

Annual Comprehensive Financial Report

of the

Township of Warren School District

County of Somerset

Warren, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**Township of Warren School District
Business Office**

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INTRODUCTORY SECTION



February 4, 2022

President & Members of the Board of Education
Warren Township School District
County of Somerset
Warren, New Jersey 07059

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The District is required to undergo an annual single audit in conformity with 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 State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid."

1) REPORTING ENTITY AND ITS SERVICES: The Warren Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Warren Township Board of Education and all its schools constitute the District's reporting entity. The District delivers a full educational experience for grade levels K through 8 (as well as an integrated preschool program). Regular education as well as special education for students with disabilities are provided. The District's average daily enrollment for the 2020-2021 school year was 1,525, a decrease of almost 4% compared to the year before. The following chart documents the enrollment changes from recent years.



ENROLLMENT DATA

<u>School Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2020-21	1,525	-4.0%
2019-20	1,588	-5.9%
2018-19	1,688	-2.2%
2017-18	1,726	-2.11%
2016-17	1,763	-0.9%
2015-16	1,778	-3.0%
2014-15	1,834	-5.0%
2013-14	1,931	-4.1%
2012-13	2,014	-4.2%
2011-12	2,101	-4.2%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The local economy in Warren Township seems to be quite healthy. Real estate sales are picking up from the nationwide challenges of a few years ago, and housing values are increasing. The Board of Education continues to upgrade its facilities to keep up with evolving educational requirements, and approved a referendum vote of \$ 9 million in facility projects this year, with a vote to take place in December of 2021.
- 3) **MAJOR INITIATIVES:** The Warren Township School District is committed to providing its students with quality educational experiences. It is estimated that approximately 1,510 students will be served in four elementary schools, one middle school and out-of-district placements in the 2021-2022 school year. Academic class size guidelines are at a maximum of 24 students. Instruction in integrated language arts, mathematics, science, social studies, and world languages is provided, as is instruction in art, innovation and design, music, and physical education/health. To ensure the efficacy of this instructional program, a systematic curriculum renewal cycle is used, and extensive staff development opportunities are available.



The district continued the implementation of its new strategic plan, always striving to Shine Brighter Every Day, as well as abiding by the tenets of the Whole Child. Additionally, the district knows the value of well-maintained facilities and provides its students and staff with safe, clean and healthy schools. The district has completed multiple capital improvement projects related to a referendum as well as the development of future plans for continued fiscal stewardship while investing in capital and maintenance projects and the emergent needs related to the COVID-19 pandemic and challenges related to reopening school facilities.

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

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

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

- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of Warren. Annual appropriated budgets are adopted for each of the district's funds, and project-length budgets are developed for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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



- 6) **ACCOUNTING SYSTEM AND REPORTS:** The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.
- 7) **DEBT ADMINISTRATION:** At June 30, 2021, the district had no long term debt.
- 8) **RISK MANAGEMENT:** The district purchases an extensive array of insurance coverage, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 9) **OTHER INFORMATION:** **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company has been selected by the Warren Board of Education to conduct the district's audit. In addition, the audit must be in conformity with 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 State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 10) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Warren Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of Warren, 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 our financial and accounting staff, to whom we offer our thanks as well.

Respectfully submitted,

Dr. Matthew A. Mingle, Ed.D.
Superintendent of Schools

Chris Heagele
School Business Administrator

TOWNSHIP OF WARREN BOARD OF EDUCATION
WARREN, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2021

<u>Members of the Board of Education</u>		<u>Expiration of Term</u>
Mr. Aaron Bellish	MEMBER	2021
Mr. Mark Bisci	VICE PRESIDENT	2022
Mr. David Brezee	MEMBER	2023
Mrs. Lisa DiMaggio	MEMBER	2022
Mr. Marc Franco	PRESIDENT	2021
Ms. Laura Keller	MEMBER	2023
Mrs. Lori Ruckstuhl-Clar	MEMBER	2021
Mr. Todd Weinstein	MEMBER	2023
Mrs. Patricia Zohn	MEMBER	2022

