

**SCHOOL DISTRICT OF  
WARREN HILLS REGIONAL**

**Warren Hills Regional School District  
Washington, New Jersey**

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

**Comprehensive Annual  
Financial Report**

**of the**

**Warren Hills Regional School District  
Board of Education**

**Washington, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Warren Hills Regional School District  
Board of Education**

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INTRODUCTORY SECTION

# WARREN HILLS REGIONAL SCHOOL DISTRICT

89 Bowerstown Road  
Washington, New Jersey 07882

Phone 908-689-3143  
Fax 908-689-4814



Earl C. Clymer  
Superintendent of Schools

Donnamarie Palmiere  
Business Administrator

[www.warrenhills.org](http://www.warrenhills.org)

November 10, 2020

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

Dear Board Members:

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

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

1) REPORTING ENTITY AND ITS SERVICES: The Warren Hills Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Warren Hills Regional Board of Education and all its schools constitute the District's reporting entity.

The Warren Hills Regional School District provides educational services for students in grades 7 through 12 for the constituent districts of Franklin Township, Mansfield Township, Washington Borough and Washington Township, as well as 9<sup>th</sup> through 12<sup>th</sup> grade students from Oxford under a sending/receiving relationship. A full range of educational programs are provided for all students, including pre-vocational programs, as well as special education services and programs. Enrollment varies slightly year to year. From the demographic reports we receive from the constituent and sending districts, we can see only one spike in the enrollment forecast. No large scale housing developments are projected in the near future. What we are seeing is the sporadic construction of individual homes or small developments.

2) ECONOMIC CONDITION AND OUTLOOK: During the 2019-20 school year, we were able to maintain the economic condition of the District. Taxpayers benefit by the fact that our budget can only increase by the maximum allowable percent permitted by the state. Because these increases are at or below the cost of living and state aid increases are comparable, each year we are in a position whereby we must continue to find ways to make the revenue we currently have go further. Since our major expenditures are fixed costs such as salaries and health benefits, and health benefits increases are beyond the cost of living, we are forced to reach into the budget and cut other items. These cuts typically affect our program negatively.

Over the course of past years, we have been able to develop a Capital Reserve which is a safety net for the District in the event that facility failure occurs. Despite all of these concerns, we have been able to manage with the available resources and continue to offer an excellent program for our students.

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS: In the 2019-20 school year, we maintained the district focus on Professional Learning Communities (PLC's) implementation, utilized LinkIt and IXL software for Data analysis, provided time for implementation of best instructional practices and strategies and increased collaboration among faculty and administration. Additional in-district and out-of-state professional development opportunities were provided to administration and faculty. We also added career pathways to enhance our Concurrent Enrollment course offerings. We maintained our partnership with Centenary University to provide a second concurrent enrollment course, Social Media Marketing II. Additional courses were awarded dual enrollment status with Warren County Community College. Our main task was transitioning from in-person to remote learning due the COVID-19 pandemic. The transition to remote, use of our 1:1 laptop initiative, use of digital/virtual meetings and lessons provided a pathway for summer professional development opportunities for our faculty and staff.

The district successfully completed the New Jersey Quality Single Accountability Continuum (QSAC) evaluation process for the second straight school year in a row. The district supplied rationale, documentation and supportive evidence to earn passing scores except in the area of Instruction & Program due to test scores.

As for the *Five-Year Curriculum Renewal Plan 2016-2021*, the district continued its fiscal commitment to curricula review. In general, the renewal plan describes the district's policies that relate to the curriculum content, development, course adoption, course guides, and textbook adoption; describes the five phases of the curriculum renewal process; delineates a specific action plan; provides a Curricula Master Plan 2016-2021 by departments and by courses; and explains the tools in ATLAS [the online curriculum mapping software management system] and their utilization in the curriculum revision process. As a result of the plan, by June 2020, teachers, administrators, and board of education members reviewed and approved new textbooks for several courses for the upcoming 2020-2021 school year. Many of the new materials included online editions, along with ancillary materials for teachers and students.

Our district supervisors for Math & Science and English Language Arts & Social Studies supported multiple Warren County Cluster Articulation meetings to support our Mathematics Action Plan and Achievement on ELA standardized assessments. The articulation involved textbook reviews, best practices and strategies for lessons and lesson implementation, common assessments and the creation of cluster PLC's to support faculty professional development.

Our district offers 15 AP courses across our curricular offerings. Faculty have completed all training required by the college board and participate in a district-wide AP PLC team to enhance teacher effectiveness and student achievement. The district has purchased the *Albert i.o.* software which monitors and evaluates student performance on AP style questions. Faculty have time to collaborate and discuss student results.



The Honorable President and Members of  
the Board of Education  
Warren Hills Regional School District  
Page 3  
November 10, 2020

As for professional development, the WHRSD's Board of Education provided three full-days of professional development and five half-days of professional development for the faculty to work on district initiatives: New Jersey Student Learning Standards across disciplines, ATLAS curriculum mapping, interactive white board technology, co-teaching strategies, differentiated instruction, web page design, blogging, and podcasting. Several of the presenters were in-house members who turn-keyed the training.

Several professional development trainings targeted specific areas. These include, but are not limited to the following workshops and conferences attended by administrators and/or teachers: New Jersey Literacy Consortium; IPAD Apps for Content Area Instruction; Integration of the NJSL, 1:1 Technology implementation, Flipped Classroom Model, Teaching in a Remote Environment and the Marzano Teacher Evaluation Model; Legal Topics such as School Ethics, use of Social Media, Governance and Student and Staff Responsibilities; NJ Holocaust Commission Conference; Computer Science Conference; STEM Integration; National Writing Project, and many more.

Our 1:1 laptop initiative was expanded to a district-wide model and all students have been given a chromebook. During the school year, several teachers continued to investigate and integrate computer-based skills needed for the standardized and classroom assessments. "Lightning PD" sessions have been offered to teachers to integrate the technology standards and activities. Also, we have added a student help desk to address issues related to the Chromebooks.

Multiple facilities projects were completed to enhance the learning environment for our students and provide fiscal savings for the district. We completed a new security office in the 500 wing of the high school. Middle School classroom doors were replaced with new locking hardware. The dam located on the property of the Administration Building was taken out of commission and removed. The athletic field turf was replaced.

As for the district's Advanced Placement courses, Warren Hills offered 15 Advanced Placements (AP) courses, more than any other high school in Warren County. A faculty driven AP PLC was established to enhance student achievement. Professional development included learning a new AP resource, *Albert.io*, wherein AP teachers assigned levels of difficulty and simulated AP questions. If a student missed a question, this resource identified why each selection was wrong and why the one selected was the best answer.

At every Board of Education meeting during the Superintendent's Report, Superintendent Earl C. Clymer, III presented the "Good News" that summarizes the major accomplishments of students and staff. Student reports and presentations were a focus of most Board of Education (BOE) meetings in an effort to achieve goals set by the BOE to showcase student achievements. Afterwards, the report is posted on the district's website, [www.warrenhills.org](http://www.warrenhills.org), wherein the school community and the public can review the achievements in all areas, be it music, athletics, computer science, FFA, theater, film, debate, literacy, and more. [Please refer to the Superintendent's Report for a more thorough overview.]

In summary, at the Warren Hills Regional School District, the teachers are talented, the students excel, and the programs are exemplary.

Our mission statement remains, "The Warren Hills Regional School District challenges and empowers a dynamic, diverse student body in a supportive learning environment by providing academic and co-curricular opportunities to become successful, productive members of the global community."

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2020.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

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

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

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members.

9) OTHER INFORMATION:

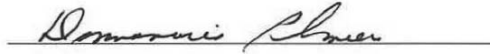
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed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

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Warren Hills Regional High School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

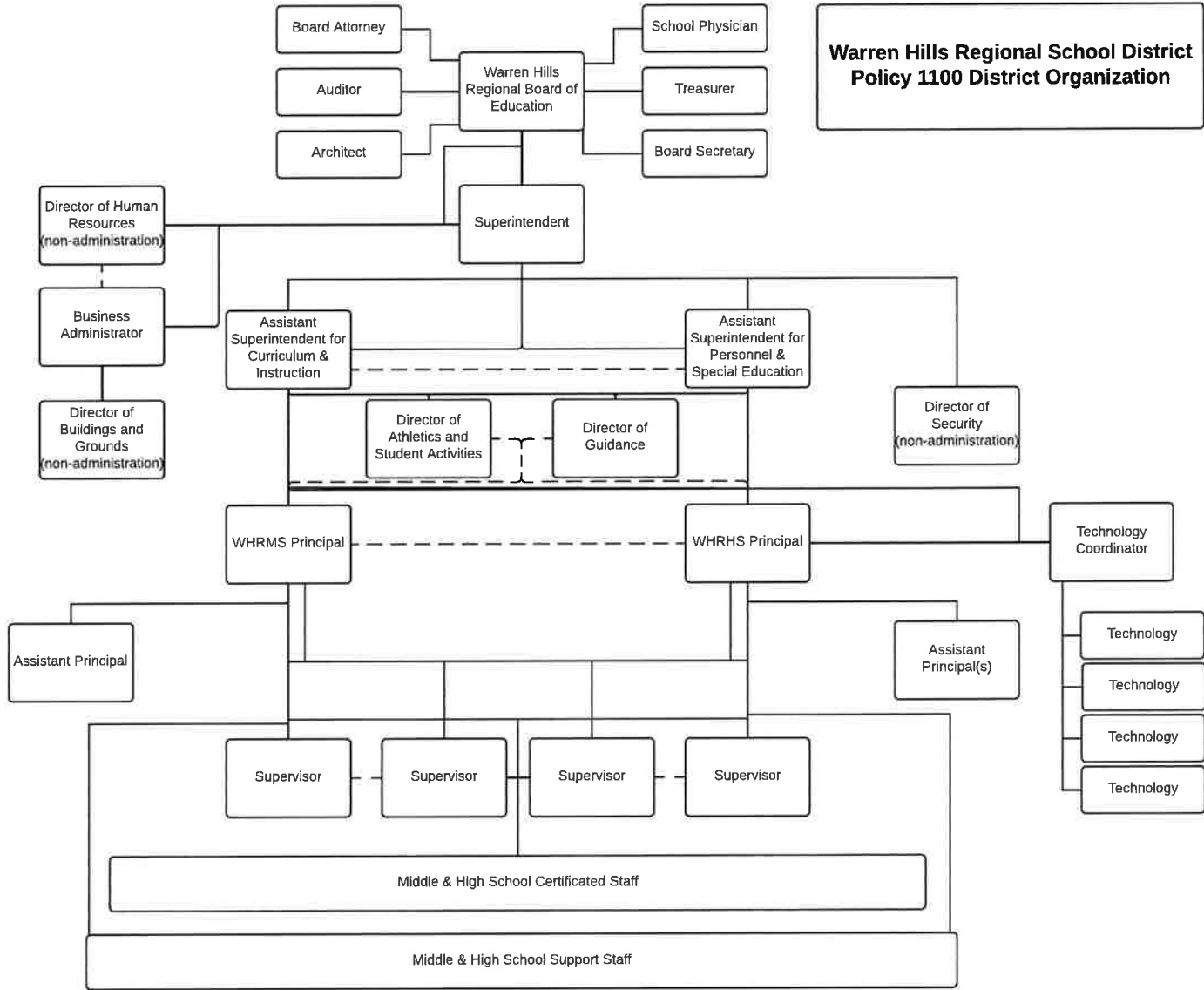


Earl C. Clymer III  
Superintendent



Donnamarie Palmiere  
Business Administrator/Board Secretary

**Warren Hills Regional School District  
Policy 1100 District Organization**



**WARREN HILLS REGIONAL SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Christopher Hamler, President	2020
Corey Piasecki, Vice President	2020
Joseph Bodenschatz	2021
Christopher Cannavo	2020
Sam Knutson	2021
Lisa Marshall	2020
Sherri Musick	2021
Christina Pi	2021
Eric Walls	2019

Other Officers

Earl C. Clymer III, Superintendent  
Donnamarie Palmiere, Board Secretary/School Business Administrator  
Judith Favino, Treasurer

**WARREN HILLS REGIONAL SCHOOL DISTRICT**  
**Consultants and Advisors**  
**June 30, 2020**

**Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856

**Architect**

Design Resources Group Architects, AIA, Inc.  
200 Franklin Square Drive  
Suite 402  
Somerset, NJ 08873

**Attorneys**

Schenck, Price, Smith and King  
220 Park Avenue, PO Box 991  
Florham Park, NJ 07932

Wilentz, Goldman and Spitzer  
90 Woodbridge Center Drive  
Suite 900, Box 10  
Woodbridge, NJ 07095

**Official Depositories**

PNC Bank  
25 West Washington Avenue  
Washington, NJ 07882

Investors Savings Bank  
388 State Route 57  
Washington, NJ 07882

FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren Hills Regional School District (the "District") in the County of Warren, as of and for the fiscal 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.

### ***Auditors' 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, 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 from 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. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren Hills Regional School District, in the County of Warren, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-employment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards 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 other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 10, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*

NISIVOCCIA LLP

*Man C Lee*

---

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

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

This section of Warren Hills Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

**Figure A-1**

### Organization of the School District's Financial Report

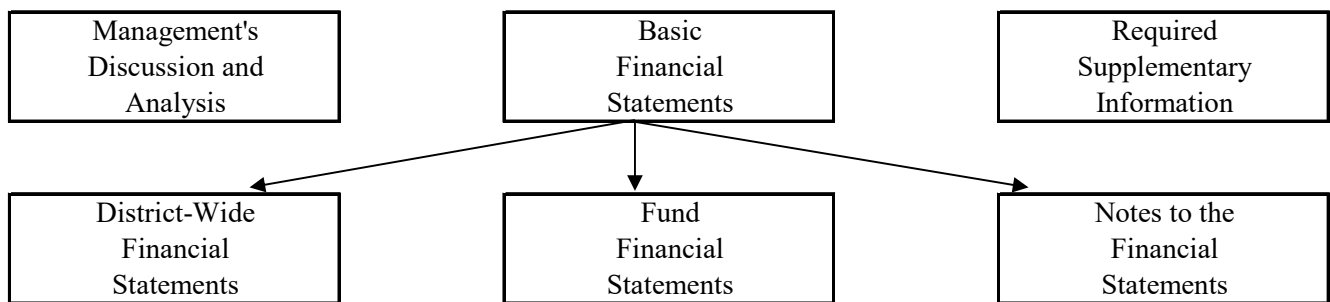


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

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

## ***District-wide Statements***

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

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

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

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

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

## ***Fund Financial Statements***

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

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

The District has three kinds of funds:

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

excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

*Notes to Basic Financial Statements:* Provide additional information essential to a full understanding of the District-wide and fund financial statements.

### Financial Analysis of the District as a Whole

*Net Position.* The net position from governmental activities increased by \$182,698 and the net position from business-type activities decreased by \$17,123. Total combined net investment in capital assets increased by \$1,393,963, restricted net position decreased by \$1,774,539, and unrestricted net position increased by \$546,151.

Figure A-3

#### Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	Change 2019/20
Current and							
Other Assets	\$ 8,381,729	\$ 7,249,577	\$ 241,822	\$ 233,506	\$ 8,623,551	\$ 7,483,083	
Capital Assets, Net	47,888,240	47,261,401	156,203	151,198	48,044,443	47,412,599	
Total Assets	<u>56,269,969</u>	<u>54,510,978</u>	<u>398,025</u>	<u>384,704</u>	<u>56,667,994</u>	<u>54,895,682</u>	-3.13%
Deferred Outflows of							
Resources	2,394,003	1,593,854			2,394,003	1,593,854	-33.42%
Other Liabilities	740,946	943,170	13,148	16,950	754,094	960,120	
Long-Term Liabilities	24,861,054	21,954,193			24,861,054	21,954,193	
Total Liabilities	<u>25,602,000</u>	<u>22,897,363</u>	<u>13,148</u>	<u>16,950</u>	<u>25,615,148</u>	<u>22,914,313</u>	-10.54%
Deferred Inflows of							
Resources	2,889,120	2,851,919			2,889,120	2,851,919	-1.29%
Net Position:							
Net Investment in							
Capital Assets	32,516,063	33,915,031	156,203	151,198	32,672,266	34,066,229	
Restricted	7,092,172	5,317,633			7,092,172	5,317,633	
Unrestricted/(Deficit)	<u>(9,435,383)</u>	<u>(8,877,114)</u>	<u>228,674</u>	<u>216,556</u>	<u>(9,206,709)</u>	<u>(8,660,558)</u>	
Total Net Position	<u>\$ 30,172,852</u>	<u>\$ 30,355,550</u>	<u>\$ 384,877</u>	<u>\$ 367,754</u>	<u>\$ 30,557,729</u>	<u>\$ 30,723,304</u>	0.54%

*Changes in Net Position.* The District's combined net position was \$30,723,304 on June 30, 2020, \$165,575 or 0.54% more than it was the year before (see Figure A-4). The increase in net investment in capital assets is due to the maturity of \$1,690,000 of serial bonds payable, a paydown in capital lease principal of \$335,807 and \$1,627,064 in capital assets additions; offset by \$2,258,908 in depreciation expense. The decrease in restricted net position is due primarily to a decrease in Capital Reserve. The increase in unrestricted net position is due primarily to an increase in General Fund encumbrances at year end and a decrease in net pension liability; offset by the changes in deferred outflows and deferred inflows related to pensions.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	Change 2019/20
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,148,606	\$ 2,246,274	\$ 422,737	\$ 337,620	\$ 2,571,343	\$ 2,583,894	
Operating Grants and Contributions	11,065,769	11,094,200	168,910	150,190	11,234,679	11,244,390	
General Revenue:							
Property Taxes	24,232,031	24,723,388			24,232,031	24,723,388	
Unrestricted State Aid	9,454,395	9,368,456			9,454,395	9,368,456	
Other	302,654	173,361	3,045	2,628	305,699	175,989	
Total Revenue	<u>47,203,455</u>	<u>47,605,679</u>	<u>594,692</u>	<u>490,438</u>	<u>47,798,147</u>	<u>48,096,117</u>	0.62%
Expenses:							
Instruction	25,027,869	25,943,092			25,027,869	25,943,092	
Pupil and Instruction Services	8,355,724	9,051,431			8,355,724	9,051,431	
Administrative and Business	4,009,655	4,031,220			4,009,655	4,031,220	
Maintenance and Operations	3,807,849	3,667,671			3,807,849	3,667,671	
Transportation	2,308,667	2,238,320			2,308,667	2,238,320	
Other	2,417,539	2,491,247	584,899	507,561	3,002,438	2,998,808	
Total Expenses	<u>45,927,303</u>	<u>47,422,981</u>	<u>584,899</u>	<u>507,561</u>	<u>46,512,202</u>	<u>47,930,542</u>	3.05%
Increase in Net Position	<u>\$ 1,276,152</u>	<u>\$ 182,698</u>	<u>\$ 9,793</u>	<u>\$ (17,123)</u>	<u>\$ 1,285,945</u>	<u>\$ 165,575</u>	-87.12%

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District improved. However, maintaining existing programs with a slight decrease in enrollment and the provision of special programs and services for disabled pupils, combined with rising salary and benefit costs, school security, out of district tuitions, state mandates on testing and energy costs place great demands on the District's resources.

Careful management of expenses and increases in revenues remains essential for the District to sustain its financial health. The District continues to receive the benefit of cost saving measures from the past few years, especially the energy conservation measures and insurance changes.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, activities, small class sizes and programs must be evaluated thoroughly. District resources are at their tightest level in a decade. Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:



**Figure A-5**

**Net Cost of Governmental Activities**

Expense Category:	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2018/19	2018/19	2019/20	2019/20
Instruction	\$ 25,027,869	\$ 14,369,923	\$ 25,943,092	\$ 15,284,451
Pupil and Instruction Services	8,355,724	6,977,359	9,051,431	7,616,031
Administrative and Business	4,009,655	3,482,209	4,031,220	3,444,188
Maintenance and Operations	3,807,849	3,807,849	3,667,671	3,667,671
Transportation	2,308,667	1,658,049	2,238,320	1,578,919
Other	2,417,539	2,417,539	2,491,247	2,491,247
	<u>\$ 45,927,303</u>	<u>\$ 32,712,928</u>	<u>\$ 47,422,981</u>	<u>\$ 34,082,507</u>

***Business-Type Activities***

Net position from the District’s business-type activity decreased by \$17,123. (Refer to Figure A-4). This was primarily due to a decrease in subsidy reimbursements as a result of a decrease in the number of meals claimed during the COVID-19 unanticipated school closure.

