

**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, 2021**

**Comprehensive Annual  
Financial Report**

**of the**

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

**Washington, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by**

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

WARREN HILLS REGIONAL SCHOOL DISTRICT  
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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)

October 1, 2021

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, 2021, 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 2020-21 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 2020-21 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. 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. We utilized Google Classroom and multiple technology applications to provide instruction during times of remote learning.

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 2021, teachers, administrators, and board of education members reviewed and approved new textbooks for several courses for the upcoming 2021-2022 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.

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.



The Honorable President and Members of  
the Board of Education  
Warren Hills Regional School District  
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Several professional development training 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 NJSLS, 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 used for virtual learning and students without internet access were provided with internet devices. During the school year, many new software programs were purchased to provide students with additional on-line learning tools. "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 Excel Building renovations are underway.

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, 2021.

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.


The Honorable President and Members of  
the Board of Education  
Warren Hills Regional School District  
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October 1, 2021

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,

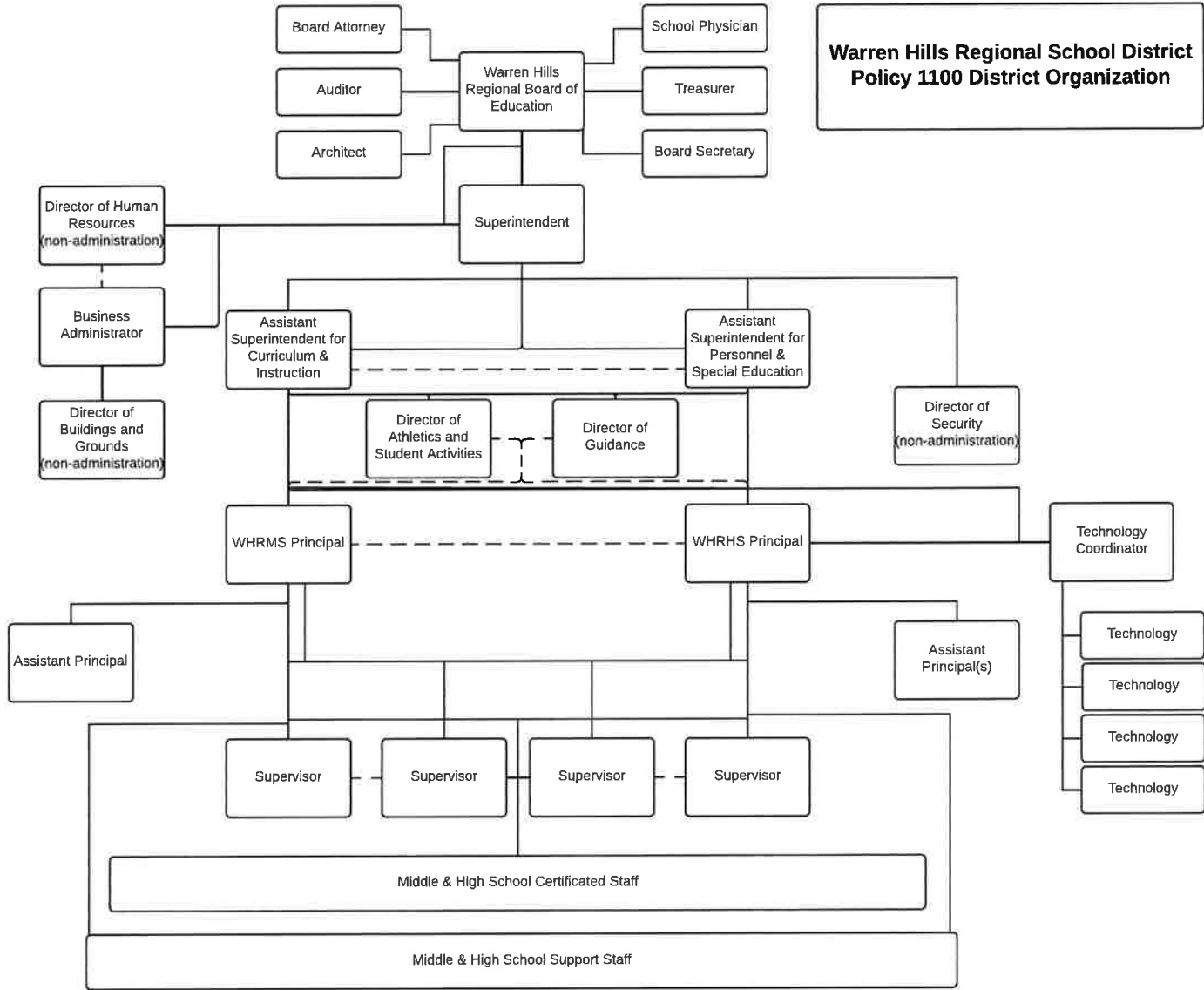


Earl C. Clymer III  
Superintendent



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, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Corey Piasecki, President	2022
Christopher Cannavo, Vice President	2023
Joseph Bodenschatz	2022
Paul Figalora	2021
Eric Horton	2021
Sam Knutson	2021
Lisa Marshall	2023
Christina Pi	2021
Eric Walls	2022

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, 2021**

**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  
55 Old Highway 22  
Clinton, NJ 08809

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, 2021, 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, 2021, 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.

### ***Emphasis of Matter***

As discussed in Note 22 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, 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 Honorable President and Members  
of the Board of Education  
Warren Hills Regional School District  
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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 October 1, 2021 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.

October 1, 2021  
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, 2021**

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, 2021. 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.

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**

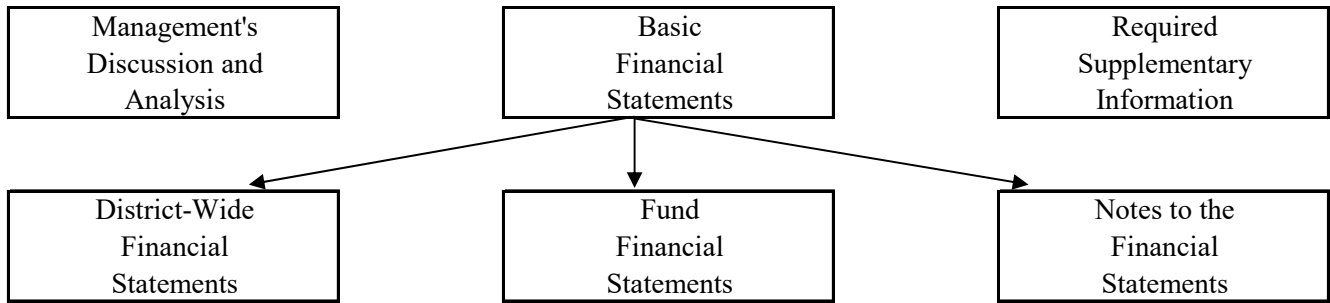


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> <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>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

## ***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.

*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 \$2,642,410 and the net position from business-type activities increased by \$21,350. Total combined net investment in capital assets increased by \$11,299, restricted net position increased by \$1,236,243, and unrestricted net position increased by \$1,416,218.

**Figure A-3**

#### Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change 2020/21
	(Restated) 2019/20	2020/21	2019/20	2020/21	(Restated) 2019/20	2020/21	
Current and							
Other Assets	\$ 8,039,316	\$ 10,865,688	\$ 233,506	\$ 278,674	\$ 8,272,822	\$ 11,144,362	
Capital Assets, Net	47,261,401	45,169,684	151,198	146,474	47,412,599	45,316,158	
Total Assets	<u>55,300,717</u>	<u>56,035,372</u>	<u>384,704</u>	<u>425,148</u>	<u>55,685,421</u>	<u>56,460,520</u>	1.39%
Deferred Outflows of Resources	1,593,854	1,112,242			1,593,854	1,112,242	-30.22%
Other Liabilities	943,170	1,481,059	16,950	36,044	960,120	1,517,103	
Long-Term Liabilities	21,954,193	18,681,312			21,954,193	18,681,312	
Total Liabilities	<u>22,897,363</u>	<u>20,162,371</u>	<u>16,950</u>	<u>36,044</u>	<u>22,914,313</u>	<u>20,198,415</u>	-11.85%
Deferred Inflows of Resources	2,851,919	3,197,544			2,851,919	3,197,544	12.12%
Net Position:							
Net Investment in Capital Assets	33,915,031	33,931,054	151,198	146,474	34,066,229	34,077,528	
Restricted	6,107,372	7,343,615			6,107,372	7,343,615	
Unrestricted/(Deficit)	<u>(8,877,114)</u>	<u>(7,486,970)</u>	<u>216,556</u>	<u>242,630</u>	<u>(8,660,558)</u>	<u>(7,244,340)</u>	
Total Net Position	<u>\$ 31,145,289</u>	<u>\$ 33,787,699</u>	<u>\$ 367,754</u>	<u>\$ 389,104</u>	<u>\$ 31,513,043</u>	<u>\$ 34,176,803</u>	8.45%

*Changes in Net Position.* The District's combined net position was \$34,176,803 on June 30, 2021, \$2,663,760 or 8.45% 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 \$1,765,000 of serial bonds payable, a paydown in capital lease principal of \$342,740 and \$255,837 in capital assets additions; offset by \$2,315,943 in depreciation expense and \$36,335 in deleted assets net of accumulated depreciation. The increase in restricted net position is due primarily to an increase in the Capital, Maintenance and Unemployment Compensation Reserves. The increase in unrestricted net position is due primarily to a decrease in net pension liability.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	Change 2020/21
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,246,274	\$ 2,269,145	\$ 337,620	\$ 1,021	\$ 2,583,894	\$ 2,270,166	
Operating Grants and Contributions	11,094,200	10,715,813	150,190	243,601	11,244,390	10,959,414	
General Revenue:							
Property Taxes	24,723,388	25,177,262			24,723,388	25,177,262	
Unrestricted State Aid	9,368,456	9,280,855			9,368,456	9,280,855	
Other	173,361	102,853	2,628	414	175,989	103,267	
Total Revenue	<u>47,605,679</u>	<u>47,545,928</u>	<u>490,438</u>	<u>245,036</u>	<u>48,096,117</u>	<u>47,790,964</u>	-0.63%
Expenses:							
Instruction	25,943,092	24,500,098			25,943,092	24,500,098	
Pupil and Instruction Services	9,051,431	8,254,292			9,051,431	8,254,292	
Administrative and Business	4,031,220	4,172,669			4,031,220	4,172,669	
Maintenance and Operations	3,667,671	3,629,704			3,667,671	3,629,704	
Transportation	2,238,320	1,946,923			2,238,320	1,946,923	
Other	2,491,247	2,399,832	507,561	223,686	2,998,808	2,623,518	
Total Expenses	<u>47,422,981</u>	<u>44,903,518</u>	<u>507,561</u>	<u>223,686</u>	<u>47,930,542</u>	<u>45,127,204</u>	-5.85%
Increase in Net Position	<u>\$ 182,698</u>	<u>\$ 2,642,410</u>	<u>\$ (17,123)</u>	<u>\$ 21,350</u>	<u>\$ 165,575</u>	<u>\$ 2,663,760</u>	1508.79%

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District improved significantly. 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**

	<u>Total Cost of Services</u> <u>2019/20</u>	<u>Net Cost of Services</u> <u>2019/20</u>	<u>Total Cost of Services</u> <u>2020/21</u>	<u>Net Cost of Services</u> <u>2020/21</u>
Expense Category:				
Instruction	\$ 25,943,092	\$ 15,284,451	\$ 24,500,098	\$ 14,309,699
Pupil and Instruction Services	9,051,431	7,616,031	8,254,292	6,695,086
Administrative and Business	4,031,220	3,444,188	4,172,669	3,640,538
Maintenance and Operations	3,667,671	3,667,671	3,629,704	3,561,393
Transportation	2,238,320	1,578,919	1,946,923	1,312,012
Other	2,491,247	2,491,247	2,399,832	2,399,832
	<u>\$ 47,422,981</u>	<u>\$ 34,082,507</u>	<u>\$ 44,903,518</u>	<u>\$ 31,918,560</u>

***Business-Type Activities***

Net position from the District’s business-type activity increased by \$21,350. (Refer to Figure A-4). This was primarily due to an increase in subsidy reimbursements, and was not offset by a significant decrease in expenses and changes to services.

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

The District’s financial position increased on a fund basis primarily due to a decrease in capital outlay expenditures for construction costs.

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 2020/21
	Governmental Activities		Business-Type Activities		Total School District		
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	
Sites	\$ 443,166	\$ 443,166			\$ 443,166	\$ 443,166	
Site Improvements	1,290,357	1,190,361			1,290,357	1,190,361	
Buildings and Building Improvements	44,284,371	42,404,279	\$ 102,517	\$ 97,260	44,386,888	42,501,539	
Furniture, Machinery and Equipment	1,243,507	1,131,878	48,681	49,214	1,292,188	1,181,092	
Total Capital Assets (Net of Depreciation)	<u>\$ 47,261,401</u>	<u>\$ 45,169,684</u>	<u>\$ 151,198</u>	<u>\$ 146,474</u>	<u>\$ 47,412,599</u>	<u>\$ 45,316,158</u>	-4.42%

During the fiscal year, the District acquired or constructed \$246,017 in capital additions from its governmental activities (which included capital outlay expenses for equipment upgrades) and \$9,820 from its business-type activities. The District also had \$2,315,943 in depreciation expense (\$2,301,399 from its governmental activities and \$14,544 from its business-type activities) and \$36,335 of capital asset disposals, net of accumulated depreciation, from its governmental activities.

## Long-term Liabilities

The District's long-term liabilities decreased \$3,272,881 or 14.91% 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

	Long-Term Liabilities		Percentage Change 2020/21
	Total School District		
	2019/20	2020/21	
Serial Bonds (Financed with Property Taxes)	\$ 12,739,000	\$ 10,974,000	
Unamortized Bond Issuance Premium	1,159,536	993,888	
Net Pension Liability	7,216,152	6,059,531	
Other Long Term Liabilities	839,505	653,893	
	<u>\$ 21,954,193</u>	<u>\$ 18,681,312</u>	-14.91%

- The District continued to pay down its debt, retiring \$1,765,000 of serial bonds and \$342,740 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 \$157,128.
- Net pension liability decreased by \$1,156,621.

