |
| 2015 | 946 | 18,068,793 | 19,100 | 8.15% | 107 | 8.8:1 | 916.8 | 873.8 | -4.87% | 95.3% |
| 2016 | 925 | 17,953,783 | 19,409 | 1.62% | 101.4 | 9.1:1 | 884.1 | 839.6 | -3.57% | 95.0% |
| 2017 | 911 | 18,449,623 | 20,252 | 4.34% | 102.0 | 8.9:1 | 873.7 | 825.3 | -1.18% | 94.5% |
| 2018 | 848 | 19,479,283 | 22,971 | 13.42% | 104.0 | 8.2:1 | 858.0 | 797.3 | -1.80% | 92.9% |
| 2019 | 826 | 19,997,885 | 24,211 | 5.40% | 101.0 | 8.2:1 | 789.0 | 749.0 | -8.04% | 94.9% |
| 2020 | 767 | 18,430,528 | 24,029 | -0.75% | 95.0 | 8.1:1 | 751.0 | 715.0 | -4.82% | 95.2% |

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**North Warren Regional School District
 School Building Information
 Last Ten Fiscal Years**

Exhibit J-18

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>District Building</u> | | | | | | | | | | |
| <u>High School</u> | | | | | | | | | | |
| Square Feet | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 |
| Capacity (Students) | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 |
| Enrollment | 1,086 | 1,031 | 1,029 | 992 | 946 | 925 | 911 | 848 | 826 | 767 |

Number of Schools at June 30, 2020
 High School = 1

Source: District records, ASSA

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

* Functional Educational Capacity. Fluctuation in capacity based on change in State of New Jersey formula.

NORTH WARREN REGIONAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2020

Exhibit J-19

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

| <u>School Facilities</u> | <u>Project #</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>Total</u> |
|------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| North Warren Regional School | | \$ 337,089 | \$ 258,946 | \$ 225,397 | \$ 471,136 | \$ 317,468 | \$ 241,595 | \$ 310,157 | \$ 297,053 | \$ 344,525 | \$ 299,120 | \$ 3,102,486 |
| Total School Facilities | | 337,089 | 258,946 | 225,397 | 471,136 | 317,468 | 241,595 | 310,157 | 297,053 | 344,525 | 299,120 | 3,102,486 |
| Other Facilities | | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Grand Total | | <u>\$ 337,089</u> | <u>\$ 258,946</u> | <u>\$ 225,397</u> | <u>\$ 471,136</u> | <u>\$ 317,468</u> | <u>\$ 241,595</u> | <u>\$ 310,157</u> | <u>\$ 297,053</u> | <u>\$ 344,525</u> | <u>\$ 299,120</u> | <u>\$ 3,102,486</u> |

NORTH WARREN REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2020

UNAUDITED

Exhibit J-20

| <u>POLICY TYPE</u> | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> |
|--|-------------------|-------------------|
| PROPERTY SECTION - | | |
| Property-Blanket Building and Contents | \$ 500,000,000 | \$ 1,000 |
| Accounts Receivable | In Blanket Amount | 1,000 |
| Automobile Physical Damage | In Blanket Amount | 1,000 |
| Builders Risk | 25,000,000 | 1,000 |
| Electronic Data Processing Equipment | In Blanket Amount | 1,000 |
| Fines Arts Coverage | 2,500,000 | 1,000 |
| LIABILITY SECTION - | | |
| Comprehensive General Liability (Per Occ) | 10,000,000 | None |
| Automobile Liability | 10,000,000 | None |
| Employee Benefit Liability | 10,000,000 | 1,000 |
| WORKERS' COMPENSATION - | | |
| Employers Liability | 5,000,000 | None |
| Supplemental Coverage | Included | None |
| SCHOOL BOARD LEGAL LIABILITY POLICY - | | |
| First Layer | 5,000,000 | 10,000 |
| Excess Limits | 1,000,000 | None |
| CRIME - | | |
| Blanket Employee Dishonesty | 400,000 | 1,000 |
| Forgery | 50,000 | 1,000 |
| ENVIRONMENTAL IMPAIRMENT LIABILITY | | |
| Limit of Liability | 1,000,000 | Each Claim |
| INDIVIDUAL BONDS:(Not in SAIF) | | |
| Chris Heagele (BA) | 250,000 | None |
| Randy Wilson (Treasurer of School Monies) | 250,000 | None |