**Financial Analysis of the District’s Funds**

The District’s financial position decreased on a fund basis primarily due to capital outlay costs for a roof replacement and turf field replacement at the high school.

Special education costs continue to rise as we move to control outside placements as well as mandated services to in-house students. A major concern for the community is that the burden of the rising cost of education is focused on taxpayers to support their local schools. Despite these concerns, the Warren Hills Regional Board of Education is committed to maintaining fiscal responsibility as well as achieving educational excellence for all the students of the District.

To maintain a stable financial position, the District must continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs and seeking additional sources of revenue.

## General Fund Budgetary Highlights

- Over the course of the year, the District revised the annual operating budget several times. These budget amendments were due to changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

## Capital Asset and Long-Term Liabilities

Figure A-6

	Capital Assets (Net of Depreciation)						Percentage Change 2019/20
	Governmental Activities		Business-Type Activities		Total School District		
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	
Sites	\$ 443,166	\$ 443,166			\$ 443,166	\$ 443,166	
Site Improvements	854,399	1,290,357			854,399	1,290,357	
Buildings and Building Improvements	45,161,163	44,284,371	\$ 107,774	\$ 102,517	45,268,937	44,386,888	
Furniture, Machinery and Equipment	1,429,512	1,243,507	48,429	48,681	1,477,941	1,292,188	
Total Capital Assets (Net of Depreciation)	<u>\$ 47,888,240</u>	<u>\$ 47,261,401</u>	<u>\$ 156,203</u>	<u>\$ 151,198</u>	<u>\$ 48,044,443</u>	<u>\$ 47,412,599</u>	-1.32%

During the fiscal year, the District acquired or constructed \$1,615,356 in capital additions from its governmental activities (which included capital outlay expenses for the middle school interior door replacement, improvements to the high school security office, the high school turf replacement and the high school partial roof replacement) and \$11,708 from its business-type activities. The District also had \$2,258,908 in depreciation expense (\$2,242,195 from its governmental activities and \$16,713 from its business-type activities).

## Long-term Liabilities

The District's long-term liabilities decreased \$2,906,861 or 11.69% as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

	Total School District		Percentage Change 2019/20
	2018/19	2019/20	
	Serial Bonds (Financed with Property Taxes)	\$ 14,429,000	
Unamortized Bond Issuance Premium	1,325,184	1,159,536	
Net Pension Liability	7,940,178	7,216,152	
Other Long Term Liabilities	1,166,692	839,505	
	<u>\$ 24,861,054</u>	<u>\$ 21,954,193</u>	-11.69%

- The District continued to pay down its debt, retiring \$1,690,000 of serial bonds and \$335,807 of capital leases.
- The District amortized \$165,648 of bond issuance premium related to its bonded debt.
- Compensated absences increased by a net amount of \$8,620.
- Net pension liability decreased by \$724,026.

### **Factors Bearing on the District's Future Revenue/Expense Changes**

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

- Rising health benefit costs.
- Increasing costs of special education students and outside placements.
- Impact of accountability regulations.
- Impact of the fiscal crisis upon the state treasury affected state aid paid to the district.
- Impact of COVID-19 and expenses related to operation of a school in times of a pandemic.

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

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 89 Bowerstown Road, Washington, NJ 07882.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,285,982	\$ 202,169	\$ 2,488,151
Internal Balances	(3,601)	3,601	
Interfund Receivable - Flexible Spending Trust	22,924		22,924
Tax Levy Receivable	604,254		604,254
Receivables from State Government	464,946	1,435	466,381
Receivables from Federal Government	41,769	6,358	48,127
Receivables from Other Governments	352,993		352,993
Other Receivables	12,678		12,678
Inventories		19,943	19,943
Restricted Cash and Cash Equivalents	3,467,632		
Capital Assets, Net:			
Sites (Land)	443,166		443,166
Depreciable Site Improvements, Buildings and Building Improvements, Furniture and Machinery and Equipment	46,818,235	151,198	46,969,433
Total Assets	<u>54,510,978</u>	<u>384,704</u>	<u>51,428,050</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,593,854		1,593,854
Total Deferred Outflows of Resources	<u>1,593,854</u>		<u>1,593,854</u>
<u>LIABILITIES</u>			
Accrued Interest Payable	59,753		59,753
Accounts Payable	874,770		874,770
Unearned Revenue	8,647	16,950	25,597
Noncurrent Liabilities:			
Due Within One Year	2,284,338		2,284,338
Due Beyond One Year	19,669,855		19,669,855
Total Liabilities	<u>22,897,363</u>	<u>16,950</u>	<u>22,914,313</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	2,851,919		2,851,919
Total Deferred Inflows of Resources	<u>2,851,919</u>		<u>2,851,919</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	33,915,031	151,198	34,066,229
Restricted for:			
Capital Projects	2,885,988		2,885,988
Debt Service	1		1
Maintenance	282,213		282,213
Emergency	299,431		299,431
Excess Surplus	1,850,000		1,850,000
Unrestricted/(Deficit)	<u>(8,877,114)</u>	<u>216,556</u>	<u>(8,660,558)</u>
Total Net Position	<u>\$ 30,355,550</u>	<u>\$ 367,754</u>	<u>\$ 30,723,304</u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 19,336,881	\$ 1,739,704	\$ 5,786,747	\$ (11,810,430)	\$	\$ (11,810,430)
Special Education	4,871,984	227,300	2,904,890	(1,739,794)		(1,739,794)
Other Instruction	1,734,227			(1,734,227)		(1,734,227)
Support Services:						
Tuition	2,599,919		397,079	(2,202,840)		(2,202,840)
Student & Instruction Related Services	6,451,512		1,038,321	(5,413,191)		(5,413,191)
General Administrative Services	848,863		100,342	(748,521)		(748,521)
School Administrative Services	1,881,828		398,632	(1,483,196)		(1,483,196)
Central Services	766,767		88,058	(678,709)		(678,709)
Administrative Information Technology	533,762			(533,762)		(533,762)
Plant Operations and Maintenance	3,667,671			(3,667,671)		(3,667,671)
Pupil Transportation	2,238,320	279,270	380,131	(1,578,919)		(1,578,919)
Interest on Long-Term Debt	446,894			(446,894)		(446,894)
Transfer of Funds to Charter School	71,554			(71,554)		(71,554)
Unallocated Depreciation	1,972,799			(1,972,799)		(1,972,799)
Total Governmental Activities	47,422,981	2,246,274	11,094,200	(34,082,507)		(34,082,507)
Business-Type Activities:						
Food Service	507,561	337,620	150,190		\$ (19,751)	(19,751)
Total Business-Type Activities	507,561	337,620	150,190		(19,751)	(19,751)
Total Primary Government	\$ 47,930,542	\$ 2,583,894	\$ 11,244,390	(34,082,507)	(19,751)	(34,102,258)

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 22,428,661	\$	22,428,661
Taxes Levied for Debt Service	2,294,727		2,294,727
Federal and State Aid not Restricted	9,368,456		9,368,456
Investment Earnings	77,716	\$ 2,628	80,344
Miscellaneous Income	92,922		92,922
Transfers	2,723		2,723
	34,265,205	2,628	34,267,833
Total General Revenue and Transfers			
Change in Net Position	182,698	(17,123)	165,575
Net Position - Beginning	30,172,852	384,877	30,557,729
Net Position - Ending	\$ 30,355,550	\$ 367,754	\$ 30,723,304

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



FUND FINANCIAL STATEMENTS

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,274,933	\$ 11,048	\$ 1	\$ 2,285,982
Interfund Receivable	22,924			22,924
Tax Levy Receivable	604,254			604,254
Receivables From State Government	464,946			464,946
Receivables From Federal Government		41,769		41,769
Receivables From Other Governments	352,993			352,993
Other Receivables	12,678			12,678
Restricted Cash and Cash Equivalents	3,467,632			3,467,632
<b>Total Assets</b>	<b>\$ 7,200,360</b>	<b>\$ 52,817</b>	<b>\$ 1</b>	<b>\$ 7,253,178</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Interfund Payable	\$ 3,601			\$ 3,601
Accounts Payable	420,600	\$ 44,170		464,770
Unearned Revenue		8,647		8,647
<b>Total Liabilities</b>	<b>424,201</b>	<b>52,817</b>		<b>477,018</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve	2,885,988			2,885,988
Maintenance Reserve	282,213			282,213
Emergency Reserve	299,431			299,431
Excess Surplus for 2021-2022	850,000			850,000
Excess Surplus for 2020-2021	1,000,000			1,000,000
Debt Service Fund			\$ 1	1
<b>Assigned:</b>				
Other Purposes	1,458,527			1,458,527
<b>Total Fund Balances</b>	<b>6,776,159</b>		<b>1</b>	<b>6,776,160</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,200,360</b>	<b>\$ 52,817</b>	<b>\$ 1</b>	<b>\$ 7,253,178</b>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

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

Total Fund Balances from previous page	\$ 6,776,160
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	47,261,401
Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold.	(1,159,536)
Interest on Long-Term Debt is not Accrued in the Governmental Funds but Rather is Recognized as an Expenditure When Due.	(59,753)
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds	(13,578,505)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(7,216,152)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	<u>(1,668,065)</u>
Net Position of Governmental Activities	<u><u>\$ 30,355,550</u></u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Sources:				
Local Tax Levy	\$ 22,428,661		\$ 2,294,727	\$ 24,723,388
Tuition from Other LEAs	1,967,004			1,967,004
Transportation Fees from Other LEAs	279,270			279,270
Interest Earned on Capital Reserve Funds	26,636			26,636
Other Restricted Miscellaneous Revenue	16,095			16,095
Unrestricted Miscellaneous Revenue	127,907	\$ 52,797		180,704
Total - Local Sources	24,845,573	52,797	2,294,727	27,193,097
State Sources	16,357,022		17,319	16,374,341
Federal Sources	39,470	587,411		626,881
Total Revenues	41,242,065	640,208	2,312,046	44,194,319
<b>EXPENDITURES:</b>				
Current:				
Regular Instruction	10,690,841	148,848		10,839,689
Special Education Instruction	2,621,035			2,621,035
School-Sponsored/Other Instruction	1,404,200			1,404,200
Support Services and Undistributed Costs:				
Tuition	2,202,840	397,079		2,599,919
Student and Other Instruction Related Services	4,398,076	55,697		4,453,773
General Administration Services	634,905			634,905
School Administration Services	1,031,984			1,031,984
Central Services	514,012			514,012
Administrative Information Technology	463,953			463,953
Plant Operations and Maintenance	3,109,037			3,109,037
Student Transportation	1,963,553			1,963,553
Unallocated Benefits	11,169,096			11,169,096
Debt Service:				
Principal			1,690,000	1,690,000
Interest and Other Charges			622,046	622,046
Capital Outlay	2,293,139	38,584		2,331,723
Transfer of Funds to Charter School	71,554			71,554
Total Expenditures	42,568,225	640,208	2,312,046	45,520,479
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(1,326,160)			(1,326,160)
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfers	2,723			2,723
Total Other Financing Sources/Uses	2,723			2,723
Net Change in Fund Balances	(1,323,437)			(1,323,437)
Fund Balance - July 1	8,099,596		1	8,099,597
Fund Balance - June 30	\$ 6,776,159	\$ -0-	\$ 1	\$ 6,776,160

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,323,437)

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 differs from depreciation in the period.

Depreciation expense	\$ (2,242,195)	
Capital outlays	<u>1,615,356</u>	(626,839)

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

(8,620)

The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)

165,648

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

9,504

Repayment of serial bonds payable 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.

1,690,000

Repayment of capital leases 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.

335,807

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

Change in Net Pension Liability	724,026	
Changes in Deferred Outflows and Inflows Related to Pensions	<u>(783,391)</u>	

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

\$ 182,698

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 202,169
Interfund Receivable - General Fund	3,601
Intergovernmental Accounts Receivable:	
State	1,435
Federal	6,358
Inventories	19,943
	233,506
Total Current Assets	233,506
Non-Current Assets:	
Capital Assets	475,594
Less: Accumulated Depreciation	(324,396)
	151,198
Total Non-Current Assets	151,198
Total Assets	384,704
<u>LIABILITIES:</u>	
Current Liabilities:	
Unearned Revenue:	
Prepaid Meals	12,839
Donated Commodities	4,111
	16,950
Total Liabilities	16,950
<u>NET POSITION:</u>	
Investment in Capital Assets	151,198
Unrestricted	216,556
	367,754
Total Net Position	\$ 367,754

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 156,763
Non-Reimbursable Programs	180,857
Total Operating Revenue	337,620
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	127,804
Non-Reimbursable Programs	113,335
Salaries	138,336
Benefits and Payroll Taxes	36,783
Supplies, Insurance & Other Costs	59,606
Management Fee	14,984
Depreciation Expense	16,713
Total Operating Expenses	507,561
Operating Loss	(169,941)
Non-Operating Income:	
Local Sources:	
Interest Income	2,628
State Sources:	
State School Lunch Program	5,206
COVID - Seamless Summer Option	137
Federal Sources:	
National School Lunch Program	109,575
School Breakfast Program	3,092
COVID - Seamless Summer Option	11,958
Food Distribution Program	20,222
Total Non-Operating Income	152,818
Change in Net Position	(17,123)
Net Position - Beginning of Year	384,877
Net Position - End of Year	\$ 367,754

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 342,185
Payments to Food Service Contractor	(425,764)
Payments to Suppliers	(55,299)
	(138,878)
Net Cash Used for Operating Activities	
Cash Flows from Investing Activities:	
Interest Income	2,628
	2,628
Net Cash Provided by Investing Activities	
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(11,708)
	(11,708)
Net Cash Used for Capital and Related Financing Activities	
Cash Flows from Noncapital Financing Activities:	
State Sources	3,985
Federal Sources	118,250
	122,235
Net Cash Provided by Noncapital Financing Activities	
Net Decrease in Cash and Cash Equivalents	(25,723)
Cash and Cash Equivalents, July 1	227,892
Cash and Cash Equivalents, June 30	\$ 202,169
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (169,941)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	16,713
Food Distribution Program	20,222
Changes in Assets and Liabilities:	
Increase in Unearned Revenue	4,380
(Decrease) in Accounts Payable	(578)
(Increase) in Inventory	(9,674)
	(9,674)
Net Cash Used for Operating Activities	\$ (138,878)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$20,037 and utilized U.S.D.A. Commodities valued at \$20,222.

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



WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>	<u>Private Purpose Scholarships Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 713,218	\$ 179,443	\$ 28,138	\$ 256,418
Investments				120,914
Other Accounts Receivable			3,242	
Total Assets	<u>713,218</u>	<u>179,443</u>	<u>31,380</u>	<u>377,332</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	50,711			
Due to Student Groups	193,585			
Accrued Salaries and Wages	429,543			
Accounts Payable - Vendors	39,379			
Interfund Payable General Fund			22,924	
Total Liabilities	<u>713,218</u>		<u>22,924</u>	
<u>NET POSITION:</u>				
Held in Trust for:				
Unemployment Claims		179,443		
Flexible Spending Claims			8,456	
Restricted for Scholarships				377,332
Total Net Position	<u>\$ -0-</u>	<u>\$ 179,443</u>	<u>\$ 8,456</u>	<u>\$ 377,332</u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Flexible Spending Trust	Private Purpose Scholarship Trust
<b>ADDITIONS:</b>			
Contributions:			
Plan Members	\$ 64,661	\$ 75,460	
Budget Appropriation	75,000		
Donations			\$ 1,725
Total Contributions	<u>139,661</u>	<u>75,460</u>	<u>1,725</u>
Investment Earnings:			
Interest			965
Net Investment Earnings			<u>965</u>
Total Additions	<u>139,661</u>	<u>75,460</u>	<u>2,690</u>
<b>DEDUCTIONS:</b>			
Quarterly Contribution Reports	19,928		
Unemployment Claims	24,714		
Flexible Spending Claims		72,345	
Scholarships Awarded			6,050
Total Deductions	<u>44,642</u>	<u>72,345</u>	<u>6,050</u>
Change in Net Position Before Other Item	95,019	3,115	(3,360)
<b>OTHER ITEM:</b>			
Transfer to General Fund		(2,723)	
Change in Net Position	95,019	392	(3,360)
Net Position - Beginning of the Year	<u>84,424</u>	<u>8,064</u>	<u>380,692</u>
Net Position - End of the Year	<u>\$ 179,443</u>	<u>\$ 8,456</u>	<u>\$ 377,332</u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE 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 (the "Board") of Warren Hills Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

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

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

B. Basis of Presentation

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenue identifies the extent to which each government function or business segment is self-financing or draws from the general revenue of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

B. Basis of Presentation (Cont'd)

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

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

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, the Private Purpose Scholarships Trust, Flexible Spending Trust, the Payroll Agency Fund and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

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

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 41,269,161	\$ 619,508
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis Does Not:		
Prior Year Encumbrances		27,318
Current Year Encumbrances		(6,618)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,009,683	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(1,036,779)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 41,242,065</u>	<u>\$ 640,208</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 42,568,225	\$ 619,508
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		27,318
Current Year Encumbrances		<u>(6,618)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 42,568,225</u>	<u>\$ 640,208</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

E. Cash and Cash Equivalents and Investments

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

K. Capital Assets:

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

K. Capital Assets: (Cont'd)

	Estimated Useful Life
Site Improvements	20 years
Buildings and Building Improvements	50 years
Furniture, Machinery and Equipment	10 to 15 years

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2020, the amount earned by these employees but not disbursed was \$429,543.

N. Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee agreements/contracts. Upon termination, employees are paid for accrued vacation. The District's various employee agreements/contracts 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 agreements/contracts.

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

O. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

P. Fund Balance Appropriated

General Fund: Of the \$6,776,159 General Fund fund balance at June 30, 2020, \$2,885,988 is restricted in the capital reserve account; \$282,213 is restricted in the maintenance reserve account; \$299,431 is restricted in the emergency reserve account; \$1,850,000 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (the \$1,000,000 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2021 and the current year excess surplus of \$850,000 will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022); \$1,458,527 is assigned for year end encumbrances, which is \$79,111 less than the budgetary assigned fund balance, on a GAAP basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2021; and \$-0- is unassigned, which is \$957,668 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2021.

Debt Service Fund: The \$1 fund balance in the Debt Service Fund at June 30, 2020 is restricted.

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

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

Q. Deficit Net Position/Fund Balance

The District had a deficit in unrestricted net position from governmental activities in the amount of \$8,877,114. This is primarily a result of unamortized bond premium, net pension liability and related deferred inflows and outflows of resources. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(CONTINUED)

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

R. Net Position

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and deferred inflows for pensions at June 30, 2020.

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments

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

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, emergency reserve and the debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2020.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2020.

T. Revenue - Exchange and Nonexchange Transactions

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

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

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

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

U. Operating Revenue and Expenses

Operating revenue are those revenue 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.

V. Management Estimates

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

W. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

Deposits: (Cont'd)

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, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the “Local Authorities Fiscal Control Law,” P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district’s funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository

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

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents			Investments	Total
		Capital Reserve	Maintenance Reserve	Emergency Reserve		
Checking and Savings Accounts	\$3,665,368	\$2,885,988	\$ 282,213	\$ 299,431		\$ 7,133,000
Certificates of Deposit					\$ 120,914	120,914
	<u>\$3,665,368</u>	<u>\$2,885,988</u>	<u>\$ 282,213</u>	<u>\$ 299,431</u>	<u>\$ 120,914</u>	<u>\$ 7,253,914</u>

During the period ended June 30, 2020, the District did not hold any investments other than certificate of deposits.