Other Officials

Dr. Matthew Mingle, Superintendent of Schools

Mrs. Patricia Leonhardt, Business Administrator/Board Secretary

Ruth M. Davies, Treasurer

Matthew Giacobbe, Esq., Board Attorney

TOWNSHIP OF WARREN
BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

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Audit Firm

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Attorney

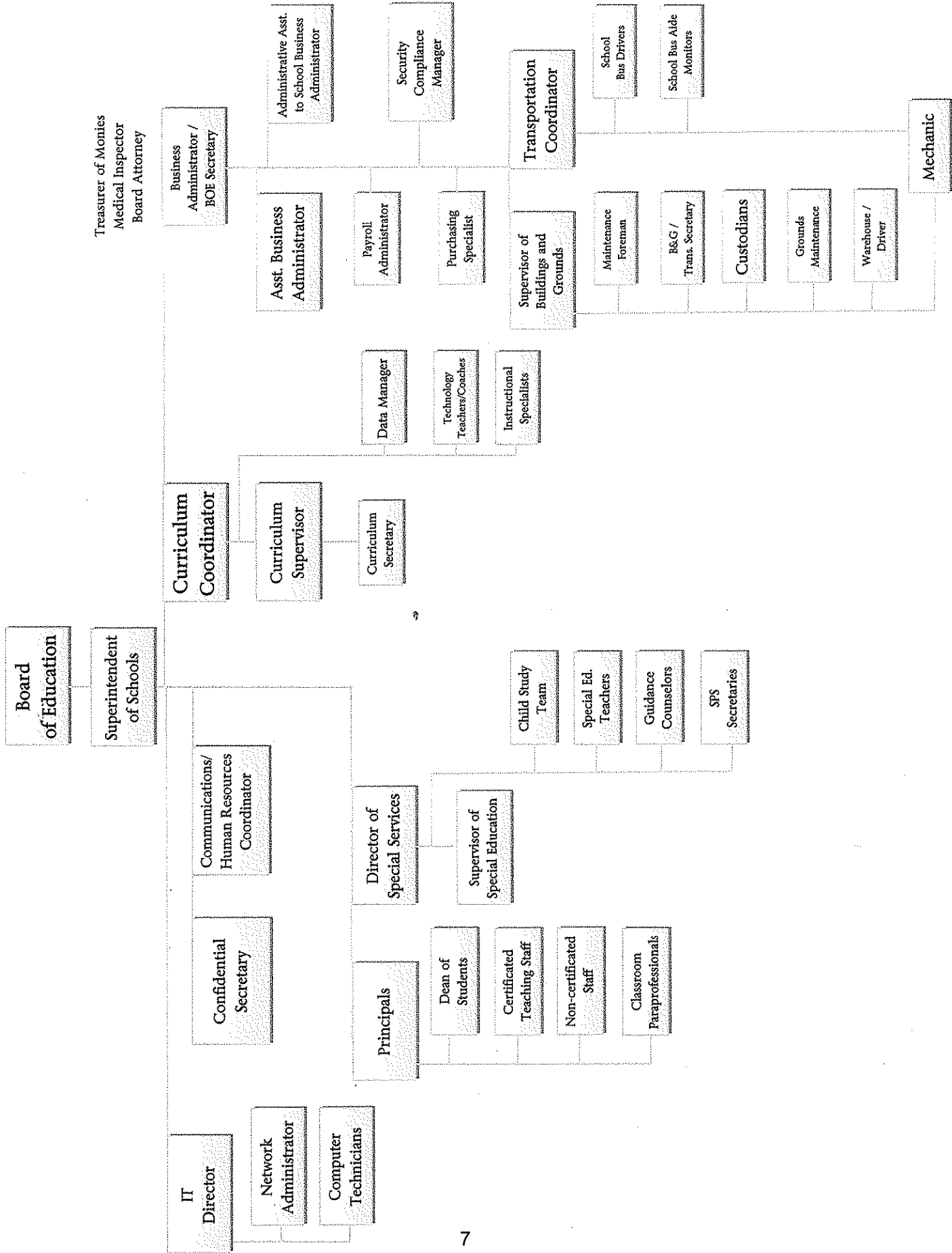
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Bond Attorney

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of Warren School District
County of Somerset
Warren, New Jersey 07059

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Warren School District, County of Somerset, New Jersey as of and for the 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, and the standards issued by the State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

Opinion

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, and each major fund of the Township of Warren School District, County of Somerset, New Jersey as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in 2021, the District adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities (an Amendment of GASB Statement No. 34). 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 and budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Warren School District's basic financial statements. The accompanying supplementary information schedules such as the introductory section, combining statements and individual fund financial statements, the statistical section and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 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 February 4, 2022 on our consideration of the Township of Warren School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the Township of Warren School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Warren School District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2022

REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

The Management's Discussion and Analysis of the Township of Warren School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2021. The intent of this discussion is to look at the District's financial performance as a whole; therefore, readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments issued in June 1999. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is required to be presented in the MD&A. In fiscal year 2021 the District Implemented GASB Statement No. 84-Fiduciary Activities. Prior fiscal year 2020 information was restated where information was available.