SOURCE: District Records

Single Audit Section

ARDITO & COMPANY LLC



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Anthony Ardito, CPA, RMA, CMFO, PSA

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 Auditor's Report

Honorable President and
 Members of the Board of Education
 North Warren Regional School District
 County of Warren
 Blairstown, New Jersey 07825

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the North Warren Regional School District Board of Education's basic financial statements, and have issued our report thereon dated December 9, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

-Continued-

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

Compliance and Other Matters

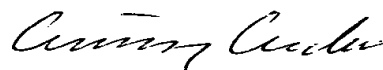
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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



ARDITO & COMPANY LLC
December 9, 2020



Licensed Public School Accountant No.2369

ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA



Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB Circular 15-08

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 North Warren Regional School District
 County of Warren
 Blairstown, New Jersey 07825

Report on Compliance for Each Major State Program

We have audited the North Warren Regional School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2020. The North Warren Regional School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

-Continued-

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major state Program

In our opinion, the North Warren Regional School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the North Warren Regional School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the North Warren Regional School District Board of Education's internal control over compliance.

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

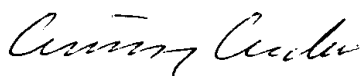
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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 New Jersey OMB Circulars 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.



ARDITO & COMPANY LLC

December 9, 2020



Licensed Public School Accountant No.2369

NORTH WARREN REGIONAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2020

Schedule A

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA No. | FAIN Number | Program or Award Amount | Grant Period | | Balance At June 30, 2019 | Carryover/ Walkover Amount | Cash Received | Budgetary Expend. | Adjust. | Repayment of Prior Years' Balances | Balance at June 30, 2020 | | | Cumulative Total Expenditures |
|---|---------------------|----------------|-------------------------------|--------------|----------|--------------------------------|----------------------------------|-------------------|----------------------|----------|---|--------------------------|---------------------|-------------------|-------------------------------------|
| | | | | From | To | | | | | | | Accounts Receivable | Deferred Revenue | Due to Grantor | |
| U.S. Department of Treasury | | | | | | | | | | | | | | | |