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Investments: (Cont'd)

The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2020, was \$7,253,914 and the bank balance was \$7,983,980.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$500,000 in the original 1999-2000 annual budget 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 State Department of Education, 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 amount or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2019	\$ 4,041,513
Add:	
Interest Earnings	26,636
Transfer from Unassigned Fund Balance per Board Resolution	224,510
Unexpended Project Balance Returned from Capital Outlay	294,461
Less:	
Withdrawal - Capital Outlay per Board Resolutions	(641,132)
Budgeted Withdrawal	<u>(1,060,000)</u>
Ending Balance, June 30, 2020	<u>\$ 2,885,988</u>

The June 30, 2020 balance of local support costs of uncompleted capital projects in the District's LRFP exceeds the balance in the capital reserve account at June 30, 2020. Withdrawals from the capital reserve were for use in DOE approved facilities projects consistent with the District's LRFP.

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2020, the District transferred \$984,768 to the capital outlay accounts. \$308,498 was transferred to equipment which did not require County Superintendent approval. Of the \$676,270 transferred to facilities acquisition and construction services, \$641,132 was a Board approved withdrawal from Capital Reserve. The remaining \$35,138 transfer required approval from the County Superintendent, which the District obtained.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 443,166			\$ 443,166
Total Capital Assets Not Being Depreciated	<u>443,166</u>			<u>443,166</u>
Capital Assets Being Depreciated:				
Site Improvements	1,757,828	\$ 529,754		2,287,582
Buildings and Building Improvements	62,658,197	986,730		63,644,927
Machinery and Equipment	3,491,223	98,872	\$ (52,800)	3,537,295
Total Capital Assets Being Depreciated	<u>67,907,248</u>	<u>1,615,356</u>	<u>(52,800)</u>	<u>69,469,804</u>
Governmental Activities Capital Assets	<u>68,350,414</u>	<u>1,615,356</u>	<u>(52,800)</u>	<u>69,912,970</u>
Less Accumulated Depreciation for:				
Site Improvements	(903,429)	(93,796)		(997,225)
Buildings and Building Improvements	(17,497,034)	(1,863,522)		(19,360,556)
Machinery and Equipment	(2,061,711)	(284,877)	52,800	(2,293,788)
	<u>(20,462,174)</u>	<u>(2,242,195)</u>	<u>52,800</u>	<u>(22,651,569)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 47,888,240</u>	<u>\$ (626,839)</u>	<u>\$ -0-</u>	<u>\$ 47,261,401</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 332,454	\$ 11,708		\$ 344,162
Buildings and Building Improvements	131,432			131,432
	<u>463,886</u>	<u>11,708</u>		<u>475,594</u>
Less Accumulated Depreciation for:				
Furniture and Equipment	(284,025)	(11,456)		(295,481)
Buildings and Building Improvements	(23,658)	(5,257)		(28,915)
	<u>(307,683)</u>	<u>(16,713)</u>		<u>(324,396)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 156,203</u>	<u>\$ (5,005)</u>	<u>\$ -0-</u>	<u>\$ 151,198</u>

As of June 30, 2020, the District expended \$1,615,356 from its current year capital budget, and depreciated \$2,242,195 from its governmental activities. The District expended \$11,708 and depreciated \$16,713 from its business-type activities during the fiscal year.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 82,258
Special Education Instruction	18,057
Support Services	3,291
General Administration	6,581
School Administrative	46,070
Central Services	6,581
Administrative Information Technology	3,291
Operations and Maintenance of Plant	32,504
Pupil Transportation	70,763
Unallocated	1,972,799
	<u>\$ 2,242,195</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2019	Accrued	Retired	Balance 6/30/2020
Serial Bonds Payable	\$ 14,429,000		\$ 1,690,000	\$ 12,739,000
Unamortized Bond Issuance Premium	1,325,184		165,648	1,159,536
Compensated Absences Payable	223,515	\$ 30,055	21,435	232,135
Capital Leases Payable	943,177		335,807	607,370
Net Pension Liability	7,940,178		724,026	7,216,152
	<u>\$ 24,861,054</u>	<u>\$ 30,055</u>	<u>\$ 2,936,916</u>	<u>\$ 21,954,193</u>

A. Bonds Payable:

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

On March 19, 2009, the District issued school bonds of \$5,494,000 with interest rates ranging from 3.5% to 4.13%. The bonds mature on February 15, 2010 through 2024.

On June 6, 2012, the District issued refunding bonds of \$17,335,000 with interest rates ranging from 3.0% to 5.0% to advance refund \$19,625,000 school bonds with interest rate ranging from 4.0% to 4.50%. The bonds mature on February 12, 2013 through 2027 and February 15, 2023 is the first optional redemption date at 100% at par. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds were called on February 15, 2014. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

A. Bonds Payable: (Cont'd)

As a result of the advance refunding, the District will realize a total of \$3,166,745 in debt service savings through fiscal year ending June 30, 2027. On a present value basis, the savings equated to \$1,139,179 (net of all costs of issuing the bonds and prior funds on hand), or 5.80% of the bonds refunded.

The District had bonds outstanding as of June 30, 2020 as follows:

Purpose	Final Maturity Date	Serial Bonds	
		Interest Rates	Amount
2009 School Bonds	02/15/24	4.00%-4.13%	\$ 1,844,000
2012 Refunding Bonds	02/15/27	4.00%-5.00%	10,895,000
			<u>\$ 12,739,000</u>

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

Fiscal Year Ending June 30,	Bonds		
	Principal	Interest	Total
2021	\$ 1,765,000	\$ 552,321	\$ 2,317,321
2022	1,855,000	468,421	2,323,421
2023	1,950,000	380,172	2,330,172
2024	2,054,000	287,371	2,341,371
2025	1,635,000	204,600	1,839,600
2026 - 2027	3,480,000	210,200	3,690,200
	<u>\$ 12,739,000</u>	<u>\$ 2,103,085</u>	<u>\$ 14,842,085</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board had no bonds authorized but not issued.

C. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$10,950 and the long-term liability balance of compensated absences is \$221,185.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the Food Service Fund.

The General Fund will be used to liquidate Compensated Absences Payable. The Debt Service Fund will be used to liquidate the Serial Bonds Payable.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

D. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$165,648 and is separated from the long-term liability balance of \$993,888.

E. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$7,216,152. See Note 8 for further information on the PERS.

F. Capital Leases Payable

The District is leasing school buses, maintenance vehicles, maintenance equipment, security equipment, technology equipment and a laser engraver under lease purchase agreements valued at \$1,719,378, of which \$1,112,008 has matured and been repaid. The capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2020.

<u>Year Ending</u>	<u>Amount</u>
June 30, 2021	\$ 357,904
June 30, 2022	138,396
June 30, 2023	138,396
	<u>634,696</u>
Less: Amount Representing Interest	<u>(27,326)</u>
Present Value Net of Minimum Lease Payments	<u>\$ 607,370</u>

The current portion of capital leases payable at June 30, 2020 is \$342,740 and the long-term portion is \$264,630. The General Fund will be used to liquidate the capital lease payable.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$391,073 for fiscal year 2020.

The employee contribution rate was 7.50% effective July 1, 2019.

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

At June 30, 2020, the District's liability was \$7,216,152 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 used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2019, the District's proportion was .040%, which was a decrease of .0003% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$448,919. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 19,071	
	2015	5.72	117,919	
	2016	5.57	583,569	
	2017	5.48		\$ 1,035,905
	2018	5.63		837,106
	2019	5.21		631,692
				<u>720,559</u>
Difference Between Expected and Actual Experience	2015	5.72	32,715	
	2016	5.57	17,710	
	2017	5.48	30,808	
	2018	5.63		31,878
	2019	5.21	48,287	
			<u>129,520</u>	<u>31,878</u>
Changes in Proportion	2014	6.44	35,576	
	2015	5.72		24,045
	2016	5.57	132,348	
	2017	5.48		126,433
	2018	5.63	165,851	
	2019	5.21		50,950
			<u>333,775</u>	<u>201,428</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		(133,190)
	2017	5.00		159,837
	2018	5.00		111,179
	2019	5.00		(23,916)
			<u>                    </u>	<u>113,910</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution Made Subsequent to the Measurement Date	2019	1.00	\$ 410,000	
			\$ 1,593,854	\$ 2,851,919

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

Fiscal Year Ending June 30,	Total
2020	\$ (208,370)
2021	(675,947)
2022	(603,581)
2023	(283,413)
2024	(29,101)
	\$ (1,800,412)

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:

Inflation Rate:		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through 2026		2.00 – 6.00% based on years of service
Thereafter		3.00 – 7.00% based on years of service
Investment Rate of Return		7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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 pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate

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

	June 30, 2019		
	1%	Current	1%
	Decrease (5.28%)	Discount Rate (6.28%)	Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 9,086,798	\$ 7,216,152	\$ 5,598,476

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$2,929,102 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$4,905,286. The employee contribution rate was 7.50% effective July 1, 2018.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$83,164,869. The net pension liability was measured as of June 30, 2019, and the total pension liability used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.136%, which was an increase of 0.003% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>83,164,869</u>
Total	<u>\$ 83,164,869</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$4,905,286 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 768,874,621	
	2015	8.30	2,351,172,865	
	2016	8.30	5,609,216,856	
	2017	8.30		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
			<u>8,729,264,342</u>	<u>17,163,131,436</u>
Difference Between Expected and Actual Experience	2014	8.30		7,323,009
	2015	8.50	145,211,243	
	2016	8.30		69,755,412
	2017	8.30	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			<u>1,203,503,264</u>	<u>213,344,311</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	<u>Year of</u> <u>Deferral</u>	<u>Amortization</u> <u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Net Difference Between Projected and Actual	2016	5.00		\$ (431,855,192)
Investment Earnings on Pension Plan Investments	2017	5.00		452,016,524
	2018	5.00		288,091,115
	2019	5.00		(144,882,771)
				163,369,676
				\$ 9,932,767,606
				\$ 17,539,845,423

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

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

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 Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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, 2015 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

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 made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	June 30, 2019		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of Net Pension Liability Associated with the District	\$ 98,069,788	\$ 83,164,869	\$ 70,798,493

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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

For DCRP, the District recognized pension expense of \$34,729 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$47,162 for the fiscal year ended June 30, 2020.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefits coverage through Horizon Blue Cross/Blue Shield of NJ.

Property, Liability and Health Benefits

The Warren Hills Regional School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage for its members. The District is also a member of the New Jersey Schools Insurance Group ("NJSIG"). The NJSIG is a public entity risk management pool that provides workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund and NJSIG are risk-sharing public entity risk pool that are an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund and NJSIG are elected.

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

The June 30, 2020 audit report for the Fund and NJSIG are not available as of the date of this report. Selected, summarized financial information for the Fund and NJSIG as of June 30, 2019 is on the following page.



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

	<u>School Alliance Insurance Fund</u>	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 48,410,942	\$ 359,852,548
Total Net Position	\$ 18,917,987	\$ 107,824,596
Total Revenue	\$ 41,974,410	\$ 140,293,549
Total Expenses	\$ 35,489,360	\$ 115,049,808
Change in Net Position	\$ 6,485,050	\$ 25,243,741
Members Dividends	\$ -0-	\$ -0-

Financial statements for the Fund and NJSIG are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services  
51 Everett Drive, Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

New Jersey Schools Insurance Group  
6000 Midlantic Drive, Suite 300 North  
Mount Laurel, NJ 08054  
(609) 386-6060  
www.njsig.org

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, interest earned, 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>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 75,000	\$ -0-	\$ 64,661	\$ 44,642	\$ 179,443
2018-2019	35,000	-0-	34,727	139,775	84,424
2017-2018	-0-	-0-	38,896	55,277	154,472

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

	Interfund Receivable	Interfund Payable
General Fund	\$ 22,924	\$ 3,601
Proprietary Fund - Food Service Fund	3,601	
Fiduciary Fund - Flexible Spending Trust Fund		22,924
	\$ 26,525	\$ 26,525

The interfund between the General Fund and the Flexible Spending Trust Fund is due to unclaimed funds and an interfund advanced. The interfund receivable in the Food Service Fund is due to subsidy reimbursements collected in the General Fund.

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2020 were:

	Governmental Fund		District Contri- bution Subsequent to the Measure- ment Date		Total Governmental Activities		Fiduciary Fund
	General Fund	Special Revenue Fund		Total Governmental Activities		Fiduciary Fund	
Due to State of New Jersey		\$ 27,479	\$ 410,000	\$ 437,479			
Vendors	\$ 337,316	16,691		354,007	\$ 39,379		
Accrued Salaries and Wages	83,284			83,284			
	\$ 420,600	\$ 44,170	\$ 410,000	\$ 874,770	\$ 39,379		

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

- AXA Equitable
- Oppenheimer
- Lincoln Investments
- WEA Security Benefits Group

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1.

A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the regional school district on predetermined agreed-upon schedules.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2020, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 1,537,638	\$ 6,618	\$ 1,544,256

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$1,458,527 is assigned for year-end encumbrances in the General Fund, which is \$79,111 less than the actual year-end encumbrances on a budgetary basis due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2021 on a GAAP basis. \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$6,618 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 16. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution on June 21, 2011 by inclusion of \$250,000 for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

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

Beginning Balance, July 1, 2019	\$ 299,431
Ending Balance, June 30, 2020	<u>\$ 299,431</u>

NOTE 17. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$395,000 was established by the District on June 21, 2011. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance.

These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes.

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 17. MAINTENANCE RESERVE ACCOUNT (Cont'd)

If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2019	\$ 282,213
Ending Balance, June 30, 2020	<u>\$ 282,213</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	217,131
Total	362,181

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%		
		TPAF/ABP	PERS
Salary Increases:			
Through 2026		1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter		2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Mortality Rates

Pre-retirement 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-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 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 MP-2017 scale.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	\$ 77,760,875
Changes for Year:	
Service Cost	2,306,309
Interest on the Total OPEB Liability	2,835,505
Difference between Actual and Expected Experience	(5,956,438)
Changes of Assumptions	(7,741,711)
Gross Benefit Payments by the State	62,347
Contributions from Members	<u>(1,803,935)</u>
Net Changes	<u>(10,297,923)</u>
Balance at June 30, 2018	<u>\$ 67,462,952</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 79,754,942	\$ 67,462,952	\$ 57,692,089

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 55,762,059	\$ 67,462,952	\$ 82,937,831

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$2,538,573 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 8,194,514
	2018	9.51		6,927,651
				15,122,165
Differences between Expected and Actual Experience	2018	9.51		6,548,786
Changes in Proportion	N/A	N/A	\$ 717,961	484,613
			\$ 717,961	\$ 22,155,564

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

Fiscal Year Ending June 30,	Total
2019	\$ (2,670,405)
2020	(2,670,405)
2021	(2,670,406)
2022	(2,670,406)
2023	(2,670,406)
Thereafter	(8,318,923)
	\$ (21,670,951)

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 19. OPERATING LEASES

The District has a commitment to lease copying equipment under an operating lease which expires in November 2024. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2021	\$ 28,548
June 30, 2022	28,548
June 30, 2023	28,548
June 30, 2024	28,548
June 30, 2025	<u>7,137</u>
Total future minimum lease payments	<u>\$ 121,329</u>

NOTE 20. SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District’s normal financial operations. Though the impact on the District’s operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District’s 2020-21 budget related to COVID-19.

Additionally, the District’s cash flow in the Governmental Funds may be affected by the timing of the collection of the District’s tax levy as well as certain State aid payments.

The District’s Food Service Enterprise Fund likely will be impacted by COVID-19 for the fiscal year ending June 30, 2021.

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

WARREN HILLS REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0390962687%	0.0381039760%	0.0404678952%	0.0391864923%	0.0403269637%	0.0400486093%
District's proportionate share of the net pension liability	\$ 7,319,891	\$ 8,553,579	\$ 11,985,430	\$ 9,121,989	\$ 7,940,178	\$ 7,216,152
District's covered employee payroll	\$ 2,566,399	\$ 2,648,044	\$ 2,538,487	\$ 2,689,836	\$ 2,755,294	\$ 2,605,410
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	285.22%	323.01%	472.15%	339.13%	288.18%	276.97%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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

WARREN HILLS REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 322,304	\$ 327,592	\$ 362,047	\$ 367,521	\$ 402,749	\$ 391,073
Contributions in relation to the contractually required contribution	(322,304)	(327,592)	(362,047)	(367,521)	(402,749)	(391,073)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,648,044	\$ 2,538,487	\$ 2,689,836	\$ 2,755,294	\$ 2,605,410	\$ 2,604,486
Contributions as a percentage of covered employee payroll	12.17%	12.91%	13.46%	13.34%	15.46%	15.02%

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

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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.1271980757%	0.1294218702%	0.1324016385%	0.1321958190%	0.1326931529%	0.1355117971%
State's proportionate share of the net pension liability attributable to the District	\$ 67,983,232	\$ 81,800,149	\$ 104,155,559	\$ 89,131,188	\$ 84,416,534	\$ 83,164,869
District's covered employee payroll	\$ 12,961,842	\$ 13,384,154	\$ 13,359,708	\$ 14,267,535	\$ 14,319,443	\$ 14,415,760
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	524.49%	611.17%	779.62%	624.71%	589.52%	576.90%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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

WARREN HILLS REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 3,658,136	\$ 4,994,636	\$ 7,825,841	\$ 6,174,557	\$ 4,921,189	\$ 4,905,286
Contributions in relation to the contractually required contribution	(699,702)	(1,060,059)	(1,434,951)	(1,954,102)	(2,665,190)	(2,929,102)
Contribution deficiency/(excess)	<u>\$ 2,958,434</u>	<u>\$ 3,934,577</u>	<u>\$ 6,390,890</u>	<u>\$ 4,220,455</u>	<u>\$ 2,255,999</u>	<u>\$ 1,976,184</u>
District's covered employee payroll	\$ 13,384,154	\$ 13,359,708	\$ 14,267,535	\$ 14,319,443	\$ 14,415,760	\$ 15,047,265
Contributions as a percentage of covered employee payroll	5.23%	7.93%	10.06%	13.65%	18.49%	19.47%

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

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

	Fiscal Year Ending	
	2017	2018
Total OPEB Liability		
Service Cost	\$ 2,784,977	\$ 2,306,309
Interest Cost	2,464,001	2,835,505
Difference between Actual and Expected Experience		(5,956,438)
Changes in Assumptions	(10,285,824)	(7,741,711)
Member Contributions	66,321	62,347
Gross Benefit Payments	(1,801,107)	(1,803,935)
Net Change in Total OPEB Liability	(6,771,632)	(10,297,923)
Total OPEB Liability - Beginning	84,532,507	77,760,875
Total OPEB Liability - Ending	\$ 77,760,875	\$ 67,462,952
District's Covered Employee Payroll *	\$ 15,898,195	\$ 16,957,371
Total OPEB Liability as a Percentage of Covered Employee Payroll	489%	398%

\* Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 census data.

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



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the plan actuary's modified MP-2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The July 1, 2018 actuarial valuation utilized the following mortality rate 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 a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Changes of Actuarial Assumptions (Cont'd)

Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement 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-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 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 MP-2017 scale.