### **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:

- 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, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,408,886	\$ 241,358	\$ 4,650,244
Receivables from State Government	819,325	1,866	821,191
Receivables from Federal Government	138,522	15,452	153,974
Receivables from Other Governments	1,836		1,836
Other Receivables	13,505		13,505
Inventories		19,998	19,998
Restricted Cash and Cash Equivalents	5,364,003		5,364,003
Restricted Investments	119,611		119,611
Capital Assets, Net:			
Sites (Land)	443,166		443,166
Depreciable Site Improvements, Buildings and Building Improvements, Furniture and Machinery and Equipment	44,726,518	146,474	44,872,992
Total Assets	<u>56,035,372</u>	<u>425,148</u>	<u>56,460,520</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	<u>1,112,242</u>		<u>1,112,242</u>
Total Deferred Outflows of Resources	<u>1,112,242</u>		<u>1,112,242</u>
<u>LIABILITIES</u>			
Accrued Interest Payable	48,794		48,794
Accounts Payable	1,415,085	15,793	1,430,878
Payable to Federal Government	1,250		1,250
Unearned Revenue	15,930	20,251	36,181
Noncurrent Liabilities:			
Due Within One Year	2,175,408		2,175,408
Due Beyond One Year	16,505,904		16,505,904
Total Liabilities	<u>20,162,371</u>	<u>36,044</u>	<u>20,198,415</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	<u>3,197,544</u>		<u>3,197,544</u>
Total Deferred Inflows of Resources	<u>3,197,544</u>		<u>3,197,544</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	33,931,054	146,474	34,077,528
Restricted for:			
Capital Projects	3,660,321		3,660,321
Debt Service	1		1
Maintenance	500,000		500,000
Emergency	299,431		299,431
Excess Surplus	1,860,000		1,860,000
Unemployment Compensation	453,458		453,458
Scholarships	369,159		369,159
Student Activities	201,245		201,245
Unrestricted/(Deficit)	<u>(7,486,970)</u>	<u>242,630</u>	<u>(7,244,340)</u>
Total Net Position	<u>\$ 33,787,699</u>	<u>\$ 389,104</u>	<u>\$ 34,176,803</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, 2021

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
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 17,970,847	\$ 1,561,217	\$ 5,247,334	\$ (11,162,296)	\$	\$ (11,162,296)
Special Education	4,995,440	249,300	3,132,548	(1,613,592)		(1,613,592)
Other Instruction	1,533,811			(1,533,811)		(1,533,811)
<b>Support Services:</b>						
Tuition	2,260,739		418,132	(1,842,607)		(1,842,607)
Student & Instruction Related Services	5,993,553	208,719	932,355	(4,852,479)		(4,852,479)
General Administrative Services	1,065,870		92,671	(973,199)		(973,199)
School Administrative Services	1,811,557		360,030	(1,451,527)		(1,451,527)
Central Services	701,182		79,430	(621,752)		(621,752)
Administrative Information Technology	594,060			(594,060)		(594,060)
Plant Operations and Maintenance	3,629,704		68,311	(3,561,393)		(3,561,393)
Pupil Transportation	1,946,923	249,909	385,002	(1,312,012)		(1,312,012)
Interest on Long-Term Debt	375,714			(375,714)		(375,714)
Transfer of Funds to Charter School	26,721			(26,721)		(26,721)
Unallocated Depreciation	1,997,397			(1,997,397)		(1,997,397)
<b>Total Governmental Activities</b>	<b>44,903,518</b>	<b>2,269,145</b>	<b>10,715,813</b>	<b>(31,918,560)</b>		<b>(31,918,560)</b>
<b>Business-Type Activities:</b>						
Food Service	223,686	1,021	243,601		\$ 20,936	20,936
<b>Total Business-Type Activities</b>	<b>223,686</b>	<b>1,021</b>	<b>243,601</b>		<b>20,936</b>	<b>20,936</b>
<b>Total Primary Government</b>	<b>\$ 45,127,204</b>	<b>\$ 2,270,166</b>	<b>\$ 10,959,414</b>	<b>(31,918,560)</b>	<b>20,936</b>	<b>(31,897,624)</b>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 22,877,234		\$ 22,877,234
Taxes Levied for Debt Service	2,300,028		2,300,028
Federal and State Aid not Restricted	9,280,855		9,280,855
Investment Earnings	17,974	\$ 414	18,388
Miscellaneous Income	84,879		84,879
Total General Revenue	34,560,970	414	34,561,384
Change in Net Position	2,642,410	21,350	2,663,760
Net Position - Beginning (Restated)	31,145,289	367,754	31,513,043
Net Position - Ending	\$ 33,787,699	\$ 389,104	\$ 34,176,803

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, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,408,885		\$ 1	\$ 4,408,886
Interfund Receivable	49,657			49,657
Receivables From State Government	819,325			819,325
Receivables From Federal Government		\$ 138,522		138,522
Receivables From Other Governments	1,836			1,836
Other Receivables	13,505			13,505
Restricted Cash and Cash Equivalents	4,913,210	450,793		5,364,003
Restricted Investments		119,611		119,611
<b>Total Assets</b>	<b>\$ 10,206,418</b>	<b>\$ 708,926</b>	<b>\$ 1</b>	<b>\$ 10,795,734</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Interfund Payable		\$ 49,657		\$ 49,657
Accounts Payable	913,400	71,685		985,085
Payable to Federal Government		1,250		1,250
Unearned Revenue		15,930		15,930
<b>Total Liabilities</b>	<b>913,400</b>	<b>138,522</b>		<b>1,051,922</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve	3,660,321			3,660,321
Maintenance Reserve	500,000			500,000
Emergency Reserve	299,431			299,431
Excess Surplus for 2022-2023	1,010,000			1,010,000
Excess Surplus for 2021-2022	850,000			850,000
Unemployment Compensation	453,458			453,458
Scholarships		369,159		369,159
Student Activities		201,245		201,245
Debt Service			\$ 1	1
<b>Assigned:</b>				
Other Purposes	1,761,728			1,761,728
Unassigned	758,080			758,080
<b>Total Fund Balances</b>	<b>9,293,018</b>	<b>570,404</b>	<b>1</b>	<b>9,863,423</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,206,418</b>	<b>\$ 708,926</b>	<b>\$ 1</b>	<b>\$ 10,915,345</b>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

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

Total Fund Balances from previous page	\$ 9,863,423
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	45,169,684
Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold.	(993,888)
Interest on Long-Term Debt is not Accrued in the Governmental Funds but Rather is Recognized as an Expenditure When Due.	(48,794)
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds	(11,627,893)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(6,059,531)
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>(2,515,302)</u>
Net Position of Governmental Activities	<u><u>\$ 33,787,699</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, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>				
<b>Local Sources:</b>				
Local Tax Levy	\$ 22,877,234		\$ 2,300,028	\$ 25,177,262
Tuition from Other LEAs	1,810,517			1,810,517
Transportation Fees from Other LEAs	249,909			249,909
Interest Earned on Capital Reserve Funds	2,245			2,245
Other Restricted Miscellaneous Revenue	28,484	\$ 209,796		238,280
Unrestricted Miscellaneous Revenue	72,124	3,707		75,831
<b>Total - Local Sources</b>	<b>25,040,513</b>	<b>213,503</b>	<b>2,300,028</b>	<b>27,554,044</b>
State Sources	17,672,228		17,293	17,689,521
Federal Sources	117,303	880,798		998,101
<b>Total Revenues</b>	<b>42,830,044</b>	<b>1,094,301</b>	<b>2,317,321</b>	<b>46,241,666</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Regular Instruction	10,008,579	282,879		10,291,458
Special Education Instruction	2,825,203			2,825,203
School-Sponsored/Other Instruction	1,231,365			1,231,365
<b>Support Services and Undistributed Costs:</b>				
Tuition	1,842,607	418,132		2,260,739
Student and Other Instruction Related Services	3,865,270	433,182		4,298,452
General Administration Services	857,220			857,220
School Administration Services	1,054,641			1,054,641
Central Services	459,360			459,360
Administrative Information Technology	519,694			519,694
Plant Operations and Maintenance	3,118,884			3,118,884
Student Transportation	1,782,937			1,782,937
Unallocated Benefits	12,419,749			12,419,749
<b>Debt Service:</b>				
Principal			1,765,000	1,765,000
Interest and Other Charges			552,321	552,321
Capital Outlay	480,398			480,398
Transfer of Funds to Charter School	26,721			26,721
<b>Total Expenditures</b>	<b>40,492,628</b>	<b>1,134,193</b>	<b>2,317,321</b>	<b>43,944,142</b>
<b>Excess/(Deficit) of Revenue Over/(Under) Expenditures</b>	<b>2,337,416</b>	<b>(39,892)</b>		<b>2,297,524</b>
<b>Fund Balance - July 1 (Restated)</b>	<b>6,955,602</b>	<b>610,296</b>	<b>1</b>	<b>7,565,899</b>
<b>Fund Balance - June 30</b>	<b>\$ 9,293,018</b>	<b>\$ 570,404</b>	<b>\$ 1</b>	<b>\$ 9,863,423</b>

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, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 2,297,524
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 and deleted assets in the period.		
Depreciation expense	\$ (2,301,399)	
Deleted Assets, net of accumulated depreciation	(36,335)	
Capital outlays	<u>246,017</u>	
		(2,091,717)
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 (+).		
		(157,128)
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 (+).		
		10,959
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.		
		1,765,000
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.		
		342,740
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		1,156,621
Changes in Deferred Outflows and Inflows Related to Pensions		<u>(847,237)</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 2,642,410</u>

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, 2021

	Business-type Activities - Enterprise Funds <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 241,358
Intergovernmental Accounts Receivable:	
State	1,866
Federal	15,452
Inventories	<u>19,998</u>
Total Current Assets	<u>278,674</u>
Non-Current Assets:	
Capital Assets	485,414
Less: Accumulated Depreciation	<u>(338,940)</u>
Total Non-Current Assets	<u>146,474</u>
Total Assets	<u>425,148</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	15,793
Unearned Revenue:	
Prepaid Meals	12,514
Donated Commodities	<u>7,737</u>
Total Liabilities	<u>36,044</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	146,474
Unrestricted	<u>242,630</u>
Total Net Position	<u>\$ 389,104</u>

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, 2021

	Business-type Activities - Enterprise Funds <u>Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 216
Non-Reimbursable Programs	805
Total Operating Revenue	<u>1,021</u>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	87,399
Salaries	68,090
Benefits and Payroll Taxes	18,536
Supplies, Insurance & Other Costs	19,855
Management Fee	15,262
Depreciation Expense	14,544
Total Operating Expenses	<u>223,686</u>
Operating Loss	(222,665)
Non-Operating Income:	
Local Sources:	
Interest Income	414
State Sources:	
COVID - Seamless Summer Option	9,402
Federal Sources:	
COVID - Seamless Summer Option	212,435
Food Distribution Program	21,764
Total Non-Operating Income	<u>244,015</u>
Change in Net Position	21,350
Net Position - Beginning of Year	<u>367,754</u>
Net Position - End of Year	<u>\$ 389,104</u>

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, 2021

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 696
Payments to Food Service Contractor	(163,949)
Payments to Suppliers	(4,065)
	(167,318)
Net Cash Used for Operating Activities	
Cash Flows from Investing Activities:	
Interest Income	414
	414
Net Cash Provided by Investing Activities	
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(9,820)
	(9,820)
Net Cash Used for Capital and Related Financing Activities	
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	3,601
State Sources	8,971
Federal Sources	203,341
	215,913
Net Cash Provided by Noncapital Financing Activities	
Net Increase in Cash and Cash Equivalents	39,189
Cash and Cash Equivalents, July 1	202,169
Cash and Cash Equivalents, June 30	\$ 241,358
Reconciliation of Operating Loss to Net Cash:	
Used for Operating Activities:	
Operating Loss	\$ (222,665)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	14,544
Food Distribution Program	21,764
Changes in Assets and Liabilities:	
Increase in Unearned Revenue	3,301
Increase in Accounts Payable	15,793
(Increase) in Inventory	(55)
	(167,318)
Net Cash Used for Operating Activities	\$ (167,318)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,390 and utilized U.S.D.A. Commodities valued at \$21,764.

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, 2021

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. 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, 2021  
(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. Separate statements for each fund category – governmental and proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all 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, 2021  
(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.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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, 2021

(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, 2021 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 except for student activities and scholarships. 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, 2021  
(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:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 42,817,808	\$ 1,131,315
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		6,618
Cancellation of Prior Year Encumbrances		(1,282)
Current Year Encumbrances		(42,350)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,036,779	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,024,543)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 42,830,044	\$ 1,094,301
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 40,492,628	\$ 1,171,207
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		6,618
Cancellation of Prior Year Encumbrances		(1,282)
Current Year Encumbrances		(42,350)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 40,492,628	\$ 1,134,193

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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, 2021

(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, 2021.

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, 2021  
(Continued)

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

K. Capital Assets: (Cont'd)

	<u>Estimated Useful Life</u>
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, 2021, the amount earned by these employees but not disbursed was \$478,313.

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, 2021  
(Continued)

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

P. Fund Balance Appropriated

General Fund: Of the \$9,293,018 General Fund fund balance at June 30, 2021, \$3,660,321 is restricted in the capital reserve account; \$500,000 is restricted in the maintenance reserve account; \$299,431 is restricted in the emergency reserve account; \$453,458 is restricted in the unemployment compensation reserve account; \$1,860,000 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 \$850,000 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022 and the current year excess surplus of \$1,010,000 will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023); \$1,761,728 is assigned for year end encumbrances; and \$758,080 is unassigned, which is \$1,024,543 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, 2022.

Special Revenue Fund: Of the \$570,404 Special Revenue Fund fund balance at June 30, 2021, \$369,159 is restricted for scholarships and \$201,245 is restricted for student activities.