| Passed-through State | | | | | | | | | | | | | | | |
| Department of Education: | | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | | |
| COVID-19 Coronavirus Relief Fund Grant | 21.019 | TBD | \$ 31,416 | 3/01/20 | 12/30/20 | | | | \$ (31,293) | | | \$ (31,416) | \$ 123 | | \$ 31,293 |
| Total CARES | | | | | | - | - | - | (31,293) | - | - | (31,416) | 123 | - | 31,293 |
| U.S. Department of Education | | | | | | | | | | | | | | | |
| Passed-through State | | | | | | | | | | | | | | | |
| Department of Education: | | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic Regular Special Education Cluster | 84.027 | H027A190100 | 236,822 | 7/1/19 | 6/30/20 | | | \$ 236,822 | (236,822) | | | - | | | 236,822 |
| | | | | | | - | - | 236,822 | (236,822) | - | - | - | - | - | 236,822 |
| Title I | 84.010 | S010A180030 | 63,854 | 7/1/18 | 6/30/19 | \$ (46,986) | | 46,986 | | | | - | | | 63,854 |
| Title I | 84.010 | S010A190030 | 41,693 | 7/1/19 | 6/30/20 | | | 41,693 | (41,693) | | | - | - | | 41,693 |
| Title II Part A | 84.367 | S367B180027 | 18,415 | 7/1/18 | 6/30/19 | (18,415) | | 18,415 | | | | - | | | 18,415 |
| Title II Part A | 84.367 | S367B190027 | 14,749 | 7/1/19 | 6/30/20 | | | 14,749 | (14,749) | | | - | | | 14,749 |
| Title IV | 84.424A | S424B190027 | 10,000 | 7/1/19 | 6/30/20 | | | 10,000 | (10,000) | | | - | | | 10,000 |
| Total ESEA | | | | | | (65,401) | - | 131,843 | (66,442) | - | - | - | - | - | 148,711 |
| Perkins IV - Career and Technical Ed.-Federal | 84.048 | V048A180030 | 10,491 | 7/1/18 | 6/30/19 | (3,315) | | 3,315 | | | | - | | | 10,491 |
| Perkins IV - Career and Technical Ed.-Federal | 84.048 | V048A190030 | 9,074 | 7/1/19 | 6/30/20 | | | 3,827 | (3,827) | | | - | | | 3,827 |
| Total Perkins Grant | | | | | | (3,315) | - | 7,142 | (3,827) | - | - | - | - | - | 14,318 |
| COVID-19 CARES Emergency Relief Grant | 84.425D | S425D200027 | 41,063 | 3/13/20 | 9/30/22 | | | | (12,215) | | | (41,063) | 28,848 | | 12,215 |
| Total CARES | | | | | | - | - | - | (12,215) | - | - | (41,063) | 28,848 | - | 12,215 |
| Total Special Revenue Fund | | | | | | (68,716) | - | 375,807 | (350,599) | - | - | (72,479) | 28,971 | - | 443,359 |
| U.S. Dept. of Agricul. Passed-Through | | | | | | | | | | | | | | | |
| Passed Through State Dept. of Ed. | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | | | | |
| National School Lunch Program (Food Distribution) | 10.555 | 191NJ304N1099 | 7,558 | 7/1/18 | 6/30/19 | 3,963 | | | (3,963) | | | | | | 7,558 |
| National School Lunch Program (Food Distribution) | 10.555 | 201NJ304N1099 | 4,544 | 7/1/19 | 6/30/20 | | | 4,544 | (856) | | | \$ 3,688 | | | 856 |
| National School Lunch Program | 10.555 | 191NJ304N1099 | 37,045 | 7/1/18 | 6/30/19 | (1,203) | | 1,203 | | | | | | | 37,045 |
| National School Lunch Program | 10.555 | 201NJ304N1099 | 25,899 | 7/1/19 | 6/30/20 | | | 25,648 | (25,899) | | | (251) | | | 25,899 |
| Total Enterprise Fund | | | | | | 2,760 | | 31,395 | (30,718) | | | (251) | 3,688 | | 71,358 |
| Total Federal Financial Awards | | | | | | \$ (65,956) | - | \$ 407,202 | \$ (381,317) | - | - | \$ (72,730) | \$ 32,659 | - | \$ 514,717 |