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BUDGETARY COMPARISON SCHEDULES

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 22,428,661		\$ 22,428,661	\$ 22,428,661	
Tuition from Other LEAs	1,980,904		1,980,904	1,967,004	\$ (13,900)
Transportation Fees from Other LEAs	286,921		286,921	279,270	(7,651)
Interest Earned on Capital Reserve Funds	10,000		10,000	26,636	16,636
Other Restricted Miscellaneous Revenue	33,000		33,000	16,095	(16,905)
Unrestricted Miscellaneous Revenue	130,000		130,000	127,907	(2,093)
<b>Total - Local Sources</b>	<b>24,869,486</b>		<b>24,869,486</b>	<b>24,845,573</b>	<b>(23,913)</b>
State Sources:					
Special Education Aid	1,041,953		1,041,953	1,041,953	
Equalization Aid	9,287,689		9,287,689	9,287,689	
Categorical Security Aid	46,884		46,884	46,884	
Categorical Transportation Aid	380,381		380,381	380,381	
Extraordinary Special Education Costs Aid	250,000		250,000	458,785	208,785
Reimbursement of Nonpublic School Transportation Costs				870	870
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				1,106,120	1,106,120
On-Behalf TPAF Pension Contributions (Non-Budgeted)				2,929,102	2,929,102
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				52,501	52,501
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				2,039	2,039
TPAF Social Security (Reimbursed - Non-Budgeted)				1,077,794	1,077,794
<b>Total State Sources</b>	<b>11,006,907</b>		<b>11,006,907</b>	<b>16,384,118</b>	<b>5,377,211</b>
Federal Sources:					
Medicaid Assistance Program	39,996		39,996	39,470	(526)
<b>Total Federal Sources</b>	<b>39,996</b>		<b>39,996</b>	<b>39,470</b>	<b>(526)</b>
<b>TOTAL REVENUES</b>	<b>35,916,389</b>		<b>35,916,389</b>	<b>41,269,161</b>	<b>5,352,772</b>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	\$ 3,105,922	\$ (76,367)	\$ 3,029,555	\$ 2,998,234	\$ 31,321
Grades 9-12 - Salaries of Teachers	6,664,045	(159,908)	6,504,137	6,464,533	39,604
Unused Sick Payment to Terminated/ Retired Staff	23,202	(20,768)	2,434		2,434
Regular Programs - Home Instruction:					
Salaries of Teachers	69,500	4,892	74,392	70,544	3,848
Other Purchased Services	23,500	23,938	47,438	43,000	4,438
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	99,949	(26,669)	73,280	63,055	10,225
Purchased Professional - Educational Services	17,600		17,600	5,000	12,600
Purchased Technical Services	33,858		33,858	28,473	5,385
Other Purchased Services	263,567	(99,195)	164,372	139,167	25,205
General Supplies	709,084	(18,949)	690,135	638,384	51,751
Textbooks	282,195	(36,350)	245,845	237,325	8,520
Other Objects	29,532	(19,750)	9,782	3,126	6,656
Total Regular Programs - Instruction	11,321,954	(429,126)	10,892,828	10,690,841	201,987
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	341,515	2,340	343,855	343,855	
Other Salaries for Instruction	2,700	(630)	2,070	2,070	
Other Purchased Services	300		300	90	210
General Supplies	500		500		500
Textbooks	4,000		4,000	97	3,903
Other Objects	100		100		100
Total Learning and/or Language Disabilities	349,115	1,710	350,825	346,112	4,713

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Auditory Impairments:					
Purchased Professional - Educational Services					
General Supplies	\$ 1,000	\$ 10,260	\$ 10,260	\$ 6,588	\$ 3,672
Total Auditory Impairments	<u>1,000</u>	<u>10,260</u>	<u>11,260</u>	<u>6,588</u>	<u>4,672</u>
Behavioral Disabilities:					
Salaries of Teachers	248,575		248,575	248,575	
Other Salaries for Instruction	17,447	2,350	19,797	19,797	600
Other Purchased Services	600		600	269	731
General Supplies	1,000		1,000	819	181
Textbooks	1,000		1,000		100
Other Objects	100		100		
Total Behavioral Disabilities	<u>268,722</u>	<u>2,350</u>	<u>271,072</u>	<u>269,460</u>	<u>1,612</u>
Multiple Disabilities:					
Salaries of Teachers	375,075	18,153	393,228	393,228	
Other Salaries for Instruction	27,760	12,075	39,835	29,493	10,342
Purchased Professional - Educational Services	4,800	(4,800)			
Purchased Technical Services	500		500	500	
Other Purchased Services	1,490		1,490	151	1,339
General Supplies	5,000	(162)	4,838	4,446	392
Textbooks	1,000		1,000	532	468
Other Objects	200		200		200
Total Multiple Disabilities	<u>415,825</u>	<u>25,266</u>	<u>441,091</u>	<u>428,350</u>	<u>12,741</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,358,205	32,238	1,390,443	1,390,443	
Other Salaries for Instruction	193,513	(17,607)	175,906	173,199	2,707

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Resource Room/Resource Center: (Cont'd)					
Other Purchased Services	\$ 800		\$ 800	35	\$ 765
General Supplies	1,000	(280)	720	719	1
Textbooks	6,400	(5,362)	1,038	932	106
Other Objects	3,700		3,700		3,700
Total Resource Room/Resource Center	<u>1,563,618</u>	<u>8,989</u>	<u>1,572,607</u>	<u>1,565,328</u>	<u>7,279</u>
Autism:					
Other Purchased Services	1,100	1,400	2,500		2,500
General Supplies	2,000		2,000	1,530	470
Textbooks	500		500		500
Other Objects	200		200		200
Total Autism	<u>3,800</u>	<u>1,400</u>	<u>5,200</u>	<u>1,530</u>	<u>3,670</u>
Home Instruction:					
Salaries of Teachers	36,000	(32,198)	3,802	3,667	135
Other Objects	50	(50)			
Total Home Instruction	<u>36,050</u>	<u>(32,248)</u>	<u>3,802</u>	<u>3,667</u>	<u>135</u>
Total Special Education Instruction	<u>2,638,130</u>	<u>17,727</u>	<u>2,655,857</u>	<u>2,621,035</u>	<u>34,822</u>
School-Sponsored Co/Extra curricular Activities - Instruction:					
Salaries	262,723	(20,000)	242,723	232,239	10,484
Purchased Services	19,485	(1,875)	17,610	7,294	10,316
Supplies and Materials	21,611	(9,665)	11,946	9,453	2,493
Other Objects	7,320		7,320	480	6,840
Total School-Sponsored Co curricular Activities - Instruction	<u>311,139</u>	<u>(31,540)</u>	<u>279,599</u>	<u>249,466</u>	<u>30,133</u>



WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
School-Sponsored Co curricular Athletics - Instruction:					
Salaries	\$ 953,969	\$ (9,510)	\$ 944,459	\$ 888,459	\$ 56,000
Purchased Services	189,815	1,819	191,634	178,659	12,975
Supplies and Materials	103,815	(3,345)	100,470	45,801	54,669
Other Objects	61,120	(16,450)	44,670	41,815	2,855
Total School-Sponsored Co curricular Athletics - Instruction	<u>1,308,719</u>	<u>(27,486)</u>	<u>1,281,233</u>	<u>1,154,734</u>	<u>126,499</u>
Other Instructional Programs - Instruction:					
Other Objects	18,500	(18,500)			
Total Other Instructional Programs - Instruction	<u>18,500</u>	<u>(18,500)</u>			
Total Instruction	<u>15,598,442</u>	<u>(488,925)</u>	<u>15,109,517</u>	<u>14,716,076</u>	<u>393,441</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	656,910	(111,327)	545,583	545,582	1
Tuition to County Voc. School Dist. - Regular	385,058	(54,149)	330,909	328,448	2,461
Tuition to County Voc. School Dist. - Special	55,200	69,919	125,119	124,420	699
Tuition to Private Schools for the Handicapped - Within State	993,848	(189,713)	804,135	800,192	3,943
Tuition - State Facilities	358,848		358,848	358,848	
Tuition - Other		45,779	45,779	45,350	429
Total Undistributed Expenditures - Instruction	<u>2,449,864</u>	<u>(239,491)</u>	<u>2,210,373</u>	<u>2,202,840</u>	<u>7,533</u>
Health Services:					
Salaries	301,710	2,612	304,322	297,586	6,736
Purchased Professional and Technical Services	25,840		25,840	13,141	12,699
Other Purchased Services	3,425		3,425	2,430	995
Supplies and Materials	12,750	(25)	12,725	9,433	3,292

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Health Services: (Cont'd)					
Other Objects	665		665		665
Total Health Services	<u>344,390</u>	<u>2,587</u>	<u>346,977</u>	<u>\$ 322,590</u>	<u>\$ 24,387</u>
Speech, OT, PT and Related Services:					
Salaries	87,585		87,585	87,585	
Purchased Professional - Educational Services	548,705	(78,077)	470,628	373,355	97,273
Supplies and Materials	250		250	250	
Total Speech, OT, PT and Related Services	<u>636,540</u>	<u>(78,077)</u>	<u>558,463</u>	<u>461,190</u>	<u>97,273</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	507,188	68,478	575,666	575,666	
Purchased Professional - Educational Services	454,035	(126)	453,909	380,665	73,244
Total Other Support Services - Students - Extraordinary Services	<u>961,223</u>	<u>68,352</u>	<u>1,029,575</u>	<u>956,331</u>	<u>73,244</u>
Other Support Services - Guidance:					
Salaries of Other Professional Staff	741,210		741,210	739,680	1,530
Salaries of Secretarial and Clerical Assistants	150,258		150,258	150,258	
Other Salaries	33,050		33,050	28,487	4,563
Purchased Professional - Educational Services	8,100	(709)	7,391	7,192	199
Other Purchased Services	39,548	12,596	52,144	44,297	7,847
Supplies and Materials	6,160	(3,067)	3,093	1,597	1,496
Other Objects	675	(220)	455	355	100
Total Other Support Services - Guidance	<u>979,001</u>	<u>8,600</u>	<u>987,601</u>	<u>971,866</u>	<u>15,735</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	\$ 577,540		\$ 577,540	\$ 577,540	
Salaries of Secretarial and Clerical Assistants	139,839	917	140,756	140,756	
Other Salaries	22,003	(8,244)	13,759	12,484	\$ 1,275
Purchased Professional - Educational Services	1,500		1,500	1,500	
Other Purchased Services (400-500 series)	17,698		17,698	6,963	10,735
Supplies and Materials	9,507	(400)	9,107	4,360	4,747
Other Objects	3,800	450	4,250	3,450	800
Total Other Support Services - Child Study Teams	<u>771,887</u>	<u>(7,277)</u>	<u>764,610</u>	<u>745,553</u>	<u>19,057</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	389,650	151	389,801	389,801	
Salaries of Secretarial and Clerical Assistants	54,000	(151)	53,849	53,634	215
Purchased Professional-Educational Services	10,000		10,000		10,000
Other Purchased Services	3,860		3,860	3,461	399
Supplies and Materials	3,100		3,100	1,101	1,999
Other Objects	4,500		4,500	3,380	1,120
Total Improvement of Instructional Services	<u>465,110</u>		<u>465,110</u>	<u>451,377</u>	<u>13,733</u>
Educational Media Services/School Library:					
Salaries	245,703		245,839	245,839	
Salaries of Technology Coordinators	180,701	136	180,701	168,019	12,682
Purchased Professional and Technical Services	2,200		2,200	2,169	31
Other Purchased Services	7,816		7,816	4,814	3,002
Supplies and Materials	30,252		30,252	12,307	17,945
Other Objects	670		670	670	
Total Educational Media Services/School Library	<u>467,342</u>	<u>136</u>	<u>467,478</u>	<u>433,148</u>	<u>34,330</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Instructional Staff Training Services:					
Other Salaries	\$ 54,300	\$ (136)	\$ 54,164	\$ 53,599	\$ 565
Purchased Professional-Educational Services	15,000		15,000	2,218	12,782
Other Purchased Services	2,250		2,250	204	2,046
Supplies and Materials	500		500		500
<b>Total Instructional Staff Training Services</b>	<b>72,050</b>	<b>(136)</b>	<b>71,914</b>	<b>56,021</b>	<b>15,893</b>
Support Services - General Administration:					
Salaries	293,005	12,189	305,194	304,646	548
Legal Services	152,500	(9,337)	143,163	93,162	50,001
Audit Fees	88,080	1,620	89,700	44,900	44,800
Architectural/Engineering Services	66,067	(10,138)	55,929	37,092	18,837
Other Purchased Professional Services	43,125		43,125	43,072	53
Purchased Technical Services	350		350	256	94
Communications/Telephone	58,543	(11,275)	47,268	47,268	
Board of Education Other Purchased Services	6,800	(1,026)	5,774	5,774	
Miscellaneous Purchased Services	45,285	(19,168)	26,117	26,116	1
General Supplies	15,000		15,000	12,785	2,215
BOE In-House Training/Meeting Supplies	2,500	(2,050)	450	449	1
Judgments Against The School District		550,000	550,000		550,000
Miscellaneous Expenditures	3,600	215	3,815	3,815	
Board of Education Membership Dues and Fees	18,000	(2,429)	15,571	15,570	1
<b>Total Support Services - General Administration</b>	<b>792,855</b>	<b>508,601</b>	<b>1,301,456</b>	<b>634,905</b>	<b>666,551</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	674,134		674,134	674,131	3
Salaries of Secretarial and Clerical Assistants	281,133		281,133	280,789	344
Other Salaries		3,990	3,990	3,990	

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - School Administration: (Cont'd)					
Purchased Professional and Technical Services	\$ 14,300	\$ (11,381)	\$ 2,919	\$ 2,918	\$ 1
Other Purchased Services	59,321	(16,871)	42,450	29,730	12,720
Supplies and Materials	45,115	(6,828)	38,287	36,112	2,175
Other Objects	4,260	75	4,335	4,314	21
<b>Total Support Services - School Administration</b>	<b>1,078,263</b>	<b>(31,015)</b>	<b>1,047,248</b>	<b>1,031,984</b>	<b>15,264</b>
<b>Central Services:</b>					
Salaries	501,226	(11,917)	489,309	489,224	85
Unused Sick Payment to Terminated/ Retired Staff	4,000		4,000		4,000
Purchased Professional Services	21,100		21,100	16,824	4,276
Miscellaneous Purchased Services	3,750	(1,350)	2,400	1,668	732
Supplies and Materials	5,000		5,000	3,341	1,659
Miscellaneous Expenditures	2,985		2,985	2,955	30
<b>Total Central Services</b>	<b>538,061</b>	<b>(13,267)</b>	<b>524,794</b>	<b>514,012</b>	<b>10,782</b>
<b>Administrative Information Technology:</b>					
Salaries	196,780		196,780	196,042	738
Purchased Technical Services	75,000	37,875	112,875	45,009	67,866
Other Purchased Services	185,801	(6,355)	179,446	174,856	4,590
Supplies and Materials	56,958	(5,679)	51,279	48,046	3,233
Other Objects	1,000	(1,000)			
<b>Total Administrative Information Technology</b>	<b>515,539</b>	<b>24,841</b>	<b>540,380</b>	<b>463,953</b>	<b>76,427</b>
<b>Required Maintenance of School Facilities:</b>					
Salaries	365,564	(589)	364,975	355,767	9,208
Cleaning, Repair and Maintenance Services	397,842	(117,094)	280,748	246,176	34,572
General Supplies	87,468	13,335	100,803	87,745	13,058

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Required Maintenance of School Facilities: (Cont'd)	\$ 3,000	\$ 300	\$ 3,300	\$ 3,225	\$ 75
Other Objects		(104,048)	749,826	692,913	56,913
<b>Total Required Maintenance of School Facilities</b>	<b>853,874</b>		<b>749,826</b>	<b>692,913</b>	<b>56,913</b>
<b>Custodial Services:</b>					
Salaries	707,333	(35,284)	672,049	644,241	27,808
Purchased Professional and Technical Services	23,002	3,401	26,403	18,866	7,537
Cleaning, Repair, and Maintenance Services	58,656	(86)	58,570	42,756	15,814
Other Purchased Property Services	68,700	(8,040)	60,660	53,702	6,958
Insurance	247,647	(8,300)	239,347	232,628	6,719
Miscellaneous Purchased Services	4,148		4,148	1,852	2,296
General Supplies	94,121	26,493	120,614	94,245	26,369
Energy (Natural Gas)	158,700	85,000	243,700	117,502	126,198
Energy (Electricity)	584,475	(291,776)	292,699	261,122	31,577
Energy (Oil)	10,000		10,000	5,881	4,119
Other Objects	350		350	304	46
<b>Total Custodial Services</b>	<b>1,957,132</b>	<b>(228,592)</b>	<b>1,728,540</b>	<b>1,473,099</b>	<b>255,441</b>
<b>Care &amp; Upkeep of Grounds:</b>					
Salaries	134,771	4,317	139,088	133,141	5,947
Purchased Professional and Technical Services	32,879		32,879	32,878	1
Cleaning, Repair, and Maintenance Services	97,670	100	97,770	50,333	47,437
General Supplies	76,299	(29,100)	47,199	29,989	17,210
<b>Total Care &amp; Upkeep of Grounds</b>	<b>341,619</b>	<b>(24,683)</b>	<b>316,936</b>	<b>246,341</b>	<b>70,595</b>
<b>Security:</b>					
Salaries	374,001		374,001	358,209	15,792
Purchased Professional and Technical Services	277,385	2,900	280,285	263,517	16,768
Cleaning, Repair, and Maintenance Services	70,951	(2,584)	68,367	67,424	943

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Security: (Cont'd)					
General Supplies	\$ 8,755	\$	8,755	7,534	\$ 1,221
Other Objects	630	(630)			
Total Security	731,722	(314)	731,408	696,684	34,724
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Special Education	70,000		70,000	49,871	20,129
Management Fee - ESC & CTSA Transportation Program	30,000		30,000	21,700	8,300
Cleaning, Repair and Maintenance Services	22,000		22,000	9,360	12,640
Lease Purchase Payments - School Buses	55,991		55,991	55,990	1
Contracted Services:					
Between Home and School - Vendors	580,056	9,900	589,956	589,953	3
Other than Between Home and School - Vendors	57,001	(31,500)	25,501	22,255	3,246
Between Home and School - Joint Agreements	396,920	(18,192)	378,728	368,080	10,648
Special Education Students - Vendors	171,281	16,336	187,617	169,340	18,277
Regular Students - ESCs & CTSAs	100,000	(28,144)	71,856	70,104	1,752
Special Education Students - ESCs & CTSAs	582,320	(54,300)	528,020	468,826	59,194
Aid in Lieu of Payments - Nonpublic Students	30,000	(6,000)	24,000	11,815	12,185
Aid in Lieu of Payments - Charter School Students		3,000	3,000	2,001	999
Aid in Lieu of Payments - Choice School Students	6,000	3,000	9,000	6,114	2,886
Miscellaneous Purchased Services - Transportation	124,600		124,600	109,723	14,877
General Supplies	1,000		1,000	325	675
Transportation Supplies	20,000		20,000	7,096	12,904
Other Objects	1,400		1,400	1,000	400
Total Student Transportation Services	2,248,569	(105,900)	2,142,669	1,963,553	179,116

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Unallocated Benefits:					
Social Security Contributions	\$ 460,000	\$ (40,400)	\$ 419,600	\$ 418,157	\$ 1,443
Other Retirement Contributions - PERS	410,000	(9,527)	400,473	391,073	9,400
Other Retirement Contributions - Regular	42,000	(6,500)	35,500	34,729	771
Unemployment Compensation	75,000	250,000	325,000	75,000	250,000
Workmen's Compensation	192,927	67,332	260,259	260,258	1
Health Benefits	4,248,889	76,427	4,325,316	4,313,923	11,393
Tuition Reimbursement	155,892	(50,145)	105,747	73,065	32,682
Other Employee Benefits	384,422	50,913	435,335	435,335	
Total Unallocated Benefits	<u>5,969,130</u>	<u>338,100</u>	<u>6,307,230</u>	<u>6,001,540</u>	<u>305,690</u>
On-Behalf Contributions:					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				1,106,120	(1,106,120)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				2,929,102	(2,929,102)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				52,501	(52,501)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				2,039	(2,039)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,077,794	(1,077,794)
Total On-Behalf Contributions				<u>5,167,556</u>	<u>(5,167,556)</u>
Total Personal Services - Employee Benefits	5,969,130	338,100	6,307,230	11,169,096	(4,861,866)
Total Undistributed Expenses	22,174,171	118,417	22,292,588	25,487,456	(3,194,868)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>37,772,613</u>	<u>(370,508)</u>	<u>37,402,105</u>	<u>40,203,532</u>	<u>(2,801,427)</u>



WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 6-8	\$ 3,950	\$ (1,116)	\$ 2,834	\$ 2,834	
Grades 9-12	21,119		21,119	21,119	
Undistributed Expenditures:					
Instruction		17,197	17,197	17,075	\$ 122
School-Sponsored Co curricular Athletics		3,345	3,345	3,345	
Administrative Information Technology	14,995	272,366	287,361	78,959	208,402
Required Maintenance for School Facilities	19,400	16,706	36,106	22,320	13,786
<b>Total Equipment</b>	<u>59,464</u>	<u>308,498</u>	<u>367,962</u>	<u>145,652</u>	<u>222,310</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	19,725	228,702	248,427	222,790	25,637
Other Purchased Professional and Technical Services	11,605	31,285	42,890	17,168	25,722
Construction Services	1,588,000	416,283	2,004,283	1,721,674	282,609
Assessment for Debt Service on SDA Funding	185,855		185,855	185,855	
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,805,185</u>	<u>676,270</u>	<u>2,481,455</u>	<u>2,147,487</u>	<u>333,968</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,864,649</u>	<u>984,768</u>	<u>2,849,417</u>	<u>2,293,139</u>	<u>556,278</u>
Transfer of Funds to Charter Schools	44,682	26,872	71,554	71,554	
<b>TOTAL EXPENDITURES</b>	<u>39,681,944</u>	<u>641,132</u>	<u>40,323,076</u>	<u>42,568,225</u>	<u>(2,245,149)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(3,765,555)</u>	<u>(641,132)</u>	<u>(4,406,687)</u>	<u>(1,299,064)</u>	<u>3,107,623</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Final to Actual</u>
Other Financing Sources:					
Transfer from Flexible Spending Trust Fund				2,723	\$ 2,723
Total Other Financing Sources				<u>2,723</u>	<u>\$ 2,723</u>
Excess/(Deficit) of Revenues and Other Financing Sources	\$ (3,765,555)	\$ (641,132)	\$ (4,406,687)	(1,296,341)	3,110,346
Over/(Under) Expenditures				9,109,279	
Fund Balance, July 1	9,109,279		9,109,279	9,109,279	
Fund Balance, June 30	<u>\$ 5,343,724</u>	<u>\$ (641,132)</u>	<u>\$ 4,702,592</u>	<u>\$ 7,812,938</u>	<u>\$ 3,110,346</u>
Recapitulation:					
Restricted:					
Excess Surplus for 2021-2022				\$ 850,000	
Excess Surplus for 2020-2021				1,000,000	
Capital Reserve				2,885,988	
Maintenance Reserve				282,213	
Emergency Reserve				299,431	
Assigned:					
Year End Encumbrances				1,537,638	
Unassigned				<u>957,668</u>	
				<u>7,812,938</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(1,036,779)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,776,159</u>	

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 35,902	\$ 35,902	\$ 27,993	\$ (7,909)
Federal Sources	\$ 492,930	303,892	796,822	591,515	(205,307)
<b>Total Revenues</b>	<b>492,930</b>	<b>339,794</b>	<b>832,724</b>	<b>619,508</b>	<b>(213,216)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	130,338	(53,987)	76,351	76,351	
Other Salaries for Instruction		23,726	23,726	23,726	
Purchased Professional and Educational Services		27,836	27,836	5,915	21,921
Tuition	321,397	75,682	397,079	397,079	
General Supplies		150,095	150,095	34,706	115,389
Travel		275	275	275	
Other Objects		7,550	7,550	7,550	
<b>Total Instruction</b>	<b>451,735</b>	<b>231,177</b>	<b>682,912</b>	<b>545,602</b>	<b>137,310</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff		8,640	8,640		8,640
Personal Services - Employee Benefits		35,028	35,028	35,028	
Purchased Professional and Educational Services	8,000	22,722	30,722	12,858	17,864
Other Purchased Services	33,195	(31,745)	1,450	1,450	1,450
Travel		24,932	24,932	10,486	14,446
Supplies and Materials		35,456	35,456	1,950	33,506
<b>Total Support Services</b>	<b>41,195</b>	<b>95,033</b>	<b>136,228</b>	<b>60,322</b>	<b>75,906</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		13,584	13,584	13,584	
<b>Total Facilities Acquisition and Construction Services</b>		<b>13,584</b>	<b>13,584</b>	<b>13,584</b>	
<b>Total Expenditures</b>	<b>\$ 492,930</b>	<b>\$ 339,794</b>	<b>\$ 832,724</b>	<b>\$ 619,508</b>	<b>\$ 213,216</b>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 41,269,161	\$ 619,508
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		27,318
Current Year Encumbrances		(6,618)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,009,683	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(1,036,779)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 41,242,065</u>	<u>\$ 640,208</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 42,568,225	\$ 619,508
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		27,318
Current Year Encumbrances		<u>(6,618)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 42,568,225</u>	<u>\$ 640,208</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISION SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education Act			
	Title I SIA	Title IIA	Title III Immigrant	Title IV
<b>REVENUES:</b>				
Local Sources				
Federal Sources	\$ 149,632	\$ 29,291	\$ 2,749	\$ 9,946
Total Revenues	<u>149,632</u>	<u>29,291</u>	<u>2,749</u>	<u>9,946</u>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers	76,351			
Other Salaries for Instruction	23,726	1,215		4,700
Purchased Professional and Educational Services				
Tuition				
General Supplies	12,577		2,749	5,246
Travel				
Other Objects		7,550		
Total Instruction	<u>112,654</u>	<u>8,765</u>	<u>2,749</u>	<u>9,946</u>
Support Services:				
Personal Services - Employee Benefits	35,028			
Purchased Professional and Educational Services		10,040		
Travel		10,486		
Supplies and Materials	1,950			
Total Support Services	<u>36,978</u>	<u>20,526</u>		
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	<u>\$ 149,632</u>	<u>\$ 29,291</u>	<u>\$ 2,749</u>	<u>\$ 9,946</u>



WARREN HILLS REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	I.D.E.A. Part B, Basic	Local Donations	Totals
<b>REVENUES:</b>			
Local Sources	\$ 397,079	27,993	27,993
Federal Sources			591,515
Total Revenues	397,079	27,993	619,508
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers			76,351
Other Salaries for Instruction			23,726
Purchased Professional and Educational Services			5,915
Tuition	397,079		397,079
General Supplies		14,134	34,706
Travel		275	275
Other Objects			7,550
Total Instruction	397,079	14,409	545,602
Support Services:			
Personal Services - Employee Benefits			35,028
Purchased Professional and Educational Services			12,858
Travel			10,486
Supplies and Materials			1,950
Total Support Services			60,322
Facilities Acquisition and Construction Services:			
Instructional Equipment		13,584	13,584
Total Facilities Acquisition and Construction Services		13,584	13,584
Total Expenditures	\$ 397,079	\$ 27,993	\$ 619,508

PROPRIETARY FUNDS

WARREN HILLS REGIONAL SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020

ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 202,169
Interfund Receivable - General Fund	3,601
Intergovernmental Accounts Receivable:	
State	1,435
Federal	6,358
Inventories	19,943

Total Current Assets	<u>233,506</u>
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## Non-Current Assets:

Capital Assets	475,594
Less: Accumulated Depreciation	<u>(324,396)</u>

Total Non-Current Assets	<u>151,198</u>
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Total Assets	<u>384,704</u>
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LIABILITIES:

## Current Liabilities:

Unearned Revenue:	
Prepaid Meals	12,839
Donated Commodities	4,111

Total Liabilities	<u>16,950</u>
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NET POSITION:

Investment in Capital Assets	151,198
Unrestricted	<u>216,556</u>

Total Net Position	<u>\$ 367,754</u>
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WARREN HILLS REGIONAL SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 156,763
Non-Reimbursable Programs	180,857
	<hr/>
Total Operating Revenue	337,620
	<hr/>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	127,804
Non-Reimbursable Programs	113,335
Salaries	138,336
Benefits and Payroll Taxes	36,783
Supplies, Insurance and Other Costs	59,606
Management Fee	14,984
Depreciation Expense	16,713
	<hr/>
Total Operating Expenses	507,561
	<hr/>
Operating Loss	(169,941)
Non-Operating Income:	
Local Sources:	
Interest Income	2,628
State Sources:	
State School Lunch Program	5,206
COVID - Seamless Summer Option	137
Federal Sources:	
National School Lunch Program	109,575
School Breakfast Program	3,092
COVID - Seamless Summer Option	11,958
Food Distribution Program	20,222
	<hr/>
Total Non-Operating Income	152,818
	<hr/>
Change in Net Position	(17,123)
Net Position - Beginning of Year	384,877
	<hr/>
Net Position - End of Year	\$ 367,754
	<hr/> <hr/>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 342,185
Payments to Food Service Contractor	(425,764)
Payments to Suppliers	(55,299)
	<hr/>
Net Cash Used for Operating Activities	(138,878)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	2,628
	<hr/>
Net Cash Provided by Investing Activities	2,628
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(11,708)
	<hr/>
Net Cash Used for Capital and Related Financing Activities	(11,708)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Sources	3,985
Federal Sources	118,250
	<hr/>
Net Cash Provided by Noncapital Financing Activities	122,235
	<hr/>
Net Decrease in Cash and Cash Equivalents	(25,723)
	<hr/>
Cash and Cash Equivalents, July 1	227,892
	<hr/>
Cash and Cash Equivalents, June 30	\$ 202,169
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (169,941)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	16,713
Food Distribution Program	20,222
Changes in Assets and Liabilities:	
Increase in Unearned Revenue	4,380
(Decrease) in Accounts Payable	(578)
(Increase) in Inventory	(9,674)
	<hr/>
Net Cash Used for Operating Activities	\$ (138,878)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$20,037 and utilized U.S.D.A. Commodities valued at \$20,222.

FIDUCIARY FUNDS

WARREN HILLS REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Agency	Agency	Total	Unemployment	Flexible	Private Purpose	Totals
	Student	Payroll	Agency	Compensation	Spending	Scholarship	
	Activities			Trust	Trust	Trust	
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 232,964	\$ 480,254	\$ 713,218	\$ 179,443	\$ 28,138	\$ 256,418	\$ 1,177,217
Investments						120,914	120,914
Other Accounts Receivable					3,242		3,242
Total Assets	232,964	480,254	713,218	179,443	31,380	377,332	1,301,373
<u>LIABILITIES:</u>							
Payroll Deductions and Withholdings		50,711	50,711				50,711
Due to Student Groups	193,585		193,585				193,585
Accrued Salaries and Wages		429,543	429,543				429,543
Accounts Payable - Vendors	39,379		39,379				39,379
Interfund Payable:							
General Fund					22,924		22,924
Total Liabilities	232,964	480,254	713,218		22,924		736,142
<u>NET POSITION:</u>							
Held in Trust for:							
Unemployment Claims				179,443			179,443
Flexible Spending Claims					8,456		8,456
Restricted for Scholarships						377,332	377,332
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 179,443	\$ 8,456	\$ 377,332	\$ 565,231

WARREN HILLS REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Flexible Spending Trust	Private Purpose Scholarship Trust	Totals
<b>ADDITIONS:</b>				
Contributions:				
Plan Members	\$ 64,661	\$ 75,460		\$ 140,121
Budget Appropriation	75,000			75,000
Donations			\$ 1,725	1,725
Total Contributions	<u>139,661</u>	<u>75,460</u>	<u>1,725</u>	<u>216,846</u>
Investment Earnings:				
Interest			965	965
Net Investment Earnings			965	965
Total Additions	<u>139,661</u>	<u>75,460</u>	<u>2,690</u>	<u>217,811</u>
<b>DEDUCTIONS:</b>				
Quarterly Contribution Reports	19,928			19,928
Unemployment Claims	24,714			24,714
Scholarships Awarded			6,050	6,050
Flexible Spending Claims		72,345		72,345
Total Deductions	<u>44,642</u>	<u>72,345</u>	<u>6,050</u>	<u>123,037</u>
Change in Net Position Before Other Item	95,019	3,115	(3,360)	94,774
<b>OTHER ITEM:</b>				
Transfer to General Fund		(2,723)		(2,723)
Change in Net Position	95,019	392	(3,360)	92,051
Net Position - Beginning of the Year	<u>84,424</u>	<u>8,064</u>	<u>380,692</u>	<u>473,180</u>
Net Position - End of the Year	<u>\$ 179,443</u>	<u>\$ 8,456</u>	<u>\$ 377,332</u>	<u>\$ 565,231</u>



WARREN HILLS REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 232,160	\$ 396,902	\$ 396,098	\$ 232,964
Total Assets	<u>\$ 232,160</u>	<u>\$ 396,902</u>	<u>\$ 396,098</u>	<u>\$ 232,964</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 189,402	\$ 357,523	\$ 353,340	\$ 193,585
Accounts Payable - Vendors		39,379		39,379
Interfund Payable:				
General Fund	<u>42,758</u>		<u>42,758</u>	
Total Liabilities	<u>\$ 232,160</u>	<u>\$ 396,902</u>	<u>\$ 396,098</u>	<u>\$ 232,964</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 229,184	\$ 23,218,061	\$ 22,966,991	\$ 480,254
Total Assets	<u>\$ 229,184</u>	<u>\$ 23,218,061</u>	<u>\$ 22,966,991</u>	<u>\$ 480,254</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 229,184	\$ 22,788,518	\$ 22,966,991	\$ 50,711
Accrued Salaries and Wages	<u>                    </u>	<u>429,543</u>	<u>                    </u>	<u>429,543</u>
Total Liabilities	<u>\$ 229,184</u>	<u>\$ 23,218,061</u>	<u>\$ 22,966,991</u>	<u>\$ 480,254</u>

LONG-TERM DEBT

WARREN HILLS REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Purpose	Date of Issue	Original Issue	Maturities of				Balance July 1, 2019	Matured	Balance June 30, 2020
			Bonds Outstanding		Interest Rate	Amount			
			Date	June 30, 2020					
2009 School Bonds	03/19/09	\$ 5,494,000	2/15/21	\$ 435,000	4.00%	\$ 2,264,000	\$ 420,000	\$ 1,844,000	
			2/15/22	450,000	4.00%				
			2/15/23	470,000	4.00%				
			2/15/24	489,000	4.13%				
2012 Refunding Bonds	06/06/12	17,335,000	2/15/21	1,330,000	5.00%	12,165,000	1,270,000	10,895,000	
			2/15/22	1,405,000	5.00%				
			2/15/23	1,480,000	5.00%				
			2/15/24	1,565,000	4.00%				
			2/15/25	1,635,000	4.00%				
			2/15/26	1,705,000	4.00%				
			2/15/27	1,775,000	4.00%				
						\$ 14,429,000	\$ 1,690,000	\$ 12,739,000	

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,294,727		\$ 2,294,727	\$ 2,294,727	
State Sources:					
Debt Service Aid - Type II	17,319		17,319	17,319	
Total Revenues	2,312,046		2,312,046	2,312,046	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	622,046		622,046	622,046	
Redemption of Principal	1,690,000		1,690,000	1,690,000	
Total Regular Debt Service	2,312,046		2,312,046	2,312,046	
Total Expenditures	2,312,046		2,312,046	2,312,046	
Deficit of Revenues Under Expenditures					
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	\$ 1	\$ -0-	\$ 1	\$ 1	\$ -0-
<u>Recapitulation:</u>					
Restricted			\$ 1	\$ 1	

WARREN HILLS REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

Purpose	Interest Rate	Original Issue	Balance July 1, 2019	Matured	Balance June 30, 2020
School Buses, Maintenance Vehicles and Maintenance Equipment	1.47%	\$ 362,562	\$ 146,214	\$ 72,574	\$ 73,640
Security Equipment	1.513%	707,884	283,130	140,502	142,628
Technology Equipment, School Bus and Laser Engraver	3.049%	648,932	513,833	122,731	391,102
			<u>\$ 943,177</u>	<u>\$ 335,807</u>	<u>\$ 607,370</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

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

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

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

J-14 thru J-15

**Operating Information**

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

J-16 thru J-20

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NET POSITION BY COMPONENT,  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 21,898,013	\$ 24,359,855	\$ 26,501,040	\$ 27,224,466	\$ 28,561,105	\$ 28,369,778	\$ 29,912,495	\$ 32,722,525	\$ 32,516,063	\$ 33,915,031
Restricted	6,438,182	9,070,094	10,473,542	10,315,660	10,278,076	9,918,463	5,983,676	6,316,779	7,092,172	5,317,633
Unrestricted/(Deficit)	807,416	(989,884)	(1,301,587)	(7,707,076)	(8,735,277)	(8,976,705)	(7,220,439)	(10,142,604)	(9,435,383)	(8,877,114)
Total Governmental Activities Net Position	\$ 29,143,611	\$ 32,440,065	\$ 35,672,995	\$ 29,833,050	\$ 30,103,904	\$ 29,311,536	\$ 28,675,732	\$ 28,896,700	\$ 30,172,852	\$ 30,355,550
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 73,031	\$ 115,682	\$ 102,625	\$ 97,892	\$ 210,733	\$ 207,992	\$ 188,880	\$ 179,572	\$ 156,203	\$ 151,198
Unrestricted	357,548	348,908	316,274	296,984	150,661	150,056	165,435	195,512	228,674	216,556
Total Business-Type Activities Net Position	\$ 430,579	\$ 464,590	\$ 418,899	\$ 394,876	\$ 361,394	\$ 358,048	\$ 354,315	\$ 375,084	\$ 384,877	\$ 367,754
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 21,971,044	\$ 24,475,537	\$ 26,603,665	\$ 27,322,358	\$ 28,771,838	\$ 28,577,770	\$ 30,101,375	\$ 32,902,097	\$ 32,672,266	\$ 34,066,229
Restricted	6,438,182	9,070,094	10,473,542	10,315,660	10,278,076	9,918,463	5,983,676	6,316,779	7,092,172	5,317,633
Unrestricted/(Deficit)	1,164,964	(640,976)	(985,313)	(7,410,092)	(8,584,616)	(8,826,649)	(7,055,004)	(9,947,092)	(9,206,709)	(8,660,558)
Total District Net Position	\$ 29,574,190	\$ 32,904,655	\$ 36,091,894	\$ 30,227,926	\$ 30,465,298	\$ 29,669,584	\$ 29,030,047	\$ 29,271,784	\$ 30,557,729	\$ 30,723,304



WARREN HILLS REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 12,723,928	\$ 13,383,918	\$ 13,498,437	\$ 13,729,532	\$ 16,281,883	\$ 17,809,990	\$ 19,221,023	\$ 20,142,991	\$ 18,100,336	\$ 19,336,881
Special Education	4,276,293	3,802,058	3,746,454	3,915,065	4,160,158	4,929,289	6,295,881	6,303,643	5,257,584	4,871,984
Other Special Education	134,947	143,352	26,765	33,356	41,319	3,096	1,394	543	4,451	
Other Instruction	1,212,406	1,359,415	1,327,175	1,382,796	1,488,898	1,383,084	1,494,982	1,547,884	1,665,498	1,734,227
Support Services:										
Tuition	1,206,331	1,073,266	1,801,733	1,908,152	2,237,895	2,008,981	1,980,295	1,865,297	2,271,794	2,599,919
Student & Instruction Related Services	3,539,844	3,945,711	4,477,321	4,659,362	5,446,900	5,400,837	5,840,622	5,978,620	6,083,930	6,451,512
General Administrative Services	676,078	631,931	617,809	760,728	663,082	997,805	936,556	738,475	878,842	848,863
School Administrative Services	1,634,343	1,611,543	1,619,953	1,751,868	2,007,473	2,215,171	2,366,439	2,159,265	1,978,273	1,881,828
Central Services	520,993	528,758	551,688	550,739	658,195	563,814	612,895	752,855	680,797	766,767
Administrative Information Technology	503,682	551,563	469,787	312,120	356,401	362,002	368,677	413,741	533,762	
Plant Operations And Maintenance	3,022,276	2,803,793	2,784,501	3,177,264	3,209,050	3,583,254	3,831,444	3,969,045	3,807,849	3,667,671
Pupil Transportation	1,683,674	1,438,029	1,557,321	1,661,141	1,792,485	2,416,108	2,134,332	2,098,835	2,308,667	2,238,320
Capital Outlay	142,475	316,126	138,098	193,019	196,063					
Interest On Long-Term Debt	1,126,169	807,376	648,107	1,004,164	724,466	685,332	634,505	580,298	520,140	446,894
Transfer of Funds to Charter School										71,554
Unallocated Depreciation	382,320	316,768	240,521	774,735	1,009,753	1,021,673	1,896,407	1,896,407	1,897,399	1,972,799
Total Governmental Activities Expenses	32,785,759	32,713,607	33,505,670	35,814,041	40,274,021	43,380,436	47,615,452	48,447,899	45,927,303	47,422,981
Business-Type Activities:										
Food Service	467,434	509,470	501,943	495,675	505,094	507,071	511,090	535,831	584,899	507,561
Total Business-Type Activities Expense	467,434	509,470	501,943	495,675	505,094	507,071	511,090	535,831	584,899	507,561
Total District Expenses	\$ 33,253,193	\$ 33,223,077	\$ 34,007,613	\$ 36,309,716	\$ 40,779,115	\$ 43,887,507	\$ 48,126,542	\$ 48,983,730	\$ 46,512,202	\$ 47,930,542
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 238,177	\$ 1,859,394	\$ 1,423,477	\$ 1,499,897	\$ 1,617,275	\$ 1,584,567	\$ 1,474,957	\$ 1,478,606	\$ 1,865,869	\$ 1,967,004
Pupil Transportation	4,487,590	225,221	259,628	266,536	257,971	261,360	277,700	278,531	282,737	279,270
Operating Grants and Contributions	674,683	4,832,765	4,788,921	4,452,207	7,832,917	9,461,362	12,349,618	13,778,495	11,065,769	11,094,200
Capital Grants and Contributions		90,323	75,616			470,444				
Total Governmental Activities Program Revenues	5,400,450	7,007,703	6,547,642	6,218,640	9,708,163	11,307,289	14,572,719	15,535,632	13,214,375	13,340,474