Financial Highlights

- Revenue from governmental activities accounted for \$61,895,294.95 of school district revenue. The was no revenue generated by the business type activities due to covid-related closures.
- The District's total net position is \$20,394,238.39.

Overview of the Financial Statements

This Annual Comprehensive Financial Report ("ACFR") 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, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds and Proprietary Funds.

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

- 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, which include food services.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

District-wide Financial Statements

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

The District-wide Financial Statements report the District's net positions and how they have changed. Net positions, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net positions are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities (i.e., milk, juice, and water sales) are reported as business activities.

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. 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 (i.e., long-term debt) or to show that it is properly using certain restricted revenues (i.e., entitlement grants).

The District maintains two financial funds:

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

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Financial Analysis of the District as a Whole

The District's combined net positions have increased from the 2019-2020 fiscal year. The net positions from governmental funds increased \$5,393,371.33. Net positions from business-type activities decreased \$1,547.00. Table A-1 below reflects the District's net positions as a whole. Table A-2 reflects the changes in net positions from operating results.

**Table A-1
Condensed Statement of Net Positions**

	Governmental Activities		Business-Type Activities		Total School District		Total
	FY 2021	FY 2020*	FY 2021	FY 2020	FY 2021	FY 2020*	Percentage Change
Current and							
Other Assets	\$12,087,975.16	\$15,150,918.21	\$5,407.62	\$5,407.62	\$12,093,382.78	\$15,156,325.83	-20.21%
Capital Assets	22,178,057.00	20,620,022.00	11,611.00	13,158.00	22,189,668.00	20,633,180.00	7.54%
Total Assets	34,266,032.16	35,770,940.21	17,018.62	18,565.62	34,283,050.78	35,789,505.83	-4.21%
Deferred Outflows							
Pension Related	2,411,946.88	2,415,081.00			2,411,946.88	2,415,081.00	
Total Deferred Outflows	2,411,946.88	2,415,081.00	0.00	0.00	2,411,946.88	2,415,081.00	
Long-Term							
Liabilities	10,561,297.00	17,566,462.00			10,561,297.00	17,566,462.00	-39.88%
Short-Term							
Liabilities	1,032,400.27	1,120,871.04			1,032,400.27	1,120,871.04	-7.89%
Total Liabilities	11,593,697.27	18,687,333.04	0.00	0.00	11,593,697.27	18,687,333.04	-37.96%
Deferred Inflows							
Pension Related	4,707,062.00	4,541,168.00			4,707,062.00	4,541,168.00	
Total Deferred Inflows	4,707,062.00	4,541,168.00	0.00	0.00	4,707,062.00	4,541,168.00	
Net Positions:							
Net Investment							
In Capital							
Assets	22,178,057.00	14,174,022.00	11,611.00	13,158.00	22,189,668.00	14,187,180.00	56.41%
Restricted	8,491,134.08	13,403,563.10			8,491,134.08	13,403,563.10	-36.65%
Unrestricted (Deficit)	(10,291,971.31)	(12,593,736.66)	5,407.62	5,407.62	(10,286,563.69)	(12,588,329.04)	-18.28%
Total Net Positions	\$20,377,219.77	\$14,983,848.44	\$17,018.62	\$18,565.62	\$20,394,238.39	\$15,002,414.06	35.94%

* - as restated

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

**Table A-2
Changes in Net Positions from Operating Results**

	<u>FY 2021</u>	<u>FY 2020</u>
Revenue:		
Program Revenue:		
Charges for Services	\$8,597.60	\$10,419.84
Operating Grants and Contributions	15,277,546.59	10,545,135.02
General Revenue:		
Property Taxes	41,193,378.00	41,193,378.00
Federal and State Aid	4,946,032.00	2,229,160.00
Other	469,740.76	862,856.09
Total Revenue	<u>61,895,294.95</u>	<u>54,840,948.95</u>
Expenses/Indirect Allocations:		
Instruction	37,477,362.76	34,712,394.46
Student & Instructional Related Services	7,932,846.38	7,427,877.46
Administrative and Business	4,690,788.15	4,264,493.50
Maintenance & Operations	4,249,604.88	3,929,697.66
Transportation	2,138,339.28	2,118,374.31
Other	14,529.17	166,449.67
Total Expenses	<u>56,503,470.62</u>	<u>52,619,287.06</u>
Disposal of Capital Assets	<u>0.00</u>	<u>367,118.03</u>
Increase/(Decrease) in Net Positions	<u>\$5,391,824.33</u>	<u>\$1,854,543.86</u>