Debt Service Fund: The \$1 fund balance in the Debt Service Fund at June 30, 2021 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.

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

The District had a deficit in unrestricted net position from governmental activities in the amount of \$7,486,970. This is primarily a result of unamortized bond premium, net pension liability and related deferred inflows and outflows of resources; offset by encumbrances and unassigned fund balance. 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, 2021  
(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, 2021.

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, debt service, student activities, scholarships and unemployment compensation.

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, 2021.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2021.

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, 2021

(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, 2021  
(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, 2021

(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, 2021, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Restricted		Total
		Cash and Cash Equivalents	Investments	
Checking and Savings Accounts	\$4,650,244	\$5,364,003		\$10,014,247
Certificates of Deposit			\$ 119,611	119,611
	\$4,650,244	\$5,364,003	\$ 119,611	\$ 10,133,858

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

Investments: (Cont'd)

During the period ended June 30, 2021, the District did not hold any investments other than certificate of deposits. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2021, was \$10,133,858 and the bank balance was \$11,038,376.

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, 2020	\$ 2,885,988
Add:	
Interest Earnings	2,245
Transfer from Unassigned Fund Balance per Board Resolution	1,731,201
Unexpended Project Balance Returned from Capital Outlay	720,887
Less:	
Budgeted Withdrawal	(1,680,000)
Ending Balance, June 30, 2021	\$ 3,660,321

The June 30, 2021 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, 2021. 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, 2021, the District transferred \$92,307 to the capital outlay accounts. The full amount was transferred to equipment which did not require County Superintendent approval.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
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	2,287,582			2,287,582
Buildings and Building Improvements	63,644,927			63,644,927
Machinery and Equipment	3,537,295	\$ 246,017	\$ (188,321)	3,594,991
Total Capital Assets Being Depreciated	<u>69,469,804</u>	<u>246,017</u>	<u>(188,321)</u>	<u>69,527,500</u>
Governmental Activities Capital Assets	<u>69,912,970</u>	<u>246,017</u>	<u>(188,321)</u>	<u>69,970,666</u>
Less Accumulated Depreciation for:				
Site Improvements	(997,225)	(99,996)		(1,097,221)
Buildings and Building Improvements	(19,360,556)	(1,880,092)		(21,240,648)
Machinery and Equipment	(2,293,788)	(321,311)	151,986	(2,463,113)
	<u>(22,651,569)</u>	<u>(2,301,399)</u>	<u>151,986</u>	<u>(24,800,982)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 47,261,401</u>	<u>\$ (2,055,382)</u>	<u>\$ (36,335)</u>	<u>\$ 45,169,684</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 344,162	\$ 9,820		\$ 353,982
Buildings and Building Improvements	131,432			131,432
	<u>475,594</u>	<u>9,820</u>		<u>485,414</u>
Less Accumulated Depreciation for:				
Furniture and Equipment	(295,481)	(9,287)		(304,768)
Buildings and Building Improvements	(28,915)	(5,257)		(34,172)
	<u>(324,396)</u>	<u>(14,544)</u>		<u>(338,940)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 151,198</u>	<u>\$ (4,724)</u>	<u>\$ -0-</u>	<u>\$ 146,474</u>

As of June 30, 2021, the District expended \$246,017 from its current year capital budget, and depreciated \$2,301,399 from its governmental activities. The District expended \$9,820 and depreciated \$14,544 from its business-type activities during the fiscal year. The District disposed of assets with a net carrying value of \$36,335 from its governmental activities.



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 89,090
Special Education Instruction	19,556
Student & Instruction Related Services	4,332
General Administration	8,665
School Administrative	60,654
Central Services	8,665
Administrative Information Technology	4,332
Operations and Maintenance of Plant	32,691
Pupil Transportation	76,017
Unallocated	1,997,397
	<u>\$ 2,301,399</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2020	Accrued	Retired	Balance 6/30/2021
Serial Bonds Payable	\$ 12,739,000		\$ 1,765,000	\$ 10,974,000
Unamortized Bond Issuance Premium	1,159,536		165,648	993,888
Compensated Absences Payable	232,135	\$ 194,141	37,013	389,263
Capital Leases Payable	607,370		342,740	264,630
Net Pension Liability	7,216,152		1,156,621	6,059,531
	<u>\$ 21,954,193</u>	<u>\$ 194,141</u>	<u>\$ 3,467,022</u>	<u>\$ 18,681,312</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, 2021  
(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, 2021 as follows:

Purpose	Final Maturity Date	Serial Bonds	
		Interest Rates	Amount
2009 School Bonds	02/15/24	4.00%-4.13%	\$ 1,409,000
2012 Refunding Bonds	02/15/27	4.00%-5.00%	9,565,000
			<u>\$ 10,974,000</u>

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

Fiscal Year Ending June 30,	Bonds		
	Principal	Interest	Total
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	1,705,000	139,200	1,844,200
2027	1,775,000	71,000	1,846,000
	<u>\$ 10,974,000</u>	<u>\$ 1,550,764</u>	<u>\$ 12,524,764</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021, 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 \$24,432 and the long-term liability balance of compensated absences is \$364,831.

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, 2021, 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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 \$828,240.

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, 2021 is \$0- and the long-term portion is \$6,059,531. 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 \$1,454,748 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, 2021.

<u>Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 138,396
June 30, 2023	138,396
	<u>276,792</u>
Less: Amount Representing Interest	(12,162)
Present Value Net of Minimum Lease Payments	<u>\$ 264,630</u>

The current portion of capital leases payable at June 30, 2021 is \$130,328 and the long-term portion is \$134,302. 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 Review Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](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, 2021

(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 \$415,880 for fiscal year 2021.

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

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

At June 30, 2021, the District's liability was \$6,059,531 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2021

(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, 2020, the District's proportion was .037%, which was a decrease of .003% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$106,497. At June 30, 2021, 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	2016	5.57	\$ 196,578	
	2017	5.48		\$ 573,584
	2018	5.63		562,726
	2019	5.21		446,885
	2020	5.16		953,988
			<u>196,578</u>	<u>2,537,183</u>
Difference Between Expected and Actual Experience	2016	5.57	5,966	
	2017	5.48	17,058	
	2018	5.63		21,429
	2019	5.21	34,160	
	2020	5.16	53,150	
			<u>110,334</u>	<u>21,429</u>
Changes in Proportion	2016	5.57	48,050	
	2017	5.48		75,450
	2018	5.63	120,160	
	2019	5.21		38,848
	2020	5.16		524,634
			<u>168,210</u>	<u>638,932</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(74,150)	
	2018	5.00	(68,770)	
	2019	5.00	16,642	
	2020	5.00	333,398	
			<u>207,120</u>	

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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	2020	1.00	\$ 430,000	
			\$ 1,112,242	\$ 3,197,544

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
2021	\$ (760,360)
2022	(693,217)
2023	(396,156)
2024	(160,199)
2025	(34,648)
	\$ (2,044,580)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2021

(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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the 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, 2020 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, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 7,611,041	\$ 6,059,531	\$ 4,718,219

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 2021, 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 2021, the State of New Jersey contributed \$3,848,235 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$5,468,251. The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$87,936,243. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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)

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, 2020, the District's proportion was 0.134%, which was a decrease of 0.002% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>87,936,243</u>
Total	<u><u>\$ 87,936,243</u></u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$5,468,251 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 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	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.30		4,393,807
	2015	8.50	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99	<u>7,520,890</u>	
			<u>986,767,511</u>	<u>182,357,860</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual	2017	5.00	\$ (226,008,261)	
Investment Earnings on Pension Plan Investments	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

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:

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	<u>(335,285,618)</u>
	<u>\$ (4,965,440,613)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2021

(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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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, 2020 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, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of Net Pension Liability Associated with the District	\$ 103,291,414	\$ 87,936,243	\$ 75,186,348

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, 2021  
(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 \$28,471 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$38,665 for the fiscal year ended June 30, 2021.

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, 2021 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, 2020 is on the following page.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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	\$ 51,526,293	\$ 384,022,002
Total Net Position	\$ 20,539,909	\$ 139,233,105
Total Revenue	\$ 43,264,723	\$ 144,445,665
Total Expenses	\$ 41,642,801	\$ 113,037,156
Change in Net Position	\$ 1,621,922	\$ 31,408,509
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 Unemployment Compensation Restricted Fund Balance for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General 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>
2020-2021	\$ 250,000	\$ -0-	\$ 90,680	\$ 66,665	\$ 453,458
2019-2020	75,000	-0-	64,661	44,642	179,443
2018-2019	35,000	-0-	34,727	139,775	84,424

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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	\$ 49,657	
Special Revenue Fund		49,657
	\$ 49,657	\$ 49,657

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund. This deficit is due to timing between expenditure and reimbursement from the State of New Jersey.

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2021 were as follows:

	Governmental Fund		District Contri- bution Subsequent to the Measure- ment Date		Total Governmental Activities		Business - Type Activites
	General Fund	Special Revenue Fund		Total Governmental Activities		Business - Type Activites	
Due to State of New Jersey		\$ 31,513	\$ 430,000	\$ 461,513			
Vendors	\$ 119,373	40,172		159,545	\$ 15,793		
Payroll Deductions and Withholdings	294,244			294,244			
Accrued Salaries and Wages	499,783			499,783			
	\$ 913,400	\$ 71,685	\$ 430,000	\$ 1,415,085	\$ 15,793		

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, 2021  
(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, 2021, 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
\$ 1,761,728	\$ 42,350	\$ 1,804,078

\$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$42,350 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, 2021  
(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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 299,431
Ending Balance, June 30, 2021	<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, 2021  
(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, 2020	\$ 282,213
Add:	
Unexpended Project Balance Returned from Capital Outlay	150,000
Transfer from Unassigned Fund Balance per Board Resolution	350,000
Less:	
Budgeted Withdrawal	<u>(282,213)</u>
Ending Balance, June 30, 2021	<u><u>\$ 500,000</u></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.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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)

Plan Description and Benefits Provided (Cont'd)

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-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

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 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter		1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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 Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2018	\$ 67,462,952
Changes for Year:	
Service Cost	2,087,910
Interest on the Total OPEB Liability	2,657,348
Difference between Actual and Expected Experience	(11,286,898)
Changes of Assumptions	895,026
Contributions from Members	54,622
Gross Benefit Payments by the State	(1,842,689)
Net Changes	(7,434,681)
Balance at June 30, 2019	\$ 60,028,271

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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, 2019, 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, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 70,917,110	\$ 60,028,271	\$ 51,378,775

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, 2019, 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 49,460,620	\$ 60,028,271	\$ 74,017,671

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 \$913,168 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, 2019 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, 2021  
(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		\$ 6,988,505
	2018	9.51		6,011,060
	2019	9.29		(798,684)
				<u>12,200,881</u>
Differences between Expected and Actual Experience	2018	9.51		5,682,322
	2019	9.29		9,400,549
				<u>15,082,871</u>
Changes in Proportion	N/A	N/A	\$ 633,594	1,754,301
			<u>\$ 633,594</u>	<u>\$ 29,038,053</u>

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
2020	\$ (3,663,239)
2021	(3,663,240)
2022	(3,663,240)
2023	(3,663,240)
2024	(3,663,240)
Thereafter	<u>(8,967,553)</u>
	<u>\$ (27,283,752)</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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, 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>\$ 92,781</u>

NOTE 20. TAX ABATEMENTS

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

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

Washington Township recognized revenue in the amount of \$50,106 for 2020 from this annual service charge or payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2020 without the abatement would have been \$213,173 of which \$70,039 would have been for the regional school tax.

NOTE 21. SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's 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. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the Seamless Summer Option.



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 22. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) and Private Purpose Scholarship Trust Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 30,355,550	\$ 789,739	\$ 31,145,289
<u>Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	6,776,159	179,443	6,955,602
Special Revenue Fund:			
Fund Balance - June 30	-0-	610,296	610,296
<u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Postion - End of the Year	179,443	(179,443)	-0-
Private Purpose Scholarship Trust:			
Net Postion - End of the Year	377,332	(377,332)	-0-

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0390962687%	0.0381039760%	0.0404678952%	0.0391864923%	0.0403269637%	0.0400486093%	0.0371582031%
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	\$ 6,059,531
District's covered employee payroll	\$ 2,566,399	\$ 2,648,044	\$ 2,538,487	\$ 2,689,836	\$ 2,755,294	\$ 2,605,410	\$ 2,604,486
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%	232.66%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 322,304	\$ 327,592	\$ 362,047	\$ 367,521	\$ 402,749	\$ 391,073	\$ 415,880
Contributions in relation to the contractually required contribution	(322,304)	(327,592)	(362,047)	(367,521)	(402,749)	(391,073)	(415,880)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 2,674,393
Contributions as a percentage of covered employee payroll	12.17%	12.91%	13.46%	13.34%	15.46%	15.02%	15.55%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.1271980757%	0.1294218702%	0.1324016385%	0.1321958190%	0.1326931529%	0.1355117971%	0.1335426704%
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	\$ 87,936,243
District's covered employee payroll	\$ 12,961,842	\$ 13,384,154	\$ 13,359,708	\$ 14,267,535	\$ 14,319,443	\$ 14,415,760	\$ 15,047,265
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%	584.40%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 3,658,136	\$ 4,994,636	\$ 7,825,841	\$ 6,174,557	\$ 4,921,189	\$ 4,905,286	\$ 5,468,251
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)	(3,848,235)
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>	<u>\$ 1,620,016</u>
District's covered employee payroll	\$ 13,384,154	\$ 13,359,708	\$ 14,267,535	\$ 14,319,443	\$ 14,415,760	\$ 15,047,265	\$ 14,873,208
Contributions as a percentage of covered employee payroll	5.23%	7.93%	10.06%	13.65%	18.49%	19.47%	25.87%