WARREN HILLS REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)

UNAUDITED  
(Continued)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues										
Business-Type Activities:										
Charges for Services	\$ 353,609	\$ 368,653	\$ 317,409	\$ 322,227	\$ 314,224	\$ 333,333	\$ 337,333	\$ 390,697	\$ 422,737	\$ 337,620
Food Service	111,117	116,226	137,015	148,608	156,602	169,880	169,184	163,613	168,910	150,190
Operating Grants and Contributions	464,726	484,879	454,424	470,835	470,826	503,213	506,517	554,310	591,647	487,810
Total Business Type Activities Program Revenues	\$ 5,865,176	\$ 7,492,582	\$ 7,002,066	\$ 6,689,475	\$ 10,178,989	\$ 11,810,502	\$ 15,079,236	\$ 16,089,942	\$ 13,806,022	\$ 13,828,284
Total District Program Revenues										
Net (Expense)/Revenue	\$ (27,385,309)	\$ (25,705,904)	\$ (26,958,028)	\$ (29,595,401)	\$ (30,565,858)	\$ (32,073,147)	\$ (33,042,733)	\$ (32,912,267)	\$ (32,712,928)	\$ (34,082,507)
Governmental Activities	(2,708)	(24,591)	(47,519)	(24,840)	(34,268)	(3,858)	(4,573)	18,479	6,748	(19,751)
Business-Type Activities	\$ (27,388,017)	\$ (25,730,495)	\$ (27,005,547)	\$ (29,620,241)	\$ (30,600,126)	\$ (32,077,005)	\$ (33,047,306)	\$ (32,893,788)	\$ (32,706,180)	\$ (34,102,258)
Total District-Wide Net Expense										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 18,537,698	\$ 18,658,452	\$ 19,031,621	\$ 19,031,621	\$ 19,412,253	\$ 19,800,498	\$ 20,646,591	\$ 21,298,059	\$ 21,988,883	\$ 22,428,661
Taxes Levied for Debt Service	1,779,464	1,930,302	2,086,385	2,105,862	1,964,506	2,011,364	2,155,917	2,189,882	2,243,148	2,294,727
Tuition Charges	2,055,177	9,050,371	9,272,508	9,384,348	9,387,427	9,380,077	9,461,106	9,464,714	9,454,395	9,368,456
Federal and State Aid not Restricted	8,491,627	72,145	55,177	45,826	44,819	39,444	48,474	83,483	105,415	77,716
Investment Earnings	20,223	163,141	53,336	138,920	27,650	49,216	94,773	95,579	195,027	92,922
Miscellaneous Income	88,023	438,797								
Reappraisal of Assets		(1,500,000)								
Contribution for Bond Refunding				251	57	180	68	1,518	2,212	2,723
Transfers										
Total Governmental Activities	\$ 30,972,212	\$ 28,813,208	\$ 30,499,027	\$ 30,706,828	\$ 30,836,712	\$ 31,280,779	\$ 32,406,929	\$ 33,133,235	\$ 33,989,080	\$ 34,265,205
Business-Type Activities:										
Investment Earnings	143	2,996	1,828	817	786	512	840	2,290	3,045	2,628
Deletion of Capital Assets, Net of Accumulated Depreciation		(1,580)								
Reappraisal of Assets		41,186								
Total Business-Type Activities	\$ 143	\$ 42,602	\$ 1,828	\$ 817	\$ 786	\$ 512	\$ 840	\$ 2,290	\$ 3,045	\$ 2,628
Total District-Wide	\$ 30,972,355	\$ 28,855,810	\$ 30,500,855	\$ 30,707,645	\$ 30,837,498	\$ 31,281,291	\$ 32,407,769	\$ 33,135,525	\$ 33,992,125	\$ 34,267,833
Change in Net Position:										
Governmental Activities	\$ 3,586,903	\$ 3,107,304	\$ 3,540,999	\$ 1,111,427	\$ 270,854	\$ (792,368)	\$ (635,804)	\$ 220,968	\$ 1,276,152	\$ 182,698
Business-Type Activities	(2,565)	18,011	(45,691)	(24,023)	(33,482)	(3,346)	(3,733)	20,769	9,793	(17,123)
Total District	\$ 3,584,338	\$ 3,125,315	\$ 3,495,308	\$ 1,087,404	\$ 237,372	\$ (795,714)	\$ (639,537)	\$ 241,737	\$ 1,285,945	\$ 165,575

Source: School District Financial Reports

WARREN HILLS REGIONAL SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 UNAUDITED

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 6,174,462	\$ 8,748,012	\$ 10,193,678	\$ 10,035,904	\$ 10,128,625	\$ 9,871,141	\$ 5,936,354	\$ 6,316,778	\$ 7,092,171	\$ 5,317,632
Assigned	1,194,333	1,501,554	1,415,017	824,020	685,570	622,613	3,072,549	355,105	1,007,425	1,458,527
Unassigned	156,873	\$ 10,249,566	\$ 11,608,695	21,407	\$ 10,814,195	\$ 10,493,754	\$ 9,008,903	\$ 6,671,883	\$ 8,099,596	\$ 6,776,159
<b>Total General Fund</b>	<b>\$ 7,525,668</b>	<b>\$ 10,249,566</b>	<b>\$ 11,608,695</b>	<b>\$ 10,881,331</b>	<b>\$ 10,814,195</b>	<b>\$ 10,493,754</b>	<b>\$ 9,008,903</b>	<b>\$ 6,671,883</b>	<b>\$ 8,099,596</b>	<b>\$ 6,776,159</b>
All Other Governmental Funds										
Restricted	\$ 2,116,472	\$ 188,133	\$ 279,864	\$ 279,756	\$ 179,756	\$ 47,322	\$ 47,322	\$ 1	\$ 1	\$ 1
Committed	43,626	133,949		933,263						
Unreserved/Unassigned, Reported In:					(30,305)	(57,834)				
Capital Projects Fund (Deficit)										
Total All Other Governmental Funds/(Deficit)	\$ 2,160,098	\$ 322,082	\$ 279,864	\$ 1,213,019	\$ 149,451	\$ (10,512)	\$ 47,322	\$ 1	\$ 1	\$ 1
<b>Total All Funds:</b>	<b>\$ 8,290,934</b>	<b>\$ 8,936,145</b>	<b>\$ 10,473,542</b>	<b>\$ 10,315,660</b>	<b>\$ 10,308,381</b>	<b>\$ 9,918,463</b>	<b>\$ 5,983,676</b>	<b>\$ 6,316,779</b>	<b>\$ 7,092,172</b>	<b>\$ 5,317,633</b>
Restricted	43,626	133,949		933,263						
Assigned	1,194,333	1,501,554	1,415,017	824,020	685,570	622,613	3,072,549	355,105	1,007,425	1,458,527
Unassigned/(Deficit)	156,873	\$ 10,571,648	\$ 11,888,559	\$ 12,094,350	\$ 10,963,646	\$ 10,483,242	\$ 9,056,225	\$ 6,671,884	\$ 8,099,597	\$ 6,776,160
<b>Total All Governmental Funds</b>	<b>\$ 9,685,766</b>	<b>\$ 10,571,648</b>	<b>\$ 11,888,559</b>	<b>\$ 12,094,350</b>	<b>\$ 10,963,646</b>	<b>\$ 10,483,242</b>	<b>\$ 9,056,225</b>	<b>\$ 6,671,884</b>	<b>\$ 8,099,597</b>	<b>\$ 6,776,160</b>

Source: School District Financial Reports

WARREN HILLS REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 20,317,162	\$ 20,588,754	\$ 21,118,006	\$ 21,137,483	\$ 21,376,759	\$ 21,811,862	\$ 22,802,508	\$ 23,487,941	\$ 24,232,031	\$ 24,723,388
Tuition Charges	2,055,177	1,859,394	1,423,477	1,499,897	1,617,275	1,584,567	1,474,957	1,478,606	1,865,869	1,967,004
Transportation Fees from Other LEAs	238,177	225,221	259,628	266,536	257,971	261,360	277,700	278,531	282,737	279,270
Interest Earnings	5,156	19,538	18,582	18,173	18,003	18,854	14,737	33,043	19,300	26,636
Other Restricted Miscellaneous Revenue	25,319	39,805	16,725	11,131	3,149	12,063	10,931	35,320	15,551	16,095
Unrestricted Miscellaneous Revenue	78,427	177,078	75,140	156,217	54,322	66,603	118,352	116,504	278,118	180,704
State Sources	12,749,581	12,761,047	13,568,276	13,290,259	13,685,984	14,265,030	15,238,346	15,593,047	16,317,191	16,374,341
Federal Sources	903,663	1,211,277	566,835	545,521	572,921	632,972	651,159	609,153	630,105	626,881
<b>Total Revenue</b>	<b>36,372,662</b>	<b>36,882,114</b>	<b>37,046,669</b>	<b>36,925,217</b>	<b>37,586,384</b>	<b>38,653,311</b>	<b>40,588,690</b>	<b>41,632,145</b>	<b>43,640,902</b>	<b>44,194,319</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,974,026	9,171,438	9,384,673	9,929,359	10,209,236	10,445,191	10,439,908	10,407,091	9,955,182	10,839,689
Special Education Instruction	3,228,870	2,742,803	2,713,408	2,959,441	2,831,246	2,983,944	3,558,648	3,380,550	2,858,119	2,621,035
Other Special Instruction	92,591	96,085	20,297	26,480	34,344	3,096	1,394	543	4,451	
Other Instruction	990,237	1,100,377	1,097,750	1,148,890	1,229,904	1,151,253	1,223,820	1,277,220	1,359,368	1,404,200
<b>Support Services:</b>										
Tuition	1,206,331	1,073,266	1,801,733	1,908,152	2,237,895	2,008,981	1,980,295	1,865,297	2,271,794	2,599,919
Student & Instruction Related Services	2,636,131	3,004,432	3,406,965	3,584,677	3,762,933	4,040,591	4,072,879	4,213,092	4,258,134	4,453,773
General Administration Services	571,634	514,378	506,808	636,191	532,428	717,249	715,768	524,448	673,745	634,905
School Administration Services	1,173,674	1,128,760	1,145,971	1,275,743	1,288,241	1,211,865	1,264,949	1,147,085	1,066,741	1,031,984
Central Services	371,668	377,144	396,222	415,757	468,591	379,234	384,207	485,248	462,785	514,012
Administrative Information Technology	446,849	483,817	426,105	303,709	347,210	319,849	381,695	357,788	505,436	463,953
Plant Operations And Maintenance	2,597,386	2,395,061	2,414,745	2,794,520	2,818,202	2,934,826	3,343,597	3,942,754	3,239,572	3,109,037
Pupil Transportation	1,642,067	1,401,887	1,516,258	1,580,793	1,711,448	1,807,548	1,895,355	1,929,470	1,985,154	1,963,553
Unallocated Benefits	7,145,792	7,710,035	7,581,264	7,174,221	7,668,082	8,065,335	8,761,017	9,837,218	10,807,248	11,169,096
Capital Outlay	3,043,394	1,393,753	1,305,813	858,723	1,495,739	2,408,979	3,139,680	2,395,867	1,136,307	2,331,723
Transfer of Funds to Charter School										71,554
<b>Debt Service:</b>										
Principal	905,000	1,005,000	1,250,000	1,180,000	1,185,000	1,285,000	1,365,000	1,500,000	1,565,000	1,690,000
Interest And Other Charges	1,126,921	1,092,246	761,746	943,021	896,646	858,509	808,009	754,333	695,297	622,046
<b>Total Expenditures</b>	<b>36,152,571</b>	<b>34,690,482</b>	<b>35,729,758</b>	<b>36,719,677</b>	<b>38,717,145</b>	<b>40,621,450</b>	<b>43,336,221</b>	<b>44,018,004</b>	<b>42,864,333</b>	<b>45,520,479</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	220,091	2,191,632	1,316,911	205,540	(1,130,761)	(1,968,139)	(2,747,531)	(2,385,859)	776,569	(1,326,160)

WARREN HILLS REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources/(Uses)										
Contribution for Bond Refunding		\$ (1,500,000)								
Long Term Debt Issued		17,335,000								
Bond Premium		2,484,721								
Serial Bonds Defeased		(19,625,000)								
Bond Issuance Costs		(165,213)								
Deferred Interest		(1,529,508)								
Debt Service Contribution		1,500,000								
Capital Leases (Non-Budgeted)		194,250								
Transfers In	\$ 77,690	1,500,107	\$ 92,604	\$ 1,084,766	\$ 57	\$ 1,487,555	\$ 1,320,446	\$ 1,518	\$ 648,932	\$ 2,723
Transfers Out	(77,690)	(1,500,107)	(92,604)	(1,084,515)		180	68		2,212	
Total Other Financing Sources/(Uses)		(1,305,750)		251	57	1,487,735	1,320,514	1,518	651,144	2,723
Net Change in Fund Balances	\$ 220,091	\$ 885,882	\$ 1,316,911	\$ 205,791	\$ (1,130,704)	\$ (480,404)	\$ (1,427,017)	\$ (2,384,341)	\$ 1,427,713	\$ (1,323,437)
Debt Service As A Percentage Of Noncapital Expenditures	6.14%	6.30%	5.84%	5.92%	5.59%	5.35%	5.35%	5.46%	5.35%	5.27%

Source: School District Financial Reports

WARREN HILLS REGIONAL SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

Fiscal Year Ending June 30	Tuition	Transportation Fees	Interest on Investments	Use of Facilities/ Rentals	Miscellaneous		Total
2011	\$ 2,055,177	\$ 238,177	\$ 19,644	\$ 25,319	\$ 62,704	\$	\$ 2,401,021
2012	1,859,394	225,221	72,145	39,805	123,229		2,319,794
2013	1,423,477	259,628	55,177	16,725	36,611		1,791,618
2014	1,499,897	266,536	45,826	11,131	127,789		1,951,179
2015	1,617,275	257,971	44,819	3,149	24,501		1,947,715
2016	1,584,567	261,360	39,444	12,063	37,153		1,934,587
2017	1,474,957	277,700	48,474	10,931	83,842		1,895,904
2018	1,478,606	278,531	83,483	35,320	60,259		1,936,199
2019	1,865,869	282,737	105,415	15,551	179,476		2,449,048
2020	1,967,004	279,270	77,716	16,095	76,827		2,416,912

Source: Warren Hills Regional School District records

WARREN HILLS REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN YEARS  
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities, <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
Franklin Township													
2010	\$ 5,875,000	\$ 294,234,600	\$ 51,517,400	\$ 5,093,305	\$ 33,139,800	\$ 31,199,800	\$ 306,300	\$ 421,366,205	\$ 37,813,920	\$ 1,010,638	\$ 422,376,843	\$ 0.87	\$ 473,343,816
2011	6,258,200	291,200,700	53,529,700	5,029,405	32,839,800	31,024,800	306,300	420,188,905	38,584,420	942,686	421,131,591	0.89	444,729,171
2012	4,438,400	292,209,000	53,550,700	5,053,215	32,503,800	30,969,000	306,300	419,030,415	38,663,220	978,714	420,009,129	0.92	423,287,926
2013	4,130,400	286,559,100	53,823,900	5,102,815	32,526,600	30,829,000	306,300	413,418,115	39,090,620	914,996	414,333,111	0.94	398,392,069
2014	4,128,700	287,884,400	52,492,300	5,039,395	32,514,600	30,829,000	306,300	413,194,695	39,090,620	692,328	413,887,023	0.94	413,887,023
2015	4,181,700	289,296,400	51,344,000	4,894,295	32,364,200	30,829,000	306,300	413,215,895	39,428,320	463,886	413,679,781	0.99	389,508,561
2016	4,403,700	288,535,000	52,484,600	5,050,195	32,273,800	30,829,000	306,300	413,882,595	39,306,220	440,526	414,323,121	0.97	385,027,582
2017	4,217,600	288,396,600	52,274,300	5,065,195	32,611,100	30,837,300	306,300	413,708,395	39,462,320	434,313	414,142,708	1.04	410,504,041
2018	3,934,500	287,479,100	53,345,700	5,078,095	32,380,700	30,837,300	306,300	413,361,695	39,814,020	815,456	414,177,151	1.02	407,562,602
2019	3,936,700	287,178,600	53,290,100	5,059,695	32,276,700	30,837,300	306,300	412,885,395	39,950,720	819,631	413,705,026	1.06	404,895,366
Mansfield Township													
2010	\$ 12,975,500	\$ 430,605,100	\$ 51,652,000	\$ 2,903,275	\$ 95,113,500	\$ 16,100,300	\$ 40,656,000	\$ 650,005,675	\$ 64,961,380	\$ 1,434,922	\$ 651,440,597	\$ 0.89	\$ 891,558,434
2011	12,083,200	430,604,600	51,652,000	2,959,050	95,234,500	16,100,300	40,656,000	649,289,650	65,924,380	1,262,054	650,551,704	0.90	837,465,335
2012	11,755,100	425,685,800	55,172,200	2,943,150	95,234,500	16,099,500	40,656,000	647,546,250	67,624,380	1,346,173	648,892,423	0.90	765,722,084
2013	11,751,900	424,374,700	54,693,000	2,782,050	90,238,000	16,099,500	40,656,000	640,595,150	67,675,180	1,315,776	641,910,926	0.92	725,936,357
2014	10,220,500	404,138,600	54,345,900	3,544,000	108,831,100	17,129,400	66,001,000	664,210,500	72,990,900	1,017,159	665,227,659	0.87	684,976,372
2015	10,653,600	404,308,500	54,221,800	3,476,790	108,509,200	17,493,500	66,001,000	664,664,390	72,720,600	954,436	665,618,826	0.90	693,428,255
2016	9,501,000	408,991,800	52,751,300	4,246,265	116,176,000	17,323,500	66,001,000	674,990,865	68,900,700	862,441	675,853,306	0.96	715,449,372
2017	16,515,150	409,053,900	52,604,700	3,342,165	115,894,250	17,323,500	60,062,400	674,796,065	68,448,400	804,295	675,600,360	1.01	719,190,103
2018	13,782,200	410,640,200	51,939,900	3,345,415	115,863,850	17,323,500	60,062,400	672,957,465	68,442,100	291,360	673,248,825	1.08	728,428,211
2019	15,066,700	413,661,400	49,904,500	3,214,625	114,656,750	17,323,500	59,623,400	673,450,875	70,398,700		673,450,875	1.11	747,260,207
Washington Borough													
2010	\$ 6,827,300	\$ 278,559,460	\$ 437,600	\$ 5,300	\$ 47,575,200	\$ 16,823,900	\$ 21,890,900	\$ 372,119,660	\$ 32,932,625	\$ 2,133,964	\$ 374,253,624	\$ 1.12	\$ 583,927,229
2011	5,350,500	278,666,860	437,600	5,300	47,429,000	16,323,400	21,890,900	370,103,560	31,906,225	2,045,901	372,149,461	1.14	577,042,195
2012	5,303,400	278,655,460	437,600	5,300	46,893,500	16,323,400	21,890,900	369,509,560	31,331,625	2,259,339	371,768,899	1.10	521,268,396
2013	3,861,800	283,660,960	437,600	5,300	45,295,800	16,323,400	19,350,900	368,935,760	30,736,425	1,973,565	370,909,325	1.09	475,996,770
2014	3,519,500	285,790,960	437,600	5,300	45,255,400	16,323,400	19,350,900	370,683,060	31,893,625	1,807,822	372,490,882	1.12	463,639,899
2015	2,340,900	290,037,560	437,600	10,100	43,632,300	14,766,600	18,450,900	369,675,960	33,944,425	1,968,788	371,644,748	1.08	443,330,536
2016	1,792,100	287,893,160	437,600	10,100	44,069,600	13,894,600	18,389,700	366,486,860	33,266,625	1,948,907	368,435,767	1.15	441,651,116
2017	1,338,300	288,717,900	437,600	10,100	43,451,500	13,714,300	18,773,700	366,443,400	33,421,225	1,876,471	368,319,871	1.25	457,795,613
2018	1,773,000	288,213,500	437,600	10,100	42,956,700	12,327,300	19,077,700	364,795,900	32,402,625	1,854,447	366,650,347	1.36	463,852,200
2019	1,493,000	288,856,300	437,600	10,100	43,863,300	12,327,300	19,461,700	366,449,300	31,933,325		366,449,300	1.33	456,250,143