Sources of Revenue for Fiscal Year 2021

The District's total revenue for the 2020-2021 school year was \$61,895,294.95 as reflected in Table A-3 below. Property taxes accounted for 66.6 percent of the total revenue with the other 33.4 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources.

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

**Table A-3
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$41,193,378.00	66.6%	\$41,193,378.00	75.1%
Operating Grants & Contributions	15,277,546.59	24.7%	10,545,135.02	19.2%
Other Sources	469,740.76	0.8%	862,856.09	1.6%
Federal & State Aid Unrestricted	4,946,032.00	8.0%	2,229,160.00	4.1%
Charges for Services	8,597.60	0.0%	10,419.84	0.0%
	<u>\$61,895,294.95</u>	<u>100.0%</u>	<u>\$54,840,948.95</u>	<u>100.0%</u>

Expenses & Indirect Costs Allocated for the Fiscal Year 2021

The total expenditures for the 2020-2021 fiscal year for all programs and services were \$56,503,470.62. Table A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through eight, which accounts for 84.2 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in both school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds.

**Table A-4
Expenses & Indirect Costs Allocated**

<u>Expense Category</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction Student/Instruct Related	\$37,477,362.76	66.3%	\$34,712,394.46	66.0%
Services	7,932,846.38	14.0%	7,427,877.46	14.1%
Administrative and Business	4,690,788.15	8.3%	4,264,493.50	8.1%
Maintenance & Operations	4,249,604.88	7.5%	3,929,697.66	7.5%
Transportation	2,138,339.28	3.8%	2,118,374.31	4.0%
Other	14,529.17	0.0%	166,449.67	0.3%
	<u>\$56,503,470.62</u>	<u>100.0%</u>	<u>\$52,619,287.06</u>	<u>100.0%</u>

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

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

**Table A-5
Net Cost of Activities**

<u>Function/Program</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$24,316,077.68	59.0%	\$24,850,302.38	59.1%
Student/Instruct Related Services	7,153,951.44	17.4%	7,311,425.29	17.4%
Administrative and Business	3,742,175.54	9.1%	3,713,179.56	8.8%
Maintenance & Operations	3,936,107.12	9.5%	3,922,044.77	9.3%
Transportation	2,054,485.48	5.0%	2,115,910.45	5.0%
Other	14,529.17	0.0%	150,869.75	0.4%
	<u>\$41,217,326.43</u>	<u>100.0%</u>	<u>\$42,063,732.20</u>	<u>100.0%</u>

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts as needed to account for staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials and equipment to meet various program needs.

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Capital Assets

Table A-6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>	
Land and Site Improvements	\$239,124.00	\$239,124.00			\$239,124.00	\$239,124.00	0.000%
Construction in Progress	1,150,761.00	4,019,534.00			1,150,761.00	4,019,534.00	-71.371%
Building and Building Improvements	18,447,653.00	14,131,079.00			18,447,653.00	14,131,079.00	30.547%
Machinery and Equipment	<u>2,340,519.00</u>	<u>2,230,285.00</u>	<u>\$11,611.00</u>	<u>\$13,158.00</u>	<u>2,352,130.00</u>	<u>2,243,443.00</u>	<u>4.845%</u>
Total Assets	<u><u>\$22,178,057.00</u></u>	<u><u>\$20,620,022.00</u></u>	<u><u>\$11,611.00</u></u>	<u><u>\$13,158.00</u></u>	<u><u>\$22,189,668.00</u></u>	<u><u>\$20,633,180.00</u></u>	<u><u>7.544%</u></u>

**TOWNSHIP OF WARREN SCHOOL DISTRICT
WARREN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Debt Administration

At June 30, 2021 the District had \$10,561,297.00 of outstanding long-term debt, consisting of compensated absences and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table A-7
Outstanding Long-term Debt**