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 THREE FISCAL YEARS

	Fiscal Year Ending		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 2,784,977	\$ 2,306,309	\$ 2,087,910
Interest Cost	2,464,001	2,835,505	2,657,348
Difference between Actual and Expected Experience		(5,956,438)	(11,286,898)
Changes in Assumptions	(10,285,824)	(7,741,711)	895,026
Member Contributions	66,321	62,347	54,622
Gross Benefit Payments	(1,801,107)	(1,803,935)	(1,842,689)
Net Change in Total OPEB Liability	(6,771,632)	(10,297,923)	(7,434,681)
Total OPEB Liability - Beginning	84,532,507	77,760,875	67,462,952
Total OPEB Liability - Ending	\$ 77,760,875	\$ 67,462,952	\$ 60,028,271
District's Covered Employee Payroll *	\$ 15,898,195	\$ 16,957,371	\$ 17,074,737
Total OPEB Liability as a Percentage of Covered Employee Payroll	489%	398%	352%

\* Covered payroll for the fiscal years ending June 30, 2017, 2018, and 2019 are based on the payroll on the June 30, 2016, 2017, and 2018 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, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

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 Healthy 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 mortality rates in the valuation as of June 30, 2019 were based on the following:



WARREN HILLS REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Changes of Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 22,877,234		\$ 22,877,234	\$ 22,877,234	
Tuition from Other LEAs	1,808,118		1,808,118	1,810,517	\$ 2,399
Transportation Fees from Other LEAs	291,714		291,714	249,909	(41,805)
Interest Earned on Capital Reserve Funds	10,000		10,000	2,245	(7,755)
Other Restricted Miscellaneous Revenue	33,000		33,000	28,484	(4,516)
Unrestricted Miscellaneous Revenue	170,000		170,000	72,124	(97,876)
<b>Total - Local Sources</b>	<b>25,190,066</b>		<b>25,190,066</b>	<b>25,040,513</b>	<b>(149,553)</b>
State Sources:					
Special Education Aid	1,041,953		1,041,953	1,041,953	
Equalization Aid	9,155,380		9,155,380	9,155,380	
Categorical Security Aid	46,884		46,884	46,884	
Categorical Transportation Aid	380,381		380,381	380,381	
Extraordinary Special Education Costs Aid	400,000		400,000	761,265	361,265
Extraordinary Special Education Costs Aid - Excess Prior Year				45,954	45,954
Reimbursement of Nonpublic School Transportation Costs				4,640	4,640
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				1,228,922	1,228,922
On-Behalf TPAF Pension Contributions (Non-Budgeted)				3,848,235	3,848,235
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				73,218	73,218
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,869	1,869
TPAF Social Security (Reimbursed - Non-Budgeted)				1,071,291	1,071,291
<b>Total State Sources</b>	<b>11,024,598</b>		<b>11,024,598</b>	<b>17,659,992</b>	<b>6,635,394</b>
Federal Sources:					
Medicaid Assistance Program	22,205		22,205	48,992	26,787
FEMA Reimbursement - COVID-19				68,311	68,311
<b>Total Federal Sources</b>	<b>22,205</b>		<b>22,205</b>	<b>117,303</b>	<b>95,098</b>
<b>TOTAL REVENUES</b>	<b>36,236,869</b>		<b>36,236,869</b>	<b>42,817,808</b>	<b>6,580,939</b>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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	\$ 3,077,224	\$ 33,212	\$ 3,110,436	\$ 3,028,372	\$ 82,064
Grades 9-12 - Salaries of Teachers	6,736,635	(69,435)	6,667,200	6,508,962	158,238
Unused Sick Payment to Terminated/ Retired Staff	21,500	(14,500)	7,000		7,000
Regular Programs - Home Instruction:					
Salaries of Teachers	67,000		67,000	2,719	64,281
Other Purchased Services	26,178	10,380	36,558	33,678	2,880
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	104,465	(44,710)	59,755	39,660	20,095
Purchased Professional - Educational Services	11,300		11,300	3,450	7,850
Purchased Technical Services	29,940		29,940	24,824	5,116
Other Purchased Services	246,105	(495)	245,610	132,965	112,645
General Supplies	329,058	(50,641)	278,417	192,115	86,302
Textbooks	101,587	49,961	151,548	38,641	112,907
Other Objects	25,126	(11,246)	13,880	3,193	10,687
Total Regular Programs - Instruction	10,776,118	(97,474)	10,678,644	10,008,579	670,065
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	347,705	374,428	722,133	722,133	810
Other Salaries for Instruction	4,500		4,500	3,690	300
Other Purchased Services	300		300		200
General Supplies	200		200		
Textbooks	2,500	(2,283)	217	217	
Other Objects	100		100		100
Total Learning and/or Language Disabilities	355,305	372,145	727,450	726,040	1,410

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Auditory Impairments:					
General Supplies	\$ 1,500		\$ 1,500	\$ 989	\$ 511
Total Auditory Impairments	1,500		1,500	989	511
Behavioral Disabilities:					
Salaries of Teachers	253,650	\$ 84,541	338,191	338,191	1,002
Other Salaries for Instruction	19,840	5,265	25,105	24,103	600
Other Purchased Services	600		600	169	81
General Supplies	250		250	373	327
Textbooks	700		700	100	100
Other Objects	100		100		
Total Behavioral Disabilities	275,140	89,806	364,946	362,836	2,110
Multiple Disabilities:					
Salaries of Teachers	407,125	170,270	577,395	577,395	705
Other Salaries for Instruction	66,597	50,994	117,591	116,886	500
Purchased Technical Services	500		500	114	1,586
Other Purchased Services	1,700		1,700	2,169	2,461
General Supplies	5,001	(371)	4,630	327	200
Textbooks	1,000	(673)	327		
Other Objects	200		200		
Total Multiple Disabilities	482,123	220,220	702,343	696,891	5,452
Resource Room/Resource Center:					
Salaries of Teachers	1,446,560	(513,071)	933,489	828,606	104,883
Other Salaries for Instruction	178,568	33,030	211,598	208,898	2,700
Other Purchased Services	800		800		800
General Supplies	1,000		1,000	105	1,000
Textbooks	1,000	(895)	105		
Total Resource Room/Resource Center	1,627,928	(480,936)	1,146,992	1,037,609	109,383

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Autism:					
Other Purchased Services	\$ 1,100	\$	\$ 1,100	\$ 114	\$ 986
General Supplies	2,000		2,000	724	1,276
Textbooks	1,000	\$ (1,000)	200		200
Other Objects	200		3,300	838	2,462
Total Autism	4,300	(1,000)	26,000		26,000
Home Instruction:	36,000	(10,000)	26,000		26,000
Salaries of Teachers	36,000	(10,000)	26,000		26,000
Total Home Instruction	36,000	(10,000)	26,000		26,000
Total Special Education Instruction	2,782,296	190,235	2,972,531	2,825,203	147,328
Bilingual Education - Instruction:					
General Supplies	4,852		4,852		4,852
Total Bilingual Education - Instruction	4,852		4,852		4,852
School-Sponsored Co/Extra curricular Activities - Instruction:					
Salaries	231,750		231,750	167,729	64,021
Purchased Services	21,995	(4,298)	17,697	9,385	8,312
Supplies and Materials	14,961	8,525	23,486	1,713	21,773
Other Objects	11,850	(1,227)	10,623	485	10,138
Total School-Sponsored Co curricular Activities - Instruction	280,556	3,000	283,556	179,312	104,244
School-Sponsored Co curricular Athletics - Instruction:					
Salaries	951,652	5,083	956,735	851,997	104,738
Purchased Services	196,844	(8,000)	188,844	130,128	58,716
Supplies and Materials	90,062	1,477	91,539	60,854	30,685
Other Objects	47,510	(2,000)	45,510	9,074	36,436
Total School-Sponsored Co curricular Athletics - Instruction	1,286,068	(3,440)	1,282,628	1,052,053	230,575
Total Instruction	15,129,890	92,321	15,222,211	14,065,147	1,157,064

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 686,910	\$ (97,879)	\$ 589,031	\$ 580,585	\$ 8,446
Tuition to County Voc. School Dist. - Regular	289,695	20,959	310,654	310,654	
Tuition to County Voc. School Dist. - Special	102,000	9,641	111,641	111,131	510
Tuition to County Special Services Districts and Regional Day Schools	942,131	47,388	932,131	47,388	
Tuition to Private Schools for the Handicapped - Within State	119,616	(10,000)	119,616	663,233	268,898
Tuition - State Facilities	119,616		119,616	119,616	
Tuition - Other	29,891	29,891	29,891	10,000	19,891
Total Undistributed Expenditures - Instruction	<u>2,140,352</u>		<u>2,140,352</u>	<u>1,842,607</u>	<u>297,745</u>
Health Services:					
Salaries	280,065	6,122	286,187	286,167	20
Purchased Professional and Technical Services	18,940		18,940	4,000	14,940
Other Purchased Services	2,634		2,634	1,980	654
Supplies and Materials	11,131	(2,676)	8,455	6,879	1,576
Other Objects	125		125	125	
Total Health Services	<u>312,895</u>	<u>3,446</u>	<u>316,341</u>	<u>299,026</u>	<u>17,315</u>
Speech, OT, PT and Related Services:					
Salaries	88,445		88,445	88,445	
Purchased Professional - Educational Services	537,451	(20,755)	516,696	273,733	242,963
Supplies and Materials	250		250	218	32
Total Speech, OT, PT and Related Services	<u>626,146</u>	<u>(20,755)</u>	<u>605,391</u>	<u>362,396</u>	<u>242,995</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	550,302	(74,000)	476,302	472,962	3,340
Purchased Professional - Educational Services	343,412	13,475	356,887	351,945	4,942
Total Other Support Services - Students - Extraordinary Services	<u>893,714</u>	<u>(60,525)</u>	<u>833,189</u>	<u>824,907</u>	<u>8,282</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

GENERAL FUND

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Other Support Services - Guidance:					
Salaries of Other Professional Staff	\$ 696,675	\$ (17,788)	\$ 678,887	\$ 678,637	\$ 250
Salaries of Secretarial and Clerical Assistants	153,478		153,478	153,477	1
Other Salaries	30,345		30,345	14,094	16,251
Purchased Professional - Educational Services	7,100		7,100	6,006	1,094
Other Purchased Services	42,224		42,224	31,378	10,846
Supplies and Materials	2,600		2,600	1,455	1,145
Other Objects	675		675	70	605
Total Other Support Services - Guidance	<u>933,097</u>	<u>(17,788)</u>	<u>915,309</u>	<u>885,117</u>	<u>30,192</u>
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	483,120	8,250	491,370	488,962	2,408
Salaries of Secretarial and Clerical Assistants	144,105		144,105	144,105	
Other Salaries	19,720		19,720	9,221	10,499
Purchased Professional - Educational Services	1,500	12,825	14,325	14,325	
Other Purchased Services (400-500 series)	7,650	(2,378)	5,272	2,917	2,355
Supplies and Materials	8,814	(3,547)	5,267	4,767	500
Other Objects	4,250		4,250	3,725	525
Total Other Support Services - Child Study Teams	<u>669,159</u>	<u>15,150</u>	<u>684,309</u>	<u>668,022</u>	<u>16,287</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	399,706		399,706	399,706	
Salaries of Secretarial and Clerical Assistants	54,975		54,975	54,975	
Purchased Professional-Educational Services	5,000		5,000	569	4,431
Other Purchased Services	3,860		3,860	3,514	346
Supplies and Materials	2,100		2,100	1,329	771
Other Objects	3,500		3,500	3,380	120
Total Improvement of Instructional Services	<u>469,141</u>		<u>469,141</u>	<u>463,473</u>	<u>5,668</u>



WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Educational Media Services/School Library:					
Salaries	\$ 249,376	\$ (57,906)	\$ 191,470	\$ 189,715	\$ 1,755
Salaries of Technology Coordinators	139,168	13,139	152,307	152,307	
Purchased Professional and Technical Services	2,300	87	2,387	2,387	
Other Purchased Services	3,950		3,950	3,108	842
Supplies and Materials	20,274	(87)	20,187	984	19,203
Other Objects	1,070		1,070		1,070
<b>Total Educational Media Services/School Library</b>	<b>416,138</b>	<b>(44,767)</b>	<b>371,371</b>	<b>348,501</b>	<b>22,870</b>
Instructional Staff Training Services:					
Other Salaries	42,710		42,710	13,828	28,882
Purchased Professional-Educational Services	3,500		3,500		3,500
Other Purchased Services	2,250		2,250		2,250
Supplies and Materials	200		200		200
<b>Total Instructional Staff Training Services</b>	<b>48,660</b>		<b>48,660</b>	<b>13,828</b>	<b>34,832</b>
Support Services - General Administration:					
Salaries	314,573	100	314,673	314,669	4
Legal Services	202,500	(200)	202,300	98,150	104,150
Audit Fees	90,300	200	90,500	44,800	45,700
Architectural/Engineering Services	25,000		25,000	5,025	19,975
Other Purchased Professional Services	50,100		50,100	42,346	7,754
Purchased Technical Services	350		350	304	46
Communications/Telephone	59,330		59,330	52,699	6,631
Board of Education Other Purchased Services	6,200		6,200	900	5,300
Miscellaneous Purchased Services	29,324		29,324	16,648	12,676
General Supplies	12,902		12,902	11,469	1,433
BOE In-House Training/Meeting Supplies	2,500		2,500		2,500
Judgments Against The School District	550,000		550,000	250,787	299,213