WARREN HILLS REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN YEARS  
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Farm		Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
		Farm Residential	Farm Qualified												
Washington Township															
2010	\$ 11,583,100	\$ 559,661,851	\$ 25,506,800	\$ 2,366,600	\$ 68,327,500	\$ 3,501,200	\$ 1,780,300	\$ 672,727,351	\$ 57,198,448	\$ 1,538,722	\$ 674,266,073	\$ 0.99	\$ 907,913,314		
2011	11,030,400	561,000,051	24,688,300	2,272,900	72,406,800	3,501,200	1,780,300	676,679,951	57,883,448	1,351,053	678,031,004	1.00	870,082,342		
2012	10,920,500	560,621,701	25,051,400	2,290,500	74,188,700	3,495,900	1,780,300	678,349,001	57,795,648	1,405,013	679,754,014	1.07	826,466,429		
2013	10,364,300	558,903,101	26,397,900	2,399,300	75,759,900	3,445,900	1,780,300	679,050,701	57,457,248	1,216,440	680,267,141	1.07	784,880,638		
2014	10,399,600	557,929,101	26,422,900	2,410,900	75,491,100	3,445,900	1,780,300	677,879,801	58,674,448	984,686	678,864,487	1.11	741,130,019		
2015	11,107,000	557,507,301	25,814,400	2,465,700	77,247,900	3,445,900	1,780,300	679,368,501	56,679,148	100	679,368,601	1.14	730,164,989		
2016	10,778,500	557,463,501	26,272,400	2,595,000	77,981,800	3,445,900	1,685,900	680,223,001	59,366,048	930,263	681,153,264	1.18	725,063,215		
2017	10,670,500	556,977,408	26,323,600	2,585,000	78,268,768	3,573,300	1,685,900	680,084,476	59,588,748	951,010	681,035,486	1.13	700,881,018		
2018	12,816,000	556,398,608	27,193,200	2,402,100	80,465,968	3,573,300	1,685,900	684,535,076	60,747,948	971,693	685,506,769	1.14	698,845,642		
2019	10,168,100	555,469,808	27,501,100	2,427,100	80,528,968	3,573,300	1,685,900	681,354,276	63,843,548		681,354,276	1.17	708,550,380		

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

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

b Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessors



WARREN HILLS REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(rate per \$100 of assessed value)

TOWNSHIP OF FRANKLIN

Year Ended December 31,	Warren Hills Regional Board of Education							
	Direct Rate				Local School District	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation		Total Direct		Township of Franklin	Warren County	
		Debt Service <sup>b</sup>						
2010	\$ 0.80	\$ 0.08	\$ 0.87	\$ 0.95	\$ 0.24	\$ 0.69	\$ 2.75	
2011	0.81	0.08	0.89	0.96	0.24	0.67	2.76	
2012	0.83	0.09	0.92	0.96	0.22	0.68	2.78	
2013	0.85	0.09	0.94	0.94	0.22	0.69	2.79	
2014	0.85	0.09	0.94	0.96	0.25	0.72	2.86	
2015	0.90	0.09	0.99	0.96	0.27	0.73	2.95	
2016	0.87	0.09	0.97	0.95	0.26	0.71	2.89	
2017	0.95	0.10	1.04	0.94	0.27	0.76	3.02	
2018	0.92	0.09	1.02	0.94	0.27	0.72	2.95	
2019	0.96	0.10	1.06	0.96	0.29	0.70	3.01	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

WARREN HILLS REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(rate per \$100 of assessed value)

TOWNSHIP OF MANSFIELD

Year Ended December 31,	Warren Hills Regional Board of Education							Total Direct and Overlapping Tax Rate
	Direct Rate			Local School District	Overlapping Rates		Warren County	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>	Total Direct		Township of Mansfield			
				General Obligation				
2010	\$ 0.81	\$ 0.08	\$ 0.89	\$ 0.78	\$ 0.52	\$ 0.84	\$ 3.03	
2011	0.81	0.08	0.90	0.80	0.56	0.82	3.07	
2012	0.81	0.09	0.90	0.80	0.58	0.80	3.08	
2013	0.83	0.09	0.92	0.79	0.59	0.81	3.10	
2014	0.79	0.08	0.87	0.79	0.61	0.79	3.05	
2015	0.81	0.08	0.90	0.84	0.61	0.81	3.15	
2016	0.87	0.09	0.96	0.83	0.62	0.81	3.22	
2017	0.92	0.09	1.01	0.85	0.62	0.81	3.29	
2018	0.98	0.10	1.08	0.87	0.63	0.79	3.37	
2019	1.01	0.10	1.11	0.88	0.64	0.79	3.42	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

WARREN HILLS REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(rate per \$100 of assessed value)

BOROUGH OF WASHINGTON

Year Ended December 31,	Warren Hills Regional Board of Education							Total Direct and Overlapping Tax Rate
	Direct Rate			Local School District	Overlapping Rates		Warren County	
	General Obligation	Total Direct	Borough of Washington		Warren County			
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>						
2010	\$ 1.02	\$ 0.10	\$ 1.12	\$ 1.08	\$ 1.42	\$ 0.87	\$ 4.49	
2011	1.03	0.11	1.14	1.12	1.50	0.91	4.67	
2012	0.99	0.11	1.10	1.15	1.50	0.86	4.60	
2013	0.99	0.11	1.09	1.15	1.48	0.85	4.57	
2014	1.02	0.10	1.12	1.23	1.46	0.89	4.70	
2015	0.98	0.10	1.08	1.26	1.46	0.86	4.66	
2016	1.05	0.11	1.15	1.33	1.47	0.85	4.80	
2017	1.13	0.12	1.25	1.35	1.49	0.88	4.97	
2018	1.23	0.13	1.36	1.43	1.54	0.86	5.19	
2019	1.21	0.12	1.33	1.46	1.54	0.83	5.16	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

WARREN HILLS REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(rate per \$100 of assessed value)

TOWNSHIP OF WASHINGTON

Year Ended December 31,	Warren Hills Regional Board of Education				Local School District	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Township of Washington		Warren County		
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>						
2010	\$ 0.90	\$ 0.09	\$ 0.99	\$ 0.77	\$ 0.50	\$ 0.83	\$ 3.08	
2011	0.91	0.09	1.00	0.78	0.55	0.81	3.15	
2012	0.97	0.11	1.07	0.80	0.57	0.82	3.27	
2013	0.96	0.11	1.07	0.80	0.58	0.82	3.28	
2014	1.01	0.10	1.11	0.86	0.60	0.84	3.41	
2015	1.03	0.10	1.14	0.88	0.61	0.84	3.46	
2016	1.07	0.11	1.18	0.89	0.62	0.81	3.51	
2017	1.03	0.11	1.13	0.91	0.66	0.78	3.49	
2018	1.03	0.11	1.14	0.92	0.71	0.74	3.51	
2019	1.06	0.11	1.17	0.95	0.74	0.74	3.60	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Township of Franklin

	2019		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2010		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Transcontinental Gas	\$ 17,917,900	1	4.24%
ISE America	9,981,100	2	2.36%
Franklin Realty Group	9,275,200	3	2.20%
Franklin Realty Group	5,958,100	4	1.41%
Viking Development Co	2,313,400	5	0.55%
J.W.D Farms, LLC	1,950,700	6	0.46%
Elizabethtown Gas Company	1,451,700	7	0.34%
Individual Property Owner #1	1,290,600	8	0.31%
Victaulic Reh, LLC	122,300	9	0.03%
Individual Property Owner #2	1,109,100	10	0.26%
Total	\$ 51,370,100		12.16%

Source: Municipal Tax Assessor

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Township of Mansfield

	2019		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2010		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Plaza, LLC	\$ 45,104,800	1	6.92%
Green Eagle Property	26,000,000	2	3.99%
Mansfield Plaza, LLC	14,149,800	3	2.17%
Middlebury Associates	14,000,000	4	2.15%
Borealis Compounds LLC	6,560,900	5	1.01%
NYK Logistics	3,611,800	6	0.55%
Mansfield Commons II, LLC	3,324,900	7	0.51%
Sarva Mangle, LLC (Comfort Inn)	3,077,900	8	0.47%
Eden Mansfield, LLC	2,667,600	9	0.41%
The Shoppes at Mansfield, LLC	2,653,900	10	0.41%
Total	\$ 121,151,600		18.60%

Source: Municipal Tax Assessor

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Borough of Washington

Taxpayer	2019		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Warren Washington Associates	\$ 5,500,000	1	1.50%
BASF Corporation Tax Dept.	4,722,000	2	1.29%
Twist Beauty Packaging	4,052,900	3	1.11%
Washington Plaza Associates	3,400,000	4	0.93%
Bell Atlantic	3,266,765	5	0.89%
Washington Gardens LLC	2,950,000	6	0.81%
Washington Heights LLC	2,000,000	7	0.55%
Individual Taxpayer #1	1,939,800	8	0.53%
Midtown/Limited, Inc.	1,755,200	9	0.48%
Rural Housing Service (Westgate Apartments)	1,740,000	10	0.47%
Total	<u>\$ 31,326,665</u>		<u>8.55%</u>

Taxpayer	2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Warren Washington Associates	\$ 7,000,000	1	1.87%
BASF Corporation Tax Dept.	4,722,000	2	1.26%
Pechinery Plastic Packaging	4,552,800	3	1.22%
Washington Gardens LLC	3,990,000	4	1.07%
Washington Plaza Associates	3,900,000	5	1.04%
Washington Heights, LLC	2,000,000	6	0.53%
Individual Taxpayer #1	1,938,900	7	0.52%
Warren Lumber Inc.	1,658,000	8	0.44%
Individual Taxpayer #2	1,649,000	9	0.44%
Candle Artisans, Inc.	1,550,000	10	0.41%
Total	<u>\$ 32,960,700</u>		<u>8.81%</u>

Note: Individual taxpayers in 2019 and 2010 may be different.

Source: Municipal Tax Assessor

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Township of Washington

Taxpayer	2019		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Hawk Pointe, LLC	\$ 12,015,600	1	1.76%
Washington Shopping Center, Inc.	6,541,500	2	0.96%
Asbury Farms	6,039,468	3	0.89%
Desapio Properties, #3, LLC	3,376,800	4	0.50%
Johnson Family Holdings LLC	3,342,700	5	0.49%
Ed Mark 31, LLC	3,243,900	6	0.48%
Fitzgibbon, Smith & Smith	3,134,900	7	0.46%
Prime Storage	2,291,700	8	0.34%
I. C. Washington Inc., - Eckerd Drug	1,875,400	9	0.28%
Witte Holdings LLC	1,805,100	10	0.26%
Total	<u>\$ 43,667,068</u>		<u>6.41%</u>

Taxpayer	2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Asbury Farms (including Golf Course)	\$ 12,817,500	1	1.90%
Washington Shopping Centers, Inc. -A&P	7,965,900	2	1.18%
Desapio Properties #3, LLC (Medical Building)	3,499,300	3	0.52%
Ed Mark 31 LLC (Rossi)	3,243,900	4	0.48%
Fitzgibbon, Smith & Smith	3,134,900	5	0.46%
Village Supermarket - Shop-Rite	2,778,200	6	0.41%
Washington Realty LLC	2,261,500	7	0.34%
Individual Taxpayer #1	2,221,700	8	0.33%
I. C. Washington Inc., - Eckerd Drug	1,875,400	9	0.28%
Individual Taxpayer #2	1,862,899	10	0.28%
Total	<u>\$ 41,661,199</u>		<u>6.18%</u>

Source: Municipal Tax Assessor



WARREN HILLS REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Township of Franklin

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 3,686,607	\$ 3,686,607	100.00%	\$ -0-
2012	3,746,238	3,746,238	100.00%	-0-
2013	3,880,347	3,880,347	100.00%	-0-
2014	3,906,105	3,906,105	100.00%	-0-
2015	3,872,361	3,872,361	100.00%	-0-
2016	4,115,045	4,115,045	100.00%	-0-
2017	4,000,955	3,699,065	92.45%	301,890
2018	4,322,787	4,322,787	100.00%	-0-
2019	4,209,762	4,209,762	100.00%	-0-
2020	4,373,344	4,373,344	100.00%	-0-

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Township of Mansfield

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 5,779,107	\$ 5,779,107	100.00%	\$ -0-
2012	5,823,492	5,823,492	100.00%	-0-
2013	5,865,301	5,865,301	100.00%	-0-
2014	5,885,165	5,885,165	100.00%	-0-
2015	5,760,359	5,760,359	100.00%	-0-
2016	5,963,789	5,963,789	100.00%	-0-
2017	6,485,164	6,485,164	100.00%	-0-
2018	6,830,105	6,830,105	100.00%	-0-
2019	7,249,195	7,249,195	100.00%	-0-
2020	7,488,779	7,488,779	100.00%	-0-

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Borough of Washington

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 4,183,500	\$ 4,138,500	98.92%	\$ -0-
2012	4,247,430	4,247,430	100.00%	-0-
2013	4,082,563	4,082,563	100.00%	-0-
2014	4,059,242	4,059,242	100.00%	-0-
2015	4,181,857	4,181,857	100.00%	-0-
2016	3,997,626	3,997,626	100.00%	-0-
2017	4,253,257	4,253,257	100.00%	-0-
2018	4,606,303	4,258,233	92.44%	348,070
2019	4,976,154	4,976,154	100.00%	-0-
2020	4,868,343	4,868,343	100.00%	-0-

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Township of Washington

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 6,667,948	\$ 6,667,948	100.00%	\$ -0-
2012	6,771,594	6,771,594	100.00%	-0-
2013	7,289,795	7,289,795	100.00%	-0-
2014	7,286,970	7,286,970	100.00%	-0-
2015	7,562,181	6,532,098	86.38%	1,030,083
2016	7,735,402	6,682,089	86.38%	1,053,313
2017	8,063,132	6,954,737	86.25%	1,108,395
2018	7,728,746	6,644,743	85.97%	1,084,003
2019	7,796,920	7,207,323	92.44%	589,597
2020	7,992,922	7,388,668	92.44%	604,254

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities							Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Bond Anticipation Notes (BANs)		Business-Type Activities					
			Capital Leases	Capital Leases	Capital Leases	Capital Leases				
2011	\$ 27,054,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 27,054,000	2.55%	\$ 1,128.99	
2012	23,759,000	-0-	-0-	194,250	-0-	-0-	23,953,250	2.19%	1,004.71	
2013	22,509,000	-0-	-0-	128,277	-0-	-0-	22,637,277	2.02%	953.51	
2014	21,329,000	-0-	-0-	64,742	-0-	-0-	21,393,742	1.90%	906.21	
2015	20,144,000	-0-	-0-	-0-	-0-	-0-	20,144,000	1.73%	852.44	
2016	18,859,000	-0-	-0-	989,943	-0-	-0-	19,848,943	1.65%	843.09	
2017	17,494,000	-0-	-0-	1,506,624	-0-	-0-	19,000,624	1.57%	812.10	
2018	15,994,000	-0-	-0-	722,685	-0-	-0-	16,716,685	1.34%	717.39	
2019	14,429,000	-0-	-0-	943,177	-0-	-0-	15,372,177	1.18%	661.11	
2020	12,739,000	-0-	-0-	607,370	-0-	-0-	13,346,370	1.03%	575.57	

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

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

Source: School District Financial Reports

WARREN HILLS REGIONAL SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation <sup>a</sup> Taxable	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 27,054,000	\$ -0-	\$ 27,054,000	2.55%	\$ 1,128.99
2012	23,759,000	-0-	23,759,000	2.24%	996.56
2013	22,509,000	-0-	22,509,000	2.12%	948.11
2014	21,329,000	-0-	21,329,000	2.02%	903.46
2015	20,144,000	-0-	20,144,000	1.89%	852.44
2016	18,859,000	-0-	18,859,000	1.77%	801.04
2017	17,494,000	-0-	17,494,000	1.63%	747.70
2018	15,994,000	-0-	15,994,000	1.50%	686.38
2019	14,429,000	-0-	14,429,000	1.98%	620.55
2020	12,739,000	-0-	12,739,000	1.75%	549.38

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

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

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

Source: School District Financial Reports

WARREN HILLS REGIONAL SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Township of Franklin	\$ 2,059,124	100.00%	\$ 2,059,124
Township of Mansfield	1,330,851	100.00%	1,330,851
Borough of Washington	7,836,841	100.00%	7,836,841
Township of Washington	7,220,619	100.00%	7,220,619
Warren County General Obligation Debt (Franklin Township Share)	2,205,000	3.68%	81,120
Warren County General Obligation Debt (Mansfield Township Share)	2,205,000	6.79%	149,713
Warren County General Obligation Debt (Washington Borough Share)	2,205,000	4.15%	91,409
Warren County General Obligation Debt (Washington Township Share)	2,205,000	6.44%	141,957
Subtotal, Overlapping Debt			18,911,634
Warren Hills Regional School District Direct Debt			14,429,000
Total Direct And Overlapping Debt			<u>\$ 33,340,634</u>

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION,  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2020						
	Franklin Township	Mansfield Township	Washington Borough	Washington Township	Total	
Equalized valuation basis:						
2017	\$ 404,881,968	\$ 728,564,095	\$ 461,051,082	\$ 691,494,129	\$ 2,285,991,274	
2018	402,298,487	745,163,841	451,256,680	710,024,973	2,308,743,981	
2019	400,781,785	749,611,392	445,152,211	716,234,916	2,311,780,304	
	<u>\$1,589,791,749</u>	<u>\$2,925,424,878</u>	<u>\$1,797,343,652</u>	<u>\$2,839,028,571</u>	<u>\$9,151,588,850</u>	
Average Equalized Valuation of Taxable Property						\$ 3,050,529,617
Debt Limit (3.5% of average equalization value <sup>a</sup> )						\$ 106,768,537
Net Bonded School Debt as of June 30, 2020						<u>12,739,000</u>
Legal Debt Margin						<u>\$ 94,029,537</u>

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 99,317,452	\$ 94,342,252	\$ 90,006,596	\$ 83,474,401	\$ 81,113,720	\$ 78,626,732	\$ 78,924,432	\$ 79,418,289	\$ 106,353,635	\$ 106,768,537
Total Net Debt Applicable to Limit	27,054,000	23,759,000	22,509,000	21,329,000	20,144,000	18,859,000	17,494,000	15,994,000	14,429,000	12,739,000
Legal Debt Margin	<u>\$ 72,263,452</u>	<u>\$ 70,583,252</u>	<u>\$ 67,497,596</u>	<u>\$ 62,145,401</u>	<u>\$ 60,969,720</u>	<u>\$ 59,767,732</u>	<u>\$ 61,430,432</u>	<u>\$ 63,424,289</u>	<u>\$ 91,924,635</u>	<u>\$ 94,029,537</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	27.24%	25.18%	25.01%	25.55%	24.83%	23.99%	22.17%	20.14%	13.57%	11.93%

<sup>a</sup> Limit set by NISA 18A:24-19 for 6 through 12 district; other % limits would be applicable for other districts

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



WARREN HILLS REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Township of Franklin

Year	Population <sup>a</sup>	Warren County Per Capita Personal Income <sup>c</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Unemployment Rate <sup>d</sup>
2011	3,142	\$ 45,807	\$ 143,925,594	6.60%
2012	3,120	47,098	146,945,760	6.40%
2013	3,098	47,609	147,492,682	7.40%
2014	3,095	49,188	152,236,860	6.70%
2015	3,074	51,010	156,804,740	5.10%
2016	3,059	51,850	158,609,150	4.90%
2017	3,045	53,405	162,618,225	4.50%
2018	3,036	56,058	170,192,088	4.00%
2019	3,024	56,058 **	169,519,392	3.30%
2020	3,024 *	56,058 **	169,519,392 ***	N/A

\* - Latest population data available (2019) was used for calculation purposes.