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.
The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NORTH WARREN REGIONAL SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2020

Schedule B

| STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE | GRANT OR STATE PROJECT NUMBER | GRANT PERIOD | AWARD AMOUNT | BALANCE 6/30/2019 | CARRY- OVER AMOUNT | CASH RECEIVED | BUDGET. EXPEND. | REPAYMENT OF PRIOR YEARS' BALANCES | BALANCE AT JUNE 30, 2020 | | | MEMO | | | |
|---|----------------------------------|----------------|-----------------|----------------------|--------------------------|---------------------|-----------------------|---|---|----------------------|-------------------|-------------------------|--------------------------------|---------------------|--|
| | | | | | | | | | DEFER. REVENUE/ (ACCTS. RECEIV.) | INTERFUND PAYABLE | DUE TO GRANTOR | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPEND. | | |
| State Department of Education: | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | |
| Equalization Aid | 20-495-034-5120-078 | 7/1/19-6/30/20 | \$ 3,710,618 | | | \$ 3,710,618 | \$ (3,710,618) | | | | | | | | |
| School Choice Aid | 20-495-034-5120-084 | 7/1/19-6/30/20 | 14,164 | | | 14,164 | (14,164) | | | | | | | | |
| Transportation Aid | 20-495-034-5120-014 | 7/1/19-6/30/20 | 24,106 | | | 24,106 | (24,106) | | | | | | | | |
| Special Education Aid | 20-495-034-5120-089 | 7/1/19-6/30/20 | 607,635 | | | 607,635 | (607,635) | | | | | | | | |
| Security Aid | 20-495-034-5120-084 | 7/1/19-6/30/20 | 79,019 | | | 79,019 | (79,019) | | | | | | | | |
| Extra-Ordinary Aid | 20-495-034-5120-044 | 7/1/19-6/30/20 | 199,743 | | | | (199,743) | | | \$ (199,743) | | | | | |
| Extra-Ordinary Aid | 19-495-034-5120-044 | 7/1/18-6/30/19 | 263,129 | \$ (263,129) | | 263,129 | | | | | | | | | |
| Non-Public Transportation Aid | 20-100-034-5120-068 | 7/1/19-6/30/20 | 4,844 | | | | (4,844) | | | (4,844) | | | | | |
| Non-Public Transportation Aid | 19-100-034-5120-068 | 7/1/18-6/30/19 | 14,050 | (14,050) | | 14,050 | | | | | | | | | |
| On-behalf TPAF Pension | 20-495-034-5094-002 | 7/1/19-6/30/20 | 1,419,711 | | | 1,419,711 | (1,419,711) | | | | | | | | |
| On-behalf TPAF Pension PMR | 20-495-034-5094-001 | 7/1/19-6/30/20 | 526,687 | | | 526,687 | (526,687) | | | | | | | | |
| On-Behalf TPAF Pension LTD Ins | 20-495-034-5094-004 | 7/1/19-6/30/20 | 1,045 | | | 1,045 | (1,045) | | | | | | | | |
| Reimb.TPAF Soc.Sec.Contrib. | 20-495-034-5094-003 | 7/1/19-6/30/20 | 493,717 | (19,550) | | 494,354 | (493,717) | | | (18,913) | | | | | |
| Total General Fund | | | | (296,729) | | 7,154,518 | (7,081,289) | | | (223,500) | | | 487,497 | 7,358,468 | |
| State Department of Agriculture: | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | |
| Nat. School Lunch Prog. (State Share) | 20-100-010-3350-023 | 7/1/19-6/30/20 | 1,245 | | | 1,241 | (1,245) | | | (4) | | | | | |
| Nat. School Lunch Prog. (State Share) | 19-100-010-3350-023 | 7/1/18-6/30/19 | 1,681 | (54) | | 54 | | | | | | | | | |
| Total Enterprise Fund | | | | (54) | | 1,295 | (1,245) | | | (4) | | | | 2,926 | |
| Total State Financial Assistance | | | | \$ (296,783) | | \$ 7,155,813 | \$ (7,082,534) | | | \$ (223,504) | | | \$ 487,497 | \$ 7,361,394 | |

Less On-behalf TPAF Pension Amounts:

| | |
|--------------------------------|-----------|
| On-behalf TPAF Pension | 1,419,711 |
| On-behalf TPAF Pension PMR | 526,687 |
| On-Behalf TPAF Pension LTD Ins | 1,045 |

Total State Expenditures Subject to Major Program Determination \$ (5,135,091)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, North Warren Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$75,657 for the general fund and \$-0- 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 revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 3. (Continued)

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|-------------------|---------------------|---------------------|
| General Fund | - | \$ 7,156,946 | \$ 7,156,946 |
| Special Revenue Fund | \$ 350,599 | - | 350,599 |
| Food Service Fund | <u>30,718</u> | <u>1,245</u> | <u>31,963</u> |
| Total Financial Assistance | <u>\$ 381,317</u> | <u>\$ 7,158,191</u> | <u>\$ 7,539,508</u> |

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes None Reported

Noncompliance material to financial statements noted? ___ Yes No

Federal Awards

Not Applicable

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? ___ Yes ___ No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>FEIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|-----------------------|---|
| N/A | | |
| | | |
| | | |

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? ___ yes ___ no

NORTH WARREN REGIONAL
SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results - (Continued)

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x yes no

Internal Control over major programs:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes x none

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

20-495-034-5120-078

Equalization Aid (State Aid Cluster)

20-495-034-5094-003

Reimb.TPAF Soc.Sec.Contrib.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section II-Financial Statement Findings

None

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with *Government Auditing Standards*.

Section III - State Financial Assistance Findings and Questioned Costs

None

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable. There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 15-08.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATUS OF PRIOR YEAR FINDINGS

None

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.