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - General Administration: (Cont'd)					
Miscellaneous Expenditures	\$ 3,950		\$ 3,950	\$ 3,852	\$ 98
Board of Education Membership Dues and Fees	18,000		18,000	15,571	2,429
Total Support Services - General Administration	<u>1,365,029</u>	<u>\$ 100</u>	<u>1,365,129</u>	<u>857,220</u>	<u>507,909</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	691,859		691,859	691,859	
Salaries of Secretarial and Clerical Assistants	287,248		287,248	287,248	
Other Salaries		1,000	1,000	882	118
Purchased Professional and Technical Services	10,000		10,000	2,121	7,879
Other Purchased Services	70,175		70,175	59,185	10,990
Supplies and Materials	28,842	(1,000)	27,842	9,032	18,810
Other Objects	4,750		4,750	4,314	436
Total Support Services - School Administration	<u>1,092,874</u>		<u>1,092,874</u>	<u>1,054,641</u>	<u>38,233</u>
Central Services:					
Salaries	509,631	(7,600)	502,031	440,519	61,512
Unused Sick Payment to Terminated/ Retired Staff		3,700	3,700		3,700
Purchased Professional Services	17,600		17,600	12,028	5,572
Miscellaneous Purchased Services	3,750		3,750	1,378	2,372
Supplies and Materials	4,091		4,091	3,171	920
Miscellaneous Expenditures	3,285		3,285	2,264	1,021
Total Central Services	<u>538,357</u>	<u>(3,900)</u>	<u>534,457</u>	<u>459,360</u>	<u>75,097</u>
Administrative Information Technology:					
Salaries	200,944		200,944	200,944	
Unused Sick Payment to Terminated/ Retired Staff		10,800	10,800	10,800	
Purchased Technical Services	154,795	(49,525)	105,270	72,793	32,477
Other Purchased Services	298,295	(46,285)	252,010	200,050	51,960

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Administrative Information Technology: (Cont'd)					
Supplies and Materials	\$ 34,858	\$ 19,496	\$ 54,354	\$ 35,107	\$ 19,247
Other Objects	1,000		1,000		1,000
Total Administrative Information Technology	<u>689,892</u>	<u>(65,514)</u>	<u>624,378</u>	<u>519,694</u>	<u>104,684</u>
Required Maintenance of School Facilities:					
Salaries	372,951		372,951	358,463	14,488
Cleaning, Repair and Maintenance Services	350,206	(63,086)	287,120	142,633	144,487
Lead Testing of Drinking Water		9,455	9,455		9,455
General Supplies	87,720	9,240	96,960	73,950	23,010
Other Objects	3,000		3,000	1,284	1,716
Total Required Maintenance of School Facilities	<u>813,877</u>	<u>(44,391)</u>	<u>769,486</u>	<u>576,330</u>	<u>193,156</u>
Custodial Services:					
Salaries	704,334	(7,000)	697,334	620,415	76,919
Purchased Professional and Technical Services	18,300	5,909	24,209	18,259	5,950
Cleaning, Repair, and Maintenance Services	62,378	(678)	61,700	41,801	19,899
Other Purchased Property Services	69,000		69,000	48,145	20,855
Insurance	271,490		271,490	250,451	21,039
Miscellaneous Purchased Services	2,300		2,300	996	1,304
General Supplies	108,975	57,010	165,985	134,256	31,729
Energy (Natural Gas)	271,284		271,284	183,359	87,925
Energy (Electricity)	598,475		598,475	252,194	346,281
Energy (Oil)	10,000		10,000	6,221	3,779
Other Objects	350		350	273	77
Total Custodial Services	<u>2,116,886</u>	<u>55,241</u>	<u>2,172,127</u>	<u>1,556,370</u>	<u>615,757</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Care & Upkeep of Grounds:					
Salaries	\$ 141,050	\$ 7,075	\$ 148,125	\$ 144,636	\$ 3,489
Purchased Professional and Technical Services	32,879		32,879	32,878	1
Cleaning, Repair, and Maintenance Services	110,487	(500)	109,987	82,940	27,047
General Supplies	54,052	(7,500)	46,552	28,306	18,246
Total Care & Upkeep of Grounds	<u>338,468</u>	<u>(925)</u>	<u>337,543</u>	<u>288,760</u>	<u>48,783</u>
Security:					
Salaries	392,711		392,711	347,917	44,794
Purchased Professional and Technical Services	281,478	(266)	281,212	278,543	2,669
Cleaning, Repair, and Maintenance Services	68,299	(652)	67,647	65,660	1,987
General Supplies	4,730	918	5,648	5,304	344
Total Security	<u>747,218</u>		<u>747,218</u>	<u>697,424</u>	<u>49,794</u>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Special Education	71,750		71,750	16,965	54,785
Management Fee - ESC & CTSA Transportation Program	30,000		30,000	16,544	13,456
Cleaning, Repair and Maintenance Services	29,190		29,190	11,447	17,743
Lease Purchase Payments - School Buses	55,991		55,991	55,990	1
Contracted Services:					
Between Home and School - Vendors	623,554		623,554	546,184	77,370
Other than Between Home and School - Vendors	54,251		54,251	45,816	8,435
Between Home and School - Joint Agreements	372,889	21,690	394,579	394,504	75
Special Education Students - Vendors	198,853		198,853	159,411	39,442
Regular Students - ESCs & CTSA	101,700	(21,690)	80,010	7,185	72,825
Special Education Students - ESCs & CTSA	574,000		574,000	398,295	175,705
Aid in Lieu of Payments - Nonpublic Students	25,000		25,000	14,999	10,001
Aid in Lieu Payments - Charter School Students	3,000		3,000	572	2,428

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Student Transportation Services:					
Aid in Lieu Payments - Choice School Students	\$ 8,000		\$ 8,000	2,636	\$ 5,364
Miscellaneous Purchased Services - Transportation	117,600		117,600	106,723	10,877
General Supplies	1,000		1,000		1,000
Transportation Supplies	21,256		21,256	5,066	16,190
Other Objects	1,400		1,400	600	800
Total Student Transportation Services	<u>2,289,434</u>		<u>2,289,434</u>	<u>1,782,937</u>	<u>506,497</u>
Unallocated Benefits:					
Social Security Contributions	470,000		470,000	410,512	59,488
Other Retirement Contributions - PERS	419,387		419,387	415,880	3,507
Other Retirement Contributions - Regular	42,000		42,000	28,471	13,529
Unemployment Compensation	325,000		325,000		325,000
Workmen's Compensation	286,284		286,284	245,621	40,663
Health Benefits	4,769,602		4,769,602	4,633,328	136,274
Tuition Reimbursement	159,189		159,189	104,128	55,061
Other Employee Benefits	372,372		372,372	358,274	14,098
Total Unallocated Benefits	<u>6,843,834</u>		<u>6,843,834</u>	<u>6,196,214</u>	<u>647,620</u>
On-Behalf Contributions:					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				1,228,922	(1,228,922)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				3,848,235	(3,848,235)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				73,218	(73,218)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,869	(1,869)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,071,291	(1,071,291)
Total On-Behalf Contributions				<u>6,223,535</u>	<u>(6,223,535)</u>
Total Personal Services - Employee Benefits	6,843,834		6,843,834	12,419,749	(5,575,915)
Total Undistributed Expenses	23,345,171	\$ (184,628)	23,160,543	25,920,362	(2,759,819)

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL GENERAL CURRENT EXPENSE	\$ 38,475,061	\$ (92,307)	\$ 38,382,754	\$ 39,985,509	\$ (1,602,755)
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12		3,036	3,036	3,036	
Undistributed Expenditures:					
School-Sponsored Co curricular Athletics		5,523	5,523		5,523
School Administration		4,937	4,937	4,937	
Administrative Information Technology	244,614	30,721	275,335	222,363	52,972
Required Maintenance for School Facilities	13,785		13,785	13,785	
Custodial Services		16,900	16,900	8,250	8,650
Security		31,190	31,190	31,190	
Total Equipment	258,399	92,307	350,706	283,561	67,145
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	125,637	(100,000)	25,637		25,637
Other Purchased Professional and Technical Services	12,424	(2,888)	9,536	9,536	
Construction Services	1,481,446	202,888	1,684,334	1,446	1,682,888
Other Objects	100,000	(100,000)			
Assessment for Debt Service on SDA Funding	185,855		185,855	185,855	
Total Facilities Acquisition and Construction Services	1,905,362		1,905,362	196,837	1,708,525
TOTAL CAPITAL OUTLAY	2,163,761	92,307	2,256,068	480,398	1,775,670
Transfer of Funds to Charter Schools	87,898		87,898	26,721	61,177
TOTAL EXPENDITURES	40,726,720		40,726,720	40,492,628	234,092
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,489,851)		(4,489,851)	2,325,180	6,815,031

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1 (Restated)	\$ 7,812,938		\$ 7,992,381	\$ 7,992,381	
Fund Balance, June 30	\$ 3,323,087	\$ -0-	\$ 3,502,530	\$ 10,317,561	\$ 6,815,031
Recapitulation:					
Restricted:					
Excess Surplus for 2022-2023				\$ 1,010,000	
Excess Surplus for 2021-2022				850,000	
Capital Reserve				3,660,321	
Maintenance Reserve				500,000	
Emergency Reserve				299,431	
Unemployment Compensation				453,458	
Assigned:					
Year End Encumbrances				1,761,728	
Unassigned				1,782,623	
				10,317,561	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(1,024,543)	
Fund Balance per Governmental Funds (GAAP)				\$ 9,293,018	

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 245,184	\$ 245,184	\$ 239,654	\$ (5,530)
Federal Sources	\$ 473,646	1,016,335	1,489,981	891,661	(598,320)
<b>Total Revenues</b>	<b>473,646</b>	<b>1,261,519</b>	<b>1,735,165</b>	<b>1,131,315</b>	<b>(603,850)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	104,173	(3,233)	100,940	73,475	27,465
Other Salaries for Instruction		19,300	19,300	16,755	2,545
Purchased Professional and Educational Services		12,330	12,330	11,350	980
Other Purchased Services	23,956	(23,956)			
Tuition	337,517	80,615	418,132	418,132	
General Supplies		435,471	435,471	189,369	246,102
Travel		3,275	3,275	3,000	275
Other Objects		2,000	2,000		2,000
<b>Total Instruction</b>	<b>465,646</b>	<b>525,802</b>	<b>991,448</b>	<b>712,081</b>	<b>279,367</b>
<b>Support Services:</b>					
Other Salaries		102,208	102,208	32,593	69,615
Personal Services - Employee Benefits		43,174	43,174	31,514	11,660
Purchased Professional and Technical Services		45,000	45,000		45,000
Purchased Professional and Educational Services	8,000	6,939	14,939	4,587	10,352
Other Purchased Services		1,450	1,450	1,009	441
Travel		35,042	35,042	11,066	23,976
Supplies and Materials		126,518	126,518	113,079	13,439
Scholarships Awarded		9,250	9,250	9,250	
Student Activities		240,438	240,438	240,438	
<b>Total Support Services</b>	<b>8,000</b>	<b>610,019</b>	<b>618,019</b>	<b>443,536</b>	<b>174,483</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		165,590	165,590	15,590	150,000
<b>Total Facilities Acquisition and Construction Services</b>		<b>165,590</b>	<b>165,590</b>	<b>15,590</b>	<b>150,000</b>
<b>Total Expenditures</b>	<b>\$ 473,646</b>	<b>\$ 1,301,411</b>	<b>\$ 1,775,057</b>	<b>\$ 1,171,207</b>	<b>\$ 603,850</b>
<b>Deficit of Revenue Under Expenditures</b>	<b>\$ -0-</b>	<b>\$ (39,892)</b>	<b>\$ (39,892)</b>	<b>\$ (39,892)</b>	<b>\$ -0-</b>



WARREN HILLS REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 42,817,808	\$ 1,131,315
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		6,618
Cancellation of Prior Year Encumbrances		(1,282)
Current Year Encumbrances		(42,350)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,036,779	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(1,024,543)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 42,830,044</u>	<u>\$ 1,094,301</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 40,492,628	\$ 1,171,207
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		6,618
Cancellation of Prior Year Encumbrances		(1,282)
Current Year Encumbrances		(42,350)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 40,492,628</u>	<u>\$ 1,134,193</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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, 2021 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 except for student activities and scholarships. 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, 2021

	Elementary and Secondary Education Act						
	Title I	Title I SIA	Title I Reallocated	Title I C/O Reallocated	Title IIA	Title III Immigrant	Title IV
<b>REVENUES:</b>							
Local Sources							
Federal Sources	\$ 119,286	\$ 33,882	\$ 14,476	\$ 11,622	\$ 25,553	\$ 148	\$ 20,821
Total Revenues	119,286	33,882	14,476	11,622	25,553	148	20,821
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	73,475						
Other Salaries for Instruction		16,755					
Purchased Professional and Educational Services		11,250			100		
Tuition							
General Supplies	13,288	5,877	14,476	11,622		148	20,821
Travel							
Total Instruction	86,763	33,882	14,476	11,622	100	148	20,821
Support Services:							
Other Salaries	31,514						
Personal Services - Employee Benefits					4,587		
Purchased Professional and Educational Services							
Other Purchased Services	1,009						
Travel							
Supplies and Materials					11,066		
Scholarships Awarded					9,800		
Student Activities							
Total Support Services	32,523				25,453		
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	\$ 119,286	\$ 33,882	\$ 14,476	\$ 11,622	\$ 25,553	\$ 148	\$ 20,821

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES Emergency Relief	Coronavirus Relief Fund	CRRSA ESSER II	I.D.E.A. Part B, Basic	Local Donations	Student Activities	Scholarship	Totals
<b>REVENUES:</b>								
Local Sources	\$ 91,079	\$ 86,194	\$ 70,468	\$ 418,132	\$ 29,858	\$ 208,719	\$ 1,077	\$ 239,654
Federal Sources		86,194	70,468	418,132	29,858	208,719	1,077	891,661
<b>Total Revenues</b>								<b>1,131,315</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers								73,475
Other Salaries for Instruction								16,755
Purchased Professional and Educational Services								11,350
Tuition				418,132				418,132
General Supplies	73,994		37,875		11,268			189,369
Travel					3,000			3,000
<b>Total Instruction</b>	<b>73,994</b>		<b>37,875</b>	<b>418,132</b>	<b>14,268</b>			<b>712,081</b>
Support Services:								
Other Salaries			32,593					32,593
Personal Services - Employee Benefits								31,514
Purchased Professional and Educational Services								4,587
Other Purchased Services								1,009
Travel								11,066
Supplies and Materials	17,085	86,194						113,079
Scholarships Awarded							9,250	9,250
Student Activities						240,438		240,438
<b>Total Support Services</b>	<b>17,085</b>	<b>86,194</b>	<b>32,593</b>			<b>240,438</b>	<b>9,250</b>	<b>443,536</b>
Facilities Acquisition and Construction Services:								
Non-Instructional Equipment					15,590			15,590
<b>Total Facilities Acquisition and Construction Services</b>					<b>15,590</b>			<b>15,590</b>
<b>Total Expenditures</b>	<b>\$ 91,079</b>	<b>\$ 86,194</b>	<b>\$ 70,468</b>	<b>\$ 418,132</b>	<b>\$ 29,858</b>	<b>\$ 240,438</b>	<b>\$ 9,250</b>	<b>\$ 1,171,207</b>