	Total School Debt		Total Percentage Change
	FY 2021	FY 2020	
Compensated Absences	\$523,833.00	\$580,236.00	-9.72%
Net Pension Liability	10,037,464.00	10,540,226.00	22.91%
	<u>\$10,561,297.00</u>	<u>\$11,120,462.00</u>	<u>-5.03%</u>

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Business Administrator/Board Secretary's office, Warren Township School District, 213 Mount Horeb Road, Warren, New Jersey 07059.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2021.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF NET POSITIONS
JUNE 30, 2021

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 2,570,277.54	\$ 5,407.62	\$ 2,575,685.16
Receivables, net	1,026,563.54		1,026,563.54
Restricted assets:			
Restricted cash and cash equivalents	8,491,134.08		8,491,134.08
Capital assets:			
Land	239,124.00		239,124.00
	1,150,761.00		1,150,761.00
Other capital assets, net	20,788,172.00	11,611.00	20,799,783.00
Total assets	<u>\$ 34,266,032.16</u>	<u>\$ 17,018.62</u>	<u>\$ 34,283,050.78</u>
DEFERRED OUTFLOW OF RESOURCES			
Related to pensions	\$ 2,466,840.00	\$ _____	\$ 2,466,840.00
Total deferred outflow of resources	<u>\$ 2,466,840.00</u>	<u>\$ _____</u>	<u>\$ 2,466,840.00</u>
LIABILITIES			
Accounts payable	\$ 823,985.44	\$ _____	\$ 823,985.44
Unearned revenue	205,962.84		205,962.84
Payroll deductions & withholdings payable	19,089.80		19,089.80
Unemployment compensation claims payable	38,255.31		38,255.31
Noncurrent liabilities:			
Due beyond one year:			
Compensated absences payable	523,833.00		523,833.00
Net pension liability	10,037,464.00		10,037,464.00
Total liabilities	<u>\$ 11,648,590.39</u>	<u>\$ _____</u>	<u>\$ 11,648,590.39</u>
DEFERRED INFLOW OF RESOURCES			
Related to pensions	\$ 4,707,062.00	\$ _____	\$ 4,707,062.00
Total deferred inflow of resources	<u>\$ 4,707,062.00</u>	<u>\$ _____</u>	<u>\$ 4,707,062.00</u>
Net investment in capital assets	\$ 22,178,057.00	\$ 11,611.00	\$ 22,189,668.00
Restricted for:			
Special revenue fund	6,358.79		6,358.79
Other purposes	8,484,775.29		8,484,775.29
Unrestricted (Deficit)	<u>(10,291,971.31)</u>	<u>5,407.62</u>	<u>(10,286,563.69)</u>
Total net positions	<u>\$ 20,377,219.77</u>	<u>\$ 17,018.62</u>	<u>\$ 20,394,238.39</u>

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 13,515,537.59	\$ 13,628,123.06	\$	9,537,241.84	\$	\$	\$ (17,606,418.81)
Special education	5,021,767.82	3,812,683.59		3,133,190.01	(5,701,271.40)		(5,701,271.40)
Other	696,789.75	802,450.95		490,853.23	(1,008,387.47)		(1,008,387.47)
Support services:							
Student and instruction related services	5,746,928.86	2,185,917.52	8,597.60	770,297.34	(7,153,951.44)		(7,153,951.44)
General administrative services	512,635.98	156,134.81		42,844.99	(627,925.80)		(627,925.80)
School administrative services	1,450,068.93	1,349,095.52		819,041.21	(1,980,063.24)		(1,980,063.24)
Central services	517,362.12	314,937.00		72,610.37	(759,688.75)		(759,688.75)
Administration information technology	241,542.86	147,070.93		14,116.04	(374,497.75)		(374,497.75)
Plant operations and maintenance	3,254,133.17	985,471.71		313,497.76	(3,936,107.12)		(3,936,107.12)
Student transportation services	1,819,530.10	318,809.18		83,853.80	(2,054,485.48)		(2,054,485.48)
Unallocated benefits	22,647,094.88	(22,647,094.89)					
Unallocated depreciation	1,065,609.39	(1,065,609.39)					
Interest on long term debt	12,982.17				(12,982.17)		(12,982.17)
Total governmental activities	\$ 56,501,923.62	\$	\$ 8,597.60	\$ 15,277,546.59	\$	\$	\$ (41,215,779.43)
Business-type activities:							
Milk Fund	\$ 1,547.00	\$	\$	\$	(1,547.00)	\$	(1,547.00)
Total business-type activities	\$ 1,547.00	\$	\$	\$	(1,547.00)	\$	(1,547.00)
Total primary government	\$ 56,503,470.62	\$	\$ 8,597.60	\$ 15,277,546.59	\$	\$	\$ (41,217,326.43)
General Revenues:							
Taxes:							
Property taxes - general	\$ 41,193,378.00				\$	\$	\$ 41,193,378.00
Federal and state aid not restricted	4,946,032.00						4,946,032.00
Miscellaneous income	469,740.76						469,740.76
Total general revenues	\$ 46,609,150.76				\$	\$	\$ 46,609,150.76
Change in net position					\$ 5,393,371.33	\$	\$ 5,391,824.33
Net position - beginning (restated)					\$ 14,983,848.44	\$	\$ 15,002,414.06
Net position - ending					\$ 20,377,219.77	\$	\$ 20,394,238.39