\*\* - Latest Warren County per capita personal income available (2018) was used for calculation purposes.

\*\*\* - Latest available population data (2019) and latest available Warren County per capita personal income (2018) was used for calculation purposes.

N/A - Information Unavailable

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

WARREN HILLS REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Township of Mansfield

Year	Population <sup>a</sup>	Warren County Per Capita Personal Income <sup>c</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Unemployment Rate <sup>d</sup>
2011	7,644	\$ 45,807	\$ 350,148,708	8.80%
2012	7,582	47,098	357,097,036	8.60%
2013	7,517	47,609	357,876,853	6.90%
2014	7,508	49,188	369,303,504	5.40%
2015	7,481	51,010	381,605,810	4.80%
2016	7,430	51,850	385,245,500	4.10%
2017	7,385	53,405	394,395,925	3.50%
2018	7,369	56,058	413,091,402	3.30%
2019	7,361	56,058 **	412,642,938	2.70%
2020	7,361 *	56,058 **	412,642,938 ***	N/A

\* - Latest population data available (2019) was used for calculation purposes.

\*\* - Latest Warren County per capita personal income available (2018) was used for calculation purposes.

\*\*\* - Latest available population data (2019) and latest available Warren County per capita personal income (2018) was used for calculation purposes.

N/A - Information Unavailable

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

WARREN HILLS REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Borough of Washington

Year	Population <sup>a</sup>	Warren County Per Capita Personal Income <sup>c</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Unemployment Rate <sup>d</sup>
2011	6,464	\$ 45,807	\$ 296,096,448	7.90%
2012	6,502	47,098	306,231,196	7.70%
2013	6,512	47,609	310,029,808	6.10%
2014	6,551	49,188	322,230,588	6.40%
2015	6,533	51,010	333,248,330	5.70%
2016	6,498	51,850	336,921,300	5.30%
2017	6,495	53,405	346,865,475	5.20%
2018	6,476	56,058	363,031,608	4.70%
2019	6,450	56,058 **	361,574,100	4.20%
2020	6,450 *	56,058 **	361,574,100 ***	N/A

\* - Latest population data available (2019) was used for calculation purposes.

\*\* - Latest Warren County per capita personal income available (2018) was used for calculation purposes.

\*\*\* - Latest available population data (2019) and latest available Warren County per capita personal income (2018) was used for calculation purposes.

N/A - Information Unavailable

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

WARREN HILLS REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Township of Washington

Year	Population <sup>a</sup>	Warren County Per Capita Personal Income <sup>c</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Unemployment Rate <sup>d</sup>
2011	6,591	\$ 45,807	\$ 301,913,937	10.80%
2012	6,537	47,098	307,879,626	10.50%
2013	6,481	47,609	308,553,929	6.00%
2014	6,477	49,188	318,590,676	5.30%
2015	6,455	51,010	329,269,550	4.80%
2016	6,410	51,850	332,358,500	3.90%
2017	6,377	53,405	340,563,685	3.70%
2018	6,371	56,058	357,145,518	3.40%
2019	6,353	56,058 **	356,136,474	3.20%
2020	6,353 *	56,058 **	356,136,474 ***	N/A

\* - Latest population data available (2019) was used for calculation purposes.

\*\* - Latest Warren County per capita personal income available (2018) was used for calculation purposes.

\*\*\* - Latest available population data (2019) and latest available Warren County per capita personal income (2018) was used for calculation purposes.

N/A - Information Unavailable

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

WARREN HILLS REGIONAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS, COUNTY OF WARREN  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2019		Percentage of Total Employment
	Employees	Rank	

INFORMATION IS NOT AVAILABLE

Employer	2010		Percentage of Total Employment
	Employees	Rank (Optional)	
Masterfoods USA	1,600	1	2.93%
Warren Hospital	1,000	2	1.83%
County of Warren	836	3	1.53%
Hackettstown Medical Center	794	4	1.45%
Mallinckrodt/ Baker, Inc.	500	5	0.92%
Alcan Packaging	450	6	0.82%
Abilities of Northwest Jersey, Inc.	440	7	0.81%
Genesis Health Center	425	8	0.78%
Shop Rite of Greenwich	365	9	0.67%
Centenary University	350	10	0.64%
	<u>6,760</u>		<u>12.38%</u>
Total Employment	<u>54,592</u>		

Source: New Jersey Department of Labor

WARREN HILLS REGIONAL SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,  
LAST TEN FISCAL YEARS

UNAUDITED

<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	130.0	130.0	129.0	129.0	116.5	113.5	118.5	121.7	125.8	123.1
Special Education	20.0	20.0	20.0	20.0	23.0	23.0	51.1	53.0	41.2	38.0
Other Special Education	3.0	3.0	3.0	3.0	3.0	3.0				
Other Instruction	7.0	7.0	9.0	9.0	6.0	5.0	3.0	2.6	3.6	3.6
Support Services:										
Student and Instruction Related Services	33.0	33.0	35.0	35.0	36.0	34.0	40.5	60.0	56.2	57.9
School Administrative Services	14.0	15.0	15.0	15.0	15.0	15.0	13.0	14.0	11.0	11.0
General and Business Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	9.0	8.0	8.6	9.0
Plant Operations and Maintenance	29.0	29.0	29.0	29.0	29.0	25.0	21.7	27.3	26.8	25.2
Other Support Services	5.0	5.0	5.0	5.0	5.0	5.0	8.5	8.5	10.5	10.3
<b>Total</b>	<b>243.0</b>	<b>244.0</b>	<b>247.0</b>	<b>247.0</b>	<b>235.5</b>	<b>225.5</b>	<b>265.3</b>	<b>295.1</b>	<b>283.7</b>	<b>278.1</b>

Source: District Personnel Records

WARREN HILLS REGIONAL SCHOOL DISTRICT  
OPERATING STATISTICS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	High School				
2011	1,907	\$ 31,077,256	\$ 16,296.41	-4.39%	170	1:10	1:11	1,907	1,865	-2.46%	97.80%
2012	1,940	31,199,483	16,082.21	-1.31%	167	1:10	1:11	1,880	1,825	-1.42%	97.07%
2013	1,850	32,412,199	17,520.11	8.94%	165	1:10	1:11	1,850	1,797	-1.60%	97.14%
2014	1,856	33,737,933	18,177.77	3.75%	165	1:10	1:11	1,856	1,764	0.32%	95.04%
2015	1,880	35,139,760	18,691.36	2.83%	149	1:10	1:11	1,880	1,779	1.29%	94.63%
2016	1,883	36,068,962	19,155.05	2.48%	145	1:10	1:11	1,873	1,813	-0.37%	96.80%
2017	1,853	38,023,532	20,519.98	7.13%	161	1:10	1:11	1,853	1,752	-1.07%	94.55%
2018	1,789	39,367,804	22,005.48	7.24%	175	1:10	1:11	1,802	1,702	-2.75%	94.45%
2019	1,750	39,467,729	22,552.99	2.49%	176	1:10	1:11	1,711	1,614	-5.05%	94.33%
2020	1,746	40,876,710	23,411.63	3.81%	179	1:10	1:10	1,744	1,676	1.93%	96.10%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment.  
This Cost Per Pupil may be different from other Cost Per Pupil calculations.

Source: Warren Hills Regional School District records

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

<u>District Building</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Middle School (1931); Additions in 1956/1967/2007	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129
Square Feet	750	750	750	750	750	750	750	750	750	750
Capacity (students)	660	661	615	634	586	589	628	581	544	556
Enrollment										
High School (1967); Additions in 1989/2008	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910
Square Feet	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591
Capacity (students)	1,247	1,279	1,235	1,222	1,294	1,294	1,225	1,208	1,206	1,190
Enrollment										
Board Office/Project Excel (Unknown)	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954
Square Feet	98	98	98	98	98	98	98	98	98	98
Capacity (students)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Enrollment										

Number of Schools at June 30, 2020  
 Elementary = 0  
 Middle School = 1  
 High School = 1  
 Other = 1

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

Source: Warren Hills Regional School District records



WARREN HILLS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

Undistributed Expenditures - Required  
 Maintenance For School Facilities  
 11-000-261-xxx

Fiscal Year Ended June 30,	High School	Middle School	Board Office/ Project Excel	Total
2011	\$ 182,418	\$ 77,582	\$ 51,138	\$ 311,138
2012	227,310	125,120	78,728	431,158
2013	245,406	129,637	55,354	430,397
2014	217,738	161,329	84,885	463,952
2015	321,991	135,317	84,483	541,791
2016	296,551	124,535	103,597	524,683
2017	346,391	156,056	134,187	636,634
2018	489,421	364,998	252,603	1,107,022
2019	319,202	111,393	225,424	656,019
2020	252,992	197,658	242,263	692,913

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

Source: Warren Hills Regional School District records

WARREN HILLS REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF):		
School Package Policy:		
Building & Personal Property	\$ 250,000,000 Fund Aggregate	\$ 2,500
Inland Marine - Auto Physical Damage		
General Liability including Auto, Employee Benefits:		
Per Occurrence	5,000,000	
General Aggregate	50,000,000 Fund Aggregate	
Product/Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	10,000	
Automobile Coverage		
Environmental Impairment Liability	1,000,000 / 25,000,000 Fund Aggregate	5,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	1,000
Excess Liability	5,000,000	
School Board Legal Liability	5,000,000 / 5,000,000	5,000
Excess School Board Legal Liability	5,000,000 / 5,000,000	
New Jersey School Insurance Group (NJSIG):		
Workers' Compensation:	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Public Officials' Bonds - Selective Insurance Company of America:		
Treasurer of School Monies	300,000	None
Business Administrator/Board Secretary	300,000	None

Source: Warren Hills Regional School District records

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren Hills Regional School District, in the County of Warren (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

The Honorable President and Members  
of the Board of Education  
Warren Hills Regional School District  
Page 2

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

November 10, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*

NISIVOCCIA LLP

*Man C Lee*

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



Report on Compliance For Each Major Federal and State Program  
and Report on Internal Control Over Compliance

Independent Auditors' Report

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

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

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

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and 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 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's 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 federal or 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.

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

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

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

The Honorable President and Members  
of the Board of Education  
Warren Hills Regional School District  
Page 2

### Report on Internal Control Over Compliance

Management of the District 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 federal and 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 federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 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 District'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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

November 10, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*

NISIVOCCIA LLP

*Man C Lee*

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal CFDA Number	Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Balance at June 30, 2020		Amounts Provided to Subrecipients	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue		
<u>U.S. Department of Agriculture:</u>												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
10.555	Food Distribution Program	N/A	7/1/19-6/30/20	\$ 20,037		\$ 20,037	\$ (15,926)		\$ 4,111			
10.555	Food Distribution Program	N/A	7/1/18-6/30/19	19,189			(4,296)					
10.553	School Breakfast Program	N/A	7/1/19-6/30/20	3,092		3,092	(3,092)					
10.553	School Breakfast Program	N/A	7/1/18-6/30/19	4,281	\$ (145)							
10.555	National School Lunch Program	N/A	7/1/19-6/30/20	109,575		109,575	(109,575)					
10.555	National School Lunch Program	N/A	7/1/18-6/30/19	142,554	(3,396)							
10.555	COVID - Seamless Summer Option	N/A	3/18/20-6/30/20	11,958		5,600	(11,958)		\$ (6,358)			
	Total Child Nutrition Cluster				(3,541)	4,296	(144,847)		(6,358)	4,111		
	Total U.S. Department of Agriculture				(3,541)	4,296	(144,847)		(6,358)	4,111		
<u>U.S. Department of Education:</u>												
Passed-through State Department of Education:												
Special Revenue Fund:												
Elementary and Secondary Education Act:												
	Title I											
84.010	ESEA546520		7/1/19-9/30/20	166,769		114,605	(149,632)		(35,027)			
84.010	ESEA546519		7/1/18-9/30/19	162,922	(44,533)	44,533						
84.010	ESEA546520		7/1/19-9/30/20	20,743		2,818	(2,818)					
84.010	ESEA546519		7/1/18-9/30/19	23,291	(19,948)	19,948						
	Subtotal - Title I				(64,481)	181,904	(152,450)		(35,027)			
84.367	ESEA546520		7/1/19-9/30/20	57,319	(3,252)	23,326	(29,291)		(5,965)			
84.367	ESEA546519		7/1/18-9/30/19	55,996	(3,252)	3,252						
	Subtotal - Title IIA					26,578	(29,291)		(5,965)			
84.365	ESEA359020		7/1/19-9/30/20	3,089			(2,749)		(2,749)			
	Subtotal - Title III - Immigrant						(2,749)		(2,749)			
	Title IV						(9,946)		(3,907)			
	Subtotal - Title IV						(9,946)		(3,907)			
	Special Education Cluster:											
84.027	I.D.E.A. Part B, Basic		7/1/19-9/30/20	397,079		397,079	(397,079)					
	Total Special Education Cluster					397,079	(397,079)					
	Total U.S. Department of Education				(67,733)	611,600	(591,515)		(47,648)			
<u>U.S. Department of Health and Human Services:</u>												
Medicaid Cluster:												
93.778	Medical Assistance Program	N/A	7/1/19-6/30/20	39,470		39,470	(39,470)					
	Total U.S. Department of Health and Human Services/Total Medicaid Cluster					39,470	(39,470)					
	Total Federal Awards					\$ 792,915	\$ (775,832)		\$ (54,006)	\$ 4,111	\$ -0-	
	N/A - Not Applicable/Available											

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



WARREN HILLS REGIONAL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor					GAAP Accounts Receivable	Budgetary Accounts Receivable	
<u>State Department of Education:</u>												
General Fund State Aid:												
Equalization Aid	20-495-0344-5120-078	7/1/19-6/30/20	\$ 9,287,689			\$ 8,392,517	\$ (9,287,689)			\$ (895,172)	\$ 9,287,689	
Transportation Aid	20-495-0344-5120-014	7/1/19-6/30/20	380,381			343,719	(380,381)			(36,662)	380,381	
Special Education Aid	20-495-0344-5120-089	7/1/19-6/30/20	1,041,953			941,527	(1,041,953)			(100,426)	1,041,953	
Security Aid	20-495-0344-5120-084	7/1/19-6/30/20	46,884			42,365	(46,884)			(4,519)	46,884	
Extraordinary Special Education Costs Aid	20-495-0344-5120-044	7/1/19-6/30/20	458,785				(458,785)			(458,785)		458,785
Reimbursement of Nonpublic School Transportation Costs	20-495-0344-5120-014	7/1/19-6/30/20	870				(870)			(870)		870
Reimbursed TPAF Social Security	20-495-0344-5094-003	7/1/19-6/30/20	1,077,794			1,072,503	(1,077,794)			(5,291)	1,077,794	
On-Behalf TPAF Post Retirement Contributions	20-495-0344-5094-001	7/1/19-6/30/20	1,106,120			1,106,120	(1,106,120)				1,106,120	
On-Behalf TPAF Pension Contributions	20-495-0344-5094-002	7/1/19-6/30/20	2,929,102			2,929,102	(2,929,102)				2,929,102	
On-Behalf TPAF Non-Contributory Insurance	20-495-0344-5094-004	7/1/19-6/30/20	52,501			52,501	(52,501)				52,501	
On-Behalf TPAF Long-Term Disability Insurance	20-495-0344-5094-004	7/1/19-6/30/20	2,039			2,039	(2,039)				2,039	
Equalization Aid	19-495-0344-5120-078	7/1/18-6/30/19	9,336,871			872,404	(872,404)				9,336,871	
Transportation Aid	19-495-0344-5120-014	7/1/18-6/30/19	380,381			35,542	(35,542)				380,381	
Special Education Aid	19-495-0344-5120-089	7/1/18-6/30/19	1,041,953			97,356	(97,356)				1,041,953	
Security Aid	19-495-0344-5120-084	7/1/18-6/30/19	46,884			4,381	(4,381)				46,884	
Extraordinary Special Education Costs Aid	19-495-0344-5120-044	7/1/18-6/30/19	474,881			474,881	(474,881)				474,881	
Reimbursement of Nonpublic School Transportation Costs	19-495-0344-5120-014	7/1/18-6/30/19	8,914			8,914	(8,914)				8,914	
Reimbursed TPAF Social Security	19-495-0344-5094-003	7/1/18-6/30/19	1,042,010			52,005	(52,005)				1,042,010	
Subtotal - General Fund						16,427,876	(16,384,118)			(464,946)		28,734,844
Debt Service Fund Aid:												
Debt Service Aid - State Support	20-100-0344-5120-125	7/1/19-6/30/20	17,319			17,319	(17,319)					17,319
Special Revenue Fund Aid:												
N.J. Nonpublic Technology Initiative	19-100-0344-5120-373	7/1/18-6/30/19	504				\$ 504		\$ (504)			
Nonpublic Auxiliary Services:												
Compensatory Education	19-100-0344-5120-067	7/1/18-6/30/19	6,768				4,315			(1)	(4,314)	
Nonpublic Handicapped Services:												
Supplementary Instruction	19-100-0344-5120-066	7/1/18-6/30/19	893				893				(893)	
Examination and Classification	19-100-0344-5120-066	7/1/18-6/30/19	2,546				1,273				(1,273)	
Corrective Speech	19-100-0344-5120-066	7/1/18-6/30/19	793				793				(793)	
Subtotal - Special Revenue Fund							7,778	(1)	(7,777)			

WARREN HILLS REGIONAL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Cancellation of Accounts Receivable	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor					GAAP Accounts Receivable	Budgetary Accounts Receivable	
<u>State Department of Education: (Cont'd)</u>												
Food Service Fund:												
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	\$ 5,206			\$ 3,839	\$ (5,206)			\$ (1,367)	\$ (1,367)	\$ 5,206
COVID - Seamless Summer Option	20-100-010-3350-023	3/18/20-6/30/20	137		69	(137)				(68)	(68)	137
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	5,134	(120)		120						5,134
Subtotal - Food Service Fund				(120)	4,028		(5,343)			(1,435)	(1,435)	10,477
Total NJ Department of Education				(1,545,603)	7,778	16,449,223	(16,406,780)	(1)	(7,777)	(466,381)	(1,503,160)	28,762,640
Total State Awards				\$ (1,545,603)	\$ 7,778	\$ 16,449,223	\$ (16,406,780)	\$ (1)	\$ (7,777)	\$ (466,381)	\$ (1,503,160)	\$ 28,762,640
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	(1,106,120)			(1,106,120)	1,106,120					
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	(2,929,102)			(2,929,102)	2,929,102					
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	(52,501)			(52,501)	52,501					
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	(2,039)			(2,039)	2,039					
Subtotal - On-Behalf TPAF Pension System Contributions						(4,089,762)	4,089,762					
Total State Awards Subject to Single Audit Major Program Determination						\$ 12,359,461	\$ (12,317,018)					

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Warren Hills Regional Board of Education, under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$27,096) for the General Fund and \$20,700 for the Special Revenue Fund (which includes \$24,804 related to local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented on the following page.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 39,470	\$ 16,357,022	\$ 16,396,492
Special Revenue Fund	587,411		587,411
Debt Service Fund		17,319	17,319
Food Service Fund	<u>144,847</u>	<u>5,343</u>	<u>150,190</u>
Total Awards	<u>\$ 771,728</u>	<u>\$ 16,379,684</u>	<u>\$ 17,151,412</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2020.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

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

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>General Fund State Fund:</u>				
<u>State:</u>				
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$9,287,689	\$ 9,287,689
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,041,953	1,041,953
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	46,884	46,884
<u>Federal:</u>				
<u>Special Education Cluster:</u>				
IDEA, Part B, Basic	84.027	7/1/19-9/30/20	397,079	397,079

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

The District had no prior year audit findings.