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS



WARREN HILLS REGIONAL SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021

ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 241,358
Intergovernmental Accounts Receivable:	
State	1,866
Federal	15,452
Inventories	19,998

Total Current Assets	<u>278,674</u>
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## Non-Current Assets:

Capital Assets	485,414
Less: Accumulated Depreciation	<u>(338,940)</u>

Total Non-Current Assets	<u>146,474</u>
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Total Assets	<u>425,148</u>
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LIABILITIES:

## Current Liabilities:

Accounts Payable	15,793
Unearned Revenue:	
Prepaid Meals	12,514
Donated Commodities	7,737

Total Liabilities	<u>36,044</u>
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NET POSITION:

Investment in Capital Assets	146,474
Unrestricted	<u>242,630</u>

Total Net Position	<u>\$ 389,104</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, 2021

Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 216
Non-Reimbursable Programs	805
	<hr/>
Total Operating Revenue	1,021
	<hr/>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	87,399
Salaries	68,090
Benefits and Payroll Taxes	18,536
Supplies, Insurance and Other Costs	19,855
Management Fee	15,262
Depreciation Expense	14,544
	<hr/>
Total Operating Expenses	223,686
	<hr/>
Operating Loss	(222,665)
Non-Operating Income:	
Local Sources:	
Interest Income	414
State Sources:	
COVID - Seamless Summer Option	9,402
Federal Sources:	
COVID - Seamless Summer Option	212,435
Food Distribution Program	21,764
	<hr/>
Total Non-Operating Income	244,015
	<hr/>
Change in Net Position	21,350
Net Position - Beginning of Year	367,754
	<hr/>
Net Position - End of Year	\$ 389,104
	<hr/> <hr/>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 696
Payments to Food Service Contractor	(163,949)
Payments to Suppliers	(4,065)
	<hr/>
Net Cash Used for Operating Activities	(167,318)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	414
	<hr/>
Net Cash Provided by Investing Activities	414
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(9,820)
	<hr/>
Net Cash Used for Capital and Related Financing Activities	(9,820)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	3,601
State Sources	8,971
Federal Sources	203,341
	<hr/>
Net Cash Provided by Noncapital Financing Activities	215,913
	<hr/>
Net Increase in Cash and Cash Equivalents	39,189
Cash and Cash Equivalents, July 1	202,169
	<hr/>
Cash and Cash Equivalents, June 30	\$ 241,358
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (222,665)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	14,544
Food Distribution Program	21,764
Changes in Assets and Liabilities:	
Increase in Unearned Revenue	3,301
Increase in Accounts Payable	15,793
(Increase) in Inventory	(55)
	<hr/>
Net Cash Used for Operating Activities	\$ (167,318)
	<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 \$25,390 and utilized U.S.D.A. Commodities valued at \$21,764.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM DEBT

WARREN HILLS REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2020	Matured	Balance June 30, 2021
			Date	Amount	June 30, 2021				
2009 School Bonds	03/19/09	\$ 5,494,000	2/15/22	\$ 450,000		4.00%	\$ 1,844,000	\$ 435,000	\$ 1,409,000
			2/15/23	470,000		4.00%			
			2/15/24	489,000		4.13%			
2012 Refunding Bonds	06/06/12	17,335,000	2/15/22	1,405,000		5.00%	10,895,000	1,330,000	9,565,000
			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%			
							<u>\$ 12,739,000</u>	<u>\$ 1,765,000</u>	<u>\$ 10,974,000</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,300,028		\$ 2,300,028	\$ 2,300,028	
State Sources:					
Debt Service Aid - Type II	17,293		17,293	17,293	
Total Revenues	2,317,321		2,317,321	2,317,321	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	552,321		552,321	552,321	
Redemption of Principal	1,765,000		1,765,000	1,765,000	
Total Regular Debt Service	2,317,321		2,317,321	2,317,321	
Total Expenditures	2,317,321		2,317,321	2,317,321	
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, 2020	Matured	Balance June 30, 2021
School Buses, Maintenance Vehicles and Maintenance Equipment	1.47%	\$ 362,562	\$ 73,640	\$ 73,640	
Security Equipment	1.513%	707,884	142,628	142,628	
Technology Equipment, School Bus and Laser Engraver	3.049%	648,932	391,102	126,472	\$ 264,630
			\$ 607,370	\$ 342,740	\$ 264,630



**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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 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	\$ 33,931,054
Restricted	9,070,094	10,473,542	10,315,660	10,278,076	9,918,463	5,983,676	6,316,779	7,092,172	6,107,372	7,343,615
Unrestricted/(Deficit)	(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)	(7,486,970)
<b>Total Governmental Activities Net Position</b>	<b>\$ 32,440,065</b>	<b>\$ 35,672,995</b>	<b>\$ 29,833,050</b>	<b>\$ 30,103,904</b>	<b>\$ 29,311,536</b>	<b>\$ 28,675,732</b>	<b>\$ 28,896,700</b>	<b>\$ 30,172,852</b>	<b>\$ 31,145,289</b>	<b>\$ 33,787,699</b>
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 115,682	\$ 102,625	\$ 97,892	\$ 210,733	\$ 207,992	\$ 188,880	\$ 179,572	\$ 156,203	\$ 151,198	\$ 146,474
Unrestricted	348,908	316,274	296,984	150,661	150,056	165,435	195,512	228,674	216,556	242,630
<b>Total Business-Type Activities Net Position</b>	<b>\$ 464,590</b>	<b>\$ 418,899</b>	<b>\$ 394,876</b>	<b>\$ 361,394</b>	<b>\$ 358,048</b>	<b>\$ 354,315</b>	<b>\$ 375,084</b>	<b>\$ 384,877</b>	<b>\$ 367,754</b>	<b>\$ 389,104</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 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	\$ 34,077,528
Restricted	9,070,094	10,473,542	10,315,660	10,278,076	9,918,463	5,983,676	6,316,779	7,092,172	6,107,372	7,343,615
Unrestricted/(Deficit)	(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)	(7,244,340)
<b>Total District Net Position</b>	<b>\$ 32,904,655</b>	<b>\$ 36,091,894</b>	<b>\$ 30,227,926</b>	<b>\$ 30,465,298</b>	<b>\$ 29,669,584</b>	<b>\$ 29,030,047</b>	<b>\$ 29,271,784</b>	<b>\$ 30,557,729</b>	<b>\$ 31,513,043</b>	<b>\$ 34,176,803</b>

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 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	\$ 17,970,847
Special Education	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	4,995,440
Other Special Education	143,352	26,765	33,356	41,319	3,096	1,394	543	4,451		
Other Instruction	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	1,533,811
Support Services:										
Tuition	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	2,260,739
Student & Instruction Related Services	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	5,993,553
General Administrative Services	631,931	617,809	760,728	663,082	997,805	936,556	738,475	878,842	1,065,870	1,065,870
School Administrative Services	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	1,811,557
Central Services	528,758	551,688	550,739	658,195	563,814	612,895	752,855	680,797	766,767	701,182
Administrative Information Technology	551,563	469,787	312,120	356,401	362,002	368,677	413,741	471,743	533,762	594,060
Plant Operations And Maintenance	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	3,629,704
Pupil Transportation	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	1,946,923
Capital Outlay	316,126	138,098	193,019	196,063						
Interest On Long-Term Debt	807,376	648,107	1,004,164	724,466	685,332	634,505	580,298	520,140	446,894	375,714
Transfer of Funds to Charter School									71,554	26,721
Unallocated Depreciation									1,972,799	1,997,397
Total Governmental Activities Expenses	316,768	240,521	774,735	1,009,753	1,021,673	1,896,407	1,896,407	1,897,399	1,972,799	1,997,397
	\$ 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	\$ 44,903,518
Business-Type Activities:										
Food Service	509,470	501,943	495,675	505,094	507,071	511,090	535,831	584,899	507,561	223,686
Total Business-Type Activities Expense	509,470	501,943	495,675	505,094	507,071	511,090	535,831	584,899	507,561	223,686
Total District Expenses	\$ 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	\$ 45,127,204
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 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	\$ 1,810,517
Student & Instruction Related Services	225,221	259,628	266,536	257,971	261,360	277,700	278,531	282,737	279,270	208,719
Pupil Transportation	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	10,715,813
Operating Grants and Contributions	90,323	75,616				470,444				
Total Governmental Activities Program Revenues	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	12,984,958

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

UNAUDITED  
(Continued)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues										
Business-Type Activities:										
Charges for Services										
Food Service	\$ 368,653	\$ 317,409	\$ 322,227	\$ 314,224	\$ 333,333	\$ 337,333	\$ 390,697	\$ 422,737	\$ 337,620	\$ 1,021
Operating Grants and Contributions	116,226	137,015	148,608	156,602	169,880	169,184	163,613	168,910	150,190	243,601
Total Business Type Activities Program Revenues	484,879	454,424	470,835	470,826	503,213	506,517	554,310	591,647	487,810	244,622
Total District Program Revenues	\$ 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	\$ 13,229,580
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (31,918,560)
Business-Type Activities	(24,591)	(47,519)	(24,840)	(34,268)	(3,858)	(4,573)	18,479	6,748	(19,751)	20,936
Total District-Wide Net Expense	\$ (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)	\$ (31,897,624)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 22,877,234
Taxes Levied for Debt Service	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	2,300,028
Federal and State Aid not Restricted	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	9,280,855
Investment Earnings	72,145	55,177	45,826	44,819	39,444	48,474	83,483	105,415	77,716	17,974
Miscellaneous Income	163,141	53,336	138,920	27,650	49,216	94,773	95,579	195,027	92,922	84,879
Reappraisal of Assets	438,797									
Contribution for Bond Refunding	(1,500,000)									
Transfers			251	57	180	68	1,518	2,212	2,723	
Total Governmental Activities	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	34,560,970
Business-Type Activities:										
Investment Earnings	2,996	1,828	817	786	512	840	2,290	3,045	2,628	414
Deletion of Capital Assets, Net of Accumulated Depreciation	(1,580)									
Reappraisal of Assets	41,186									
Total Business-Type Activities	42,602	1,828	817	786	512	840	2,290	3,045	2,628	414
Total District-Wide	\$ 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	\$ 34,561,384
Change in Net Position:										
Governmental Activities	\$ 3,107,304	\$ 3,540,999	\$ 1,111,427	\$ 270,854	\$ (792,368)	\$ (635,804)	\$ 220,968	\$ 1,276,152	\$ 182,698	\$ 2,642,410
Business-Type Activities	18,011	(45,691)	(24,023)	(33,482)	(3,346)	(3,733)	20,769	9,793	(17,123)	21,350
Total District	\$ 3,125,315	\$ 3,495,308	\$ 1,087,404	\$ 237,372	\$ (795,714)	\$ (639,537)	\$ 241,737	\$ 1,285,945	\$ 165,575	\$ 2,663,760

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	(Restated) 2020	2021
General Fund:										
Restricted	\$ 8,748,012	\$ 10,193,678	\$ 10,035,904	\$ 10,128,625	\$ 9,871,141	\$ 5,936,354	\$ 6,316,778	\$ 7,092,171	\$ 5,497,075	\$ 6,773,210
Assigned	1,501,554	1,415,017	824,020	685,570	622,613	3,072,549	355,105	1,007,425	1,458,527	1,761,728
Unassigned			21,407							758,080
<b>Total General Fund</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>\$ 6,955,602</b>	<b>\$ 9,293,018</b>
All Other Governmental Funds:										
Restricted	\$ 188,133	\$ 279,864	\$ 279,756	\$ 179,756	\$ 47,322	\$ 47,322	\$ 1	\$ 1	\$ 610,297	\$ 570,405
Committed	133,949		933,263							
Unassigned, Reported In:										
Capital Projects Fund (Deficit)				(30,305)	(57,834)					
<b>Total All Other Governmental Funds/(Deficit)</b>	<b>\$ 322,082</b>	<b>\$ 279,864</b>	<b>\$ 1,213,019</b>	<b>\$ 149,451</b>	<b>\$ (10,512)</b>	<b>\$ 47,322</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 610,297</b>	<b>\$ 570,405</b>
Total All Funds:										
Restricted	\$ 8,936,145	\$ 10,473,542	\$ 10,315,660	\$ 10,308,381	\$ 9,918,463	\$ 5,983,676	\$ 6,316,779	\$ 7,092,172	\$ 6,107,372	\$ 7,343,615
Committed	133,949		933,263							
Assigned	1,501,554	1,415,017	824,020	685,570	622,613	3,072,549	355,105	1,007,425	1,458,527	1,761,728
Unassigned/(Deficit)			21,407	(30,305)	(57,834)					758,080
<b>Total All Governmental Funds</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>\$ 7,565,899</b>	<b>\$ 9,863,423</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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax Levy	\$ 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	\$ 25,177,262
Tuition Charges	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	1,810,517
Transportation Fees from Other LEAs	225,221	259,628	266,536	257,971	261,360	277,700	278,531	282,737	279,270	249,909
Interest Earnings	19,538	18,582	18,173	18,003	18,854	14,737	33,043	19,300	26,636	2,245
Other Restricted Miscellaneous Revenue	39,805	16,725	11,131	3,149	12,063	10,931	35,320	15,551	16,095	238,280
Unrestricted Miscellaneous Revenue	177,078	75,140	156,217	54,322	66,603	118,352	116,504	278,118	180,704	75,831
State Sources	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	17,689,521
Federal Sources	1,211,277	566,835	545,521	572,921	632,972	651,159	609,153	630,105	626,881	998,101
<b>Total Revenue</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>46,241,666</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	10,291,458
Special Education Instruction	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	2,825,203
Other Special Instruction	96,085	20,297	26,480	34,344	3,096	1,394	543	4,451		
Other Instruction	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	1,231,365
<b>Support Services:</b>										
Tuition	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	2,260,739
Student & Instruction Related Services	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	4,298,452
General Administration Services	514,378	506,808	636,191	532,428	717,249	715,768	524,448	673,745	634,905	857,220
School Administration Services	1,128,760	1,145,971	1,275,743	1,288,241	1,211,865	1,264,949	1,147,085	1,086,741	1,031,984	1,054,641
Central Services	377,144	396,222	415,757	468,591	379,234	384,207	485,248	462,785	514,012	459,360
Administrative Information Technology	483,817	426,105	303,709	347,210	319,849	381,695	357,788	505,436	463,953	519,694
Plant Operations And Maintenance	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	3,118,884
Pupil Transportation	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	1,782,937
Unallocated Benefits	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	12,419,749
Capital Outlay	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	480,398
Transfer of Funds to Charter School									71,554	26,721
<b>Debt Service:</b>										
Principal	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	1,765,000
Interest And Other Charges	1,092,246	761,746	943,021	896,646	858,509	808,009	754,333	695,297	622,046	552,321
<b>Total Expenditures</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>43,944,142</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	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)	2,297,524