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

MAJOR FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS AND OTHER DEBITS:			
Assets:			
Cash and cash equivalents	\$ 11,055,052.83	\$ 6,358.79	\$ 11,061,411.62
Accounts receivable:			
State	988,240.00		988,240.00
Federal		18,676.00	18,676.00
Other	16,853.50	2,794.04	19,647.54
Interfunds receivable	<u>3,807.20</u>		<u>3,807.20</u>
Total assets	<u>\$ 12,063,953.53</u>	<u>\$ 27,828.83</u>	<u>\$ 12,091,782.36</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 82,281.44		\$ 82,281.44
Interfunds payable		3,807.20	3,807.20
Payroll deductions & withholdings payable	19,089.80		19,089.80
Unemployment compensation claims payable	38,255.31		38,255.31
Unearned revenue	<u>188,300.00</u>	<u>17,662.84</u>	<u>205,962.84</u>
Total liabilities	<u>\$ 327,926.55</u>	<u>\$ 21,470.04</u>	<u>\$ 349,396.59</u>
Fund balances:			
Restricted for:			
Capital reserve account	\$ 7,357,238.81		\$ 7,357,238.81
Emergency reserve account	11,659.00		11,659.00
Maintenance reserve account	118,800.23		118,800.23
Unemployment	535,077.25		535,077.25
Student activities		6,358.79	6,358.79
Excess surplus designated for subsequent years expenditures	462,000.00		462,000.00
Assigned for:			
Year-end encumbrances	1,492,517.82		1,492,517.82
Unassigned	<u>1,758,733.87</u>		<u>1,758,733.87</u>
Total fund balances	<u>\$ 11,736,026.98</u>	<u>\$ 6,358.79</u>	<u>\$ 11,742,385.77</u>
Total liabilities and fund balances	<u>\$ 12,063,953.53</u>	<u>\$ 27,828.83</u>	<u>\$ 12,091,782.36</u>

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Total Fund Balances (Brought Forward)	\$	11,742,385.77
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 52,654,571.00	
Accumulated Depreciation	<u>(30,476,514.00)</u>	22,178,057.00
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Liability	\$ (10,037,464.00)	
Compensated absences payable	<u>(523,833.00)</u>	(10,561,297.00)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Deferred outflows:		
Pension related		2,466,840.00
Deferred inflows:		
Pension related		(4,707,062.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Account payable - pension related	\$ <u>(741,704.00)</u>	<u>(741,704.00)</u>
Net Positions of Governmental Activities	\$	<u><u>20,377,219.77</u></u>