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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 Deceased	(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	1,500,107	\$ 92,604	\$ 1,084,766	\$ 57	\$ 1,487,555	\$ 1,320,446	\$ 1,518	\$ 648,932	\$ 2,212	\$ 2,723
Transfers Out	(1,500,107)	(92,604)	(1,084,515)			68				
Total Other Financing Sources/(Uses)	(1,305,750)	251	251	57	1,487,735	1,320,514	1,518	651,144	2,723	2,723
Net Change In Fund Balances	\$ 885,882	\$ 1,316,911	\$ 205,791	\$ (1,130,704)	\$ (480,404)	\$ (1,427,017)	\$ (2,384,341)	\$ 1,427,713	\$ (1,323,437)	\$ 2,297,524
Debt Service As A Percentage Of Noncapital Expenditures	6.30%	5.84%	5.92%	5.59%	5.35%	5.35%	5.46%	5.35%	5.27%	5.30%

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
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
2021	1,810,517	249,909	17,974	4,469	80,410	2,163,279

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					Farm		Fam			Total Assessed Value				Tax-Exempt Property		Public Utilities <sup>a</sup>		Net Valuation Taxable		Total Direct School Tax		Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Regular	Qualified	Commercial	Industrial	Apartment	Value	Property	Utilities <sup>a</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	Rate <sup>b</sup>	
<b>Franklin Township</b>																							
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	\$ 0.89	\$ 421,131,591	\$ 38,584,420	\$ 942,686	\$ 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	0.92	420,009,129	38,663,220	978,714	0.92	423,287,926							
2013	4,130,400	286,559,100	53,823,900	5,102,815	32,526,600	30,969,000	306,300	413,418,115	39,090,620	914,996	0.94	414,333,111	39,090,620	914,996	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	0.94	413,887,023	39,090,620	692,328	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	0.99	413,679,781	39,428,320	463,886	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	0.97	414,323,121	39,306,220	440,526	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	1.04	414,142,708	39,462,320	434,313	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	1.02	414,177,151	39,814,020	815,456	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	1.06	413,705,026	39,950,720	819,631	1.06	404,895,366							
2020	3,848,300	286,851,817	53,593,700	5,066,095	32,276,700	30,837,300	306,300	412,780,212	39,582,820	822,139	1.04	413,602,351	39,582,820	822,139	1.04	403,686,458							
<b>Mansfield Township</b>																							
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	0.90	\$ 650,551,704	\$ 65,924,380	\$ 1,262,054	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	0.90	648,892,423	67,624,380	1,346,173	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	0.92	641,910,926	67,675,180	1,315,776	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	0.87	665,227,659	72,990,900	1,017,159	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	0.90	665,618,826	72,720,600	954,436	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	0.96	675,853,306	68,900,700	862,441	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	1.01	675,600,360	68,448,400	804,295	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	1.08	673,248,825	68,442,100	291,360	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	366,443,400	1.11	673,450,875	70,398,700	366,443,400	1.11	747,260,207							
2020	14,091,700	418,485,800	52,498,400	3,103,225	113,307,150	17,323,500	59,623,400	678,433,175	71,098,300	366,145,200	1.16	678,433,175	71,098,300	366,145,200	1.16	756,719,409							
<b>Washington Borough</b>																							
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	1.14	\$ 372,149,461	\$ 31,906,225	\$ 2,045,901	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	1.10	371,768,899	31,331,625	2,259,339	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	1.09	370,909,325	30,736,425	1,973,565	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	1.12	372,490,882	31,893,625	1,807,822	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	1.08	371,644,748	33,944,425	1,968,788	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	1.15	368,435,767	33,266,625	1,948,907	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	1.25	368,319,871	33,421,225	1,876,471	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	1.36	366,650,347	32,402,625	1,854,447	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	366,449,300	31,933,325	366,449,300	1.33	456,250,143							
2020	1,568,200	289,085,200	437,600	5,300	43,909,900	11,677,300	19,461,700	366,145,200	32,061,025	366,145,200	1.34	366,145,200	32,061,025	366,145,200	1.34	447,698,821							

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

Year Ended Dec. 31,	Vacant	Farm	Farm	Commercial	Industrial	Apartment	Total	Tax-Exempt	Public	Net Valuation	Total Direct	Estimated Actual
	Land	Residential	Regular	Qualified	Commercial	Industrial	Value	Property	Utilities <sup>a</sup>	Taxable	School Tax Rate <sup>b</sup>	(County Equalized Value)
2011	\$ 11,030,400	\$ 561,000,051	\$ 24,688,300	\$ 2,272,900	\$ 72,406,800	\$ 3,501,200	\$ 1,780,300	\$ 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	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	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	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	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	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	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	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	63,843,548		681,354,276	1.17	708,550,380
2020	13,806,700	555,632,808	27,780,600	2,490,200	82,543,268	3,523,300	1,685,900	61,381,448		687,462,776	1.18	724,471,996

Washington Township

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							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 Franklin			
				General Obligation				
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	
2020	0.94	0.09	1.04	0.98	0.30	0.69	3.00	

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				Local School District	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Township of Mansfield		Warren County		
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>						
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	
2020	1.06	0.11	1.16	0.89	0.64	0.78	3.48	

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				Local School District	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Borough of Washington		Warren County		
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct					
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	
2020	1.22	0.12	1.34	1.49	1.54	0.80	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			Township of Washington		Warren County		
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct					
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	
2020	1.07	0.11	1.18	0.96	0.75	0.74	3.63	

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

	2020		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2011		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Transcontinental Gas	\$ 17,917,900	1	4.25%
ISE America	9,981,100	2	2.37%
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 Taxpayer #1	1,290,600	8	0.31%
Victaulic Reh, LLC	1,122,300	9	0.27%
Individual Taxpayer #2	1,109,100	10	0.26%
Total	\$ 52,370,100		12.44%

Source: Municipal Tax Assessor

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

Township of Mansfield

	2020		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2011		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Plaza, LLC	\$ 45,104,808	1	6.93%
Green Eagle Property	26,000,000	2	4.00%
Mansfield Plaza, LLC	14,149,800	3	2.18%
Middlebury Associates	14,000,000	4	2.15%
Borealis Compounds LLC	6,560,900	5	1.01%
NYK Logistics	3,611,800	6	0.56%
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	\$ 121,151,608		18.62%

Source: Municipal Tax Assessor



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

Borough of Washington

	2020		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2011		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Warren Washington Associates	\$ 7,000,000	1	1.88%
BASF Corporation Tax Dept.	4,722,000	2	1.27%
Twist Beauty Packaging	4,020,100	3	1.08%
Washington Gardens LLC	3,990,000	4	1.07%
Washington Plaza Associates	3,400,000	5	0.91%
Bell Atlantic	3,338,688	6	0.90%
Washington Heights, LLC	2,000,000	7	0.54%
Individual Taxpayer #1	1,938,900	8	0.52%
Warren Lumber Inc.	1,658,000	9	0.45%
Individual Taxpayer #2	1,600,500	10	0.43%
Total	\$ 33,668,188		9.05%

Source: Municipal Tax Assessor

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

Township of Washington

	2020		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2011		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Asbury Farms (including Golf Course)	\$ 12,817,500	1	1.89%
Washington Shopping Centers, Inc. -A&P	7,965,900	2	1.17%
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	2,221,700	7	0.33%
Individual Taxpayer #1	1,900,000	8	0.28%
I. C. Washington Inc., - Eckerd Drug	1,875,400	9	0.28%
Individual Taxpayer #2	1,862,899	10	0.27%
Total	\$ 41,299,699		6.09%

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	
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-
2021	4,293,095	4,293,095	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	
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-
2021	7,891,789	7,891,789	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	
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-
2021	4,896,233	4,896,233	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	
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
2021	8,096,145	8,096,145	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  
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			
			Capital Leases	Capital Leases	Capital Leases	Capital Leases							
2012	\$ 23,759,000	\$ -0-	\$ -0-	\$ 194,250	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 23,953,250	2.19%	\$ 1,004.71
2013	22,509,000	-0-	-0-	128,277	-0-	-0-	-0-	-0-	-0-	-0-	22,637,277	2.02%	953.39
2014	21,329,000	-0-	-0-	64,742	-0-	-0-	-0-	-0-	-0-	-0-	21,393,742	1.90%	906.02
2015	20,144,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,144,000	1.73%	852.19
2016	18,859,000	-0-	-0-	989,943	-0-	-0-	-0-	-0-	-0-	-0-	19,848,943	1.65%	842.81
2017	17,494,000	-0-	-0-	1,506,624	-0-	-0-	-0-	-0-	-0-	-0-	19,000,624	1.56%	811.89
2018	15,994,000	-0-	-0-	722,685	-0-	-0-	-0-	-0-	-0-	-0-	16,716,685	1.34%	717.15
2019	14,429,000	-0-	-0-	943,177	-0-	-0-	-0-	-0-	-0-	-0-	15,372,177	1.19%	660.01
2020	12,739,000	-0-	-0-	607,370	-0-	-0-	-0-	-0-	-0-	-0-	13,346,370	0.99%	574.58
2021	10,974,000	-0-	-0-	264,630	-0-	-0-	-0-	-0-	-0-	-0-	11,238,630	0.84%	483.69

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		
2012	\$ 23,759,000	\$ -0-	\$ 23,759,000	2.24%	\$ 996.56
2013	22,509,000	-0-	22,509,000	2.12%	947.99
2014	21,329,000	-0-	21,329,000	2.02%	903.27
2015	20,144,000	-0-	20,144,000	1.89%	852.19
2016	18,859,000	-0-	18,859,000	1.77%	800.77
2017	17,494,000	-0-	17,494,000	1.63%	747.51
2018	15,994,000	-0-	15,994,000	1.50%	686.14
2019	14,429,000	-0-	14,429,000	1.35%	619.51
2020	12,739,000	-0-	12,739,000	1.75%	548.43
2021	10,974,000	-0-	10,974,000	1.51%	472.30

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, 2020

<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	\$ 1,694,396	100.00%	\$ 1,694,396
Township of Mansfield	1,010,851	100.00%	1,010,851
Borough of Washington	6,850,648	100.00%	6,850,648
Township of Washington	6,689,964	100.00%	6,689,964
Warren County General Obligation Debt (Franklin Township Share)	1,765,000	3.61%	63,733
Warren County General Obligation Debt (Mansfield Township Share)	1,765,000	6.77%	119,468
Warren County General Obligation Debt (Washington Borough Share)	1,765,000	4.00%	70,681
Warren County General Obligation Debt (Washington Township Share)	1,765,000	6.48%	114,377
Subtotal, Overlapping Debt			16,614,118
Warren Hills Regional School District Direct Debt			12,739,000
Total Direct And Overlapping Debt			<u>\$ 29,353,118</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.

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

Sources: Assessed value data used to estimate applicable percentages provided by the 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 2021						
	Franklin Township	Mansfield Township	Washington Borough	Washington Township	Total	
Equalized valuation basis:						
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	
2020	412,161,969	753,647,162	449,202,797	730,023,124	2,345,035,052	
	<u>\$ 1,215,242,241</u>	<u>\$ 2,248,422,395</u>	<u>\$ 1,345,611,688</u>	<u>\$ 2,156,283,013</u>	<u>\$ 6,965,559,337</u>	
Average Equalized Valuation of Taxable Property						<u>\$ 2,321,853,112</u>
Debt Limit (3.5% of average equalization value <sup>a</sup> )						\$ 81,264,859
Net Bonded School Debt as of June 30, 2021						<u>10,974,000</u>
Legal Debt Margin						<u>\$ 70,290,859</u>

	Fiscal Year Ended June 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	\$ 81,264,859
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	10,974,000
Legal Debt Margin	\$ 72,263,452	\$ 70,583,252	\$ 67,497,596	\$ 62,145,401	\$ 60,969,720	\$ 59,767,732	\$ 61,430,432	\$ 63,424,289	\$ 91,924,635	\$ 94,029,537	\$ 70,290,859
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%	13.50%

<sup>a</sup> Limit set by NISA 18A:24-19 for a 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>
2012	3,121	\$ 47,099	\$ 146,995,979	6.40%
2013	3,099	47,606	147,530,994	7.40%
2014	3,096	49,212	152,360,352	6.70%
2015	3,076	51,146	157,325,096	5.10%
2016	3,060	52,006	159,138,360	4.90%
2017	3,046	53,669	163,475,774	4.50%
2018	3,041	55,448	168,617,368	4.00%
2019	3,029	57,854	175,239,766	3.30%
2020	3,026	57,854 **	175,066,204 ***	7.60%
2021	3,026 *	57,854 **	175,066,204 ***	N/A

\* - Latest population data available (2020) was used for calculation purposes.

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

\*\*\* - Latest available population data (2020) and latest available Warren County per capita personal income (2019) 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>
2012	7,581	\$ 47,099	\$ 357,057,519	8.60%
2013	7,517	47,606	357,854,302	6.90%
2014	7,508	49,212	369,483,696	5.40%
2015	7,481	51,146	382,623,226	4.80%
2016	7,431	52,006	386,456,586	4.10%
2017	7,386	53,669	396,399,234	3.50%
2018	7,379	55,448	409,150,792	3.30%
2019	7,372	57,854	426,499,688	2.70%
2020	7,384	57,854 **	427,193,936 ***	7.70%
2021	7,384 *	57,854 **	427,193,936 ***	N/A

\* - Latest population data available (2020) was used for calculation purposes.

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

\*\*\* - Latest available population data (2020) and latest available Warren County per capita personal income (2019) 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>
2012	6,501	\$ 47,099	\$ 306,190,599	7.70%
2013	6,512	47,606	310,010,272	6.10%
2014	6,552	49,212	322,437,024	6.40%
2015	6,534	51,146	334,187,964	5.70%
2016	6,498	52,006	337,934,988	5.30%
2017	6,496	53,669	348,633,824	5.20%
2018	6,486	55,448	359,635,728	4.70%
2019	6,460	57,854	373,736,840	4.20%
2020	6,459	57,854 **	373,678,986 ***	10.50%
2021	6,459 *	57,854 **	373,678,986 ***	N/A

\* - Latest population data available (2020) was used for calculation purposes.

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

\*\*\* - Latest available population data (2020) and latest available Warren County per capita personal income (2019) 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>
2012	6,541	\$ 47,099	\$ 308,074,559	10.50%
2013	6,485	47,606	308,724,910	6.00%
2014	6,482	49,212	318,992,184	5.30%
2015	6,460	51,146	330,403,160	4.80%
2016	6,414	52,006	333,566,484	3.90%
2017	6,382	53,669	342,515,558	3.70%
2018	6,385	55,448	354,035,480	3.40%
2019	6,367	57,854	368,356,418	3.20%
2020	6,366	57,854 **	368,298,564 ***	7.70%
2021	6,366 *	57,854 **	368,298,564 ***	N/A

\* - Latest population data available (2020) was used for calculation purposes.

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

\*\*\* - Latest available population data (2020) and latest available Warren County per capita personal income (2019) 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	2020		Percentage of Total Employment
	Employees	Rank	

INFORMATION IS NOT AVAILABLE

Employer	2011		Percentage of Total Employment
	Employees	Rank (Optional)	

INFORMATION IS NOT AVAILABLE

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	130.0	129.0	129.0	116.5	113.5	118.5	121.7	125.8	123.1	126.0
Special Education	20.0	20.0	20.0	23.0	23.0	51.1	53.0	41.2	38.0	40.2
Other Special Education	3.0	3.0	3.0	3.0	3.0					
Other Instruction	7.0	9.0	9.0	6.0	5.0	3.0	2.6	3.6	3.6	3.6
Support Services:										
Student and Instruction Related Services	33.0	35.0	35.0	36.0	34.0	40.5	60.0	56.2	57.9	48.6
School Administrative Services	15.0	15.0	15.0	15.0	15.0	13.0	14.0	11.0	11.0	12.0
General and Business Administrative Services	2.0	2.0	2.0	2.0	2.0	9.0	8.0	8.6	9.0	10.0
Plant Operations and Maintenance	29.0	29.0	29.0	29.0	25.0	21.7	27.3	26.8	25.2	24.0
Other Support Services	5.0	5.0	5.0	5.0	5.0	8.5	8.5	10.5	10.3	9.0
Total	<u>244.0</u>	<u>247.0</u>	<u>247.0</u>	<u>235.5</u>	<u>225.5</u>	<u>265.3</u>	<u>295.1</u>	<u>283.7</u>	<u>278.1</u>	<u>273.4</u>

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				
2012	1,940	\$ 31,199,483	\$ 16,082	-1.31%	167	1:10	1:11	1,880	1,825	-1.42%	97.07%
2013	1,850	32,412,199	17,520	8.94%	165	1:10	1:11	1,850	1,797	-1.60%	97.14%
2014	1,856	33,737,933	18,178	3.75%	165	1:10	1:11	1,856	1,764	0.32%	95.04%
2015	1,880	35,139,760	18,691	2.83%	149	1:10	1:11	1,880	1,779	1.29%	94.63%
2016	1,883	36,068,962	19,155	2.48%	145	1:10	1:11	1,873	1,813	-0.37%	96.80%
2017	1,853	38,023,532	20,520	7.13%	161	1:10	1:11	1,853	1,752	-1.07%	94.55%
2018	1,789	39,367,804	22,005	7.24%	175	1:10	1:11	1,802	1,702	-2.75%	94.45%
2019	1,750	39,467,729	22,553	2.49%	176	1:10	1:11	1,711	1,614	-5.05%	94.33%
2020	1,746	40,876,710	23,412	3.81%	179	1:10	1:10	1,744	1,676	1.93%	96.10%
2021	1,723	41,146,423	23,881	2.00%	182	1:12	1:10	1,729	1,619	-0.86%	93.64%

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

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Middle School (1931); Additions in 1956/1967/2007										
Square Feet	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	661	615	634	586	589	628	581	544	556	543
High School (1967); Additions in 1989/2008										
Square Feet	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910
Capacity (students)	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591
Enrollment	1,279	1,235	1,222	1,294	1,294	1,225	1,208	1,206	1,190	1,180
Board Office/Project Excel (Unknown)										
Square Feet	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954
Capacity (students)	98	98	98	98	98	98	98	98	98	98
Enrollment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

Number of Schools at June 30, 2021

- 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
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
2021	226,976	135,051	214,303	576,330

\* 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, 2021

	<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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 1, 2021.

***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.

October 1, 2021  
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, 2021. 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, 2021.



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.

October 1, 2021  
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, 2021

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Balance at June 30, 2021		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
<b>U.S. Department of Agriculture:</b>										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	\$ 25,390	\$	4,111	\$	(17,653)	\$	7,737
Food Distribution Program	10.555	N/A	7/1/19-6/30/20	20,037				(4,111)		
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	212,435				(212,435)		
COVID 19 - Seamless Summer Option	10.555	N/A	3/18/20-6/30/20	11,958	\$	(6,358)		6,358		
Total Child Nutrition Cluster					(6,358)	4,111		(234,199)		7,737
Total U.S. Department of Agriculture					(6,358)	4,111		(234,199)		7,737
<b>U.S. Department of Education:</b>										
Passed-through State Department of Education:										
Special Revenue Fund:										
Elementary and Secondary Education Act:										
Title I	84.010	ESEA546521	7/1/20-9/30/21	163,501				(119,286)		(31,514)
Title I	84.010	ESEA546520	7/1/19-9/30/20	166,769		(35,027)		35,027		
Title I - SIA	84.010	ESEA546521	7/1/20-9/30/21	37,225				(33,882)		(15,660)
Title I - Reallocated	84.010	ESEA546521	7/1/20-9/30/21	14,547				(14,476)		(12,657)
Title I - Reallocated	84.010	ESEA546520	7/1/19-9/30/20	11,622				(11,622)		
Subtotal - Title I					(35,027)			(179,266)		(59,831)
Title II	84.367	ESEA546521	7/1/20-9/30/21	58,425				(25,553)		(13,209)
Title II	84.367	ESEA546520	7/1/19-9/30/20	57,319		(5,965)		5,965		\$ 1,250
Subtotal - Title II					(5,965)			(25,553)		1,250
Title III - Immigrant	84.365	ESEA359021	7/1/20-9/30/21	340				(148)		
Title III - Immigrant	84.365	ESEA359020	7/1/19-9/30/20	3,089		(2,749)		2,749		
Subtotal - Title III - Immigrant						(2,749)		(148)		(148)
Title IV	84.424	ESEA359021	7/1/20-9/30/21	20,821				(20,821)		(839)
Title IV	84.424	ESEA546520	7/1/19-9/30/20	20,000		(3,907)		3,907		
Subtotal - Title IV					(3,907)			(20,821)		(839)
<b>Special Education Cluster:</b>										
I.D.E.A. Part B, Basic										
Total Special Education Cluster	84.027	IDEA546521	7/1/20-9/30/21	418,132				(418,132)		
<b>Education Stabilization Fund:</b>										
COVID 19 - CARES Emergency Relief										
COVID 19 - CARES Emergency Relief	84.425D	CARES109020	3/13/20-9/30/22	123,628				(91,079)		(9,519)
COVID 19 - CARES - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	479,758				(70,468)		(70,468)
Total Education Stabilization Fund								(161,547)		(79,987)
Total U.S. Department of Education					(47,648)			(805,467)	1,250	(154,014)

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expend- itures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2021		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
<u>U.S. Department of Health and Human Services:</u>												
<u>General Fund:</u>												
Medicaid Cluster:												
Medical Assistance Program	93.778	N/A	7/1/20-6/30/21	\$ 48,992			\$ 48,992	\$ (48,992)				
Total U.S. Department of Health and Human Services/Total Medicaid Cluster							48,992	(48,992)				
<u>U.S. Department of Homeland Security:</u>												
<u>Passed-through State Department of Emergency Management:</u>												
<u>General Fund:</u>												
Disaster Grants - Public Assistance (FEMA):												
COVID 19 Pandemic	97.036	N/A	3/25/20-9/30/21	68,311			68,311	(68,311)				
Total U.S. Department of Homeland Security				68,311			68,311	(68,311)				
<u>U.S. Department of Treasury:</u>												
<u>Passed-through State Department of Education:</u>												
<u>Special Revenue Fund:</u>												
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-6/30/21	86,194			86,194	(86,194)				
Total U.S. Department of Treasury				86,194			86,194	(86,194)				
Total Federal Awards				\$ (54,006)	\$ 4,111	\$ 1,131,329	\$ (1,243,163)	\$ 1,250	\$ (169,466)	\$ 7,737	\$ 1,250	\$ -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, 2021

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Balance at June 30, 2021		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Cash Received	GAAP Accounts Receivable	Budgetary Accounts Receivable	
<u>State Department of Education:</u>								
General Fund State Aid:								
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 9,155,380		\$ 8,272,516	\$ (9,155,380)	\$ (882,864)	\$ 9,155,380
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	380,381		343,700	(380,381)	(36,681)	380,381
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	1,041,953		941,476	(1,041,953)	(100,477)	1,041,953
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	46,884		42,363	(46,884)	(4,521)	46,884
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	761,265			(761,265)	(761,265)	761,265
Reimbursement of Nonpublic School Transportation Costs	21-495-034-5120-014	7/1/20-6/30/21	4,640		1,017,871	(4,640)	(4,640)	4,640
Reimbursed TPAF Social Security	21-495-034-5094-003	7/1/20-6/30/21	1,071,291		1,228,922	(1,071,291)	(53,420)	1,071,291
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	1,228,922		1,228,922	(1,228,922)		1,228,922
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	3,848,235		3,848,235	(3,848,235)		3,848,235
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	73,218		73,218	(73,218)		73,218
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	1,869		1,869	(1,869)		1,869
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	9,287,689	\$ (895,172)	895,172			9,287,689
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	380,381	(36,662)	36,662			380,381
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,041,953	(100,426)	100,426			1,041,953
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	46,884	(4,519)	4,519			46,884
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	504,739	(458,785)	504,739	(45,954)		504,739
Reimbursement of Nonpublic School Transportation Costs	20-495-034-5120-014	7/1/19-6/30/20	870	(870)	870			870
Reimbursed TPAF Social Security	20-495-034-5094-003	7/1/19-6/30/20	1,077,794	(5,291)	5,291			1,077,794
Subtotal - General Fund				(1,501,725)	17,317,849	(17,659,992)	(1,843,868)	29,973,180
Debt Service Fund Aid:								
Debt Service Aid - State Support	21-100-034-5120-125	7/1/20-6/30/21	17,293		17,293	(17,293)		17,293
Food Service Fund:								
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	5,206	(1,367)	1,367			5,206
COVID - Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	9,402		7,536	(9,402)	(1,866)	9,402
COVID - Seamless Summer Option	20-100-010-3350-023	3/18/20-6/30/20	137	(68)	68			137
Subtotal - Food Service Fund				(1,435)	8,971	(9,402)	(1,866)	19,879
Total NJ Department of Education / State Awards				\$ (1,503,160)	\$ 17,344,113	\$ (17,686,687)	\$ (1,845,734)	\$ 30,010,352
Less: State Awards Not Subject to Single Audit Major Program Determinator								
On-Behalf TPAF Pension System Contributions								
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	(1,228,922)		(1,228,922)			1,228,922
On-Behalf TPAF Pension Contributions:	21-495-034-5094-002	7/1/20-6/30/21	(3,848,235)		(3,848,235)			3,848,235
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(73,218)		(73,218)			73,218
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(1,869)		(1,869)			1,869
Subtotal - On-Behalf TPAF Pension System Contribution:				(5,152,244)	5,152,244			
Total State Awards Subject to Single Audit Major Program Determinator				\$ 12,191,869	\$ (12,534,443)			

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, 2021

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, 2021. 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 \$12,236 for the General Fund and (\$37,014) for the Special Revenue Fund (which includes \$26,151 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, 2021

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 117,303	\$ 17,672,228	\$ 17,789,531
Special Revenue Fund	880,798		880,798
Debt Service Fund		17,293	17,293
Food Service Fund	<u>234,199</u>	<u>9,402</u>	<u>243,601</u>
Total Awards	<u>\$ 1,232,300</u>	<u>\$ 17,698,923</u>	<u>\$ 18,931,223</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, 2021.

WARREN HILLS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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>State:</u>				
General Fund State Aid:				
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$9,155,380	\$ 9,155,380
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	1,041,953	1,041,953
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	46,884	46,884
Extraordinary Special	21-495-034-5120-044	7/1/20-6/30/21	761,265	761,265
Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	504,739	504,739
<u>Federal:</u>				
Special Education Cluster:				
IDEA, Part B, Basic	84.027	7/1/20-9/30/21	418,132	418,132

- The threshold used for distinguishing between federal Type A and Type 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, 2021

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, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.