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 41,193,378.00	\$	\$	\$	\$ 41,193,378.00
Tuition	199,005.69				199,005.69
Transportation fees from other LEAs	54,824.40				54,824.40
Rents and royalties	800.00				800.00
Miscellaneous revenues	204,741.60	47,306.50			252,048.10
Interest earned on capital reserve	10,369.07				10,369.07
Total revenues-local sources	<u>\$ 41,663,118.76</u>	<u>\$ 47,306.50</u>	<u>\$</u>	<u>\$</u>	<u>\$ 41,710,425.26</u>
State sources	\$ 11,269,139.64			\$ 2,225,765.00	\$ 13,494,904.64
Federal sources		606,187.05			606,187.05
Total revenues	<u>\$ 52,932,258.40</u>	<u>\$ 653,493.55</u>	<u>\$</u>	<u>\$ 2,225,765.00</u>	<u>\$ 55,811,516.95</u>
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	\$ 13,511,370.33	\$	\$	\$	\$ 13,511,370.33
Special education	3,973,423.33	138,180.83			4,111,604.16
Other instruction	692,622.49				692,622.49
Support services:					
Tuition	487,843.40	418,153.00			905,996.40
Student and instruction related services	5,663,328.61	79,432.99			5,742,761.60
General administrative services	508,468.72				508,468.72
School administrative services	1,445,841.67				1,445,841.67
Central services	513,194.86				513,194.86
Administration information technology	237,375.60				237,375.60
Plant operations and maintenance	3,249,965.91				3,249,965.91
Student transportation services	1,815,362.87				1,815,362.87
Employee benefits	16,939,987.88				16,939,987.88
Capital outlay	576,161.31	44,055.00	2,045,100.65		2,665,316.96
Debt service:					
Principal				6,446,000.00	6,446,000.00
Interest				160,703.00	160,703.00
Total expenditures	<u>\$ 49,614,946.98</u>	<u>\$ 679,821.82</u>	<u>\$ 2,045,100.65</u>	<u>\$ 6,606,703.00</u>	<u>\$ 58,946,572.45</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,317,311.42</u>	<u>\$ (26,328.27)</u>	<u>\$ (2,045,100.65)</u>	<u>\$ (4,380,938.00)</u>	<u>\$ (3,135,055.50)</u>
Other financing sources (uses):					
Operating transfer (out)	\$ (4,320,602.00)		\$ (598,832.72)		\$ (4,919,434.72)
Operating transfer in	598,832.72			4,320,602.00	4,919,434.72
Total financing sources(uses):	<u>\$ (3,721,769.28)</u>	<u>\$</u>	<u>\$ (598,832.72)</u>	<u>\$ 4,320,602.00</u>	<u>\$</u>
Net change in fund balances	\$ (404,457.86)	\$ (26,328.27)	\$ (2,643,933.37)	\$ (60,336.00)	\$ (3,135,055.50)
Fund balances, July 1, 2020 (As restated)	<u>\$ 12,140,484.84</u>	<u>\$ 32,687.06</u>	<u>\$ 2,643,933.37</u>	<u>\$ 60,336.00</u>	<u>\$ 14,877,441.27</u>
Fund balances, June 30, 2021	<u>\$ 11,736,026.98</u>	<u>\$ 6,358.79</u>	<u>\$</u>	<u>\$</u>	<u>\$ 11,742,385.77</u>

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, 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) \$ (3,135,055.50)

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 depreciation exceeded capital outlays in the period.

Depreciation expense	\$ (1,065,609.39)	
Capital outlays-Capitalized (net)	<u>2,623,644.39</u>	1,558,035.00

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Payment of capital note payable		6,446,000.00
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In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

147,720.83

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	(353,076.00)	
Less: Pension expense	<u>673,344.00</u>	320,268.00

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

56,403.00

Change in net assets of governmental activities		\$ <u><u>5,393,371.33</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF NET POSITIONS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		
	MILK FUND	JUICE & WATER FUND	TOTALS
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 4,049.49	\$ 1,358.13	\$ 5,407.62
Total current assets	\$ 4,049.49	\$ 1,358.13	\$ 5,407.62
Noncurrent assets:			
Furniture, machinery and equipment	\$ 52,953.00	\$	\$ 52,953.00
Less accumulated depreciation	(41,342.00)		(41,342.00)
Total noncurrent assets	\$ 11,611.00	\$ 0.00	\$ 11,611.00
Total assets	\$ 15,660.49	\$ 1,358.13	\$ 17,018.62
NET POSITIONS:			
Net investment in capital assets	\$ 11,611.00	\$	\$ 11,611.00
Unrestricted	4,049.49	1,358.13	5,407.62
Total net positions	\$ 15,660.49	\$ 1,358.13	\$ 17,018.62

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		
	MILK FUND	JUICE & WATER FUND	TOTALS
OPERATING EXPENSES:			
Depreciation	\$ 1,547.00	\$	1,547.00
Total operating expenses	\$ 1,547.00	\$	\$ 1,547.00
Operating income (loss)	\$ (1,547.00)	\$	\$ (1,547.00)
Net income (loss)	\$ (1,547.00)	\$	\$ (1,547.00)
Total net positions - beginning	\$ 17,207.49	\$ 1,358.13	\$ 18,565.62
Total net positions - ending	\$ 15,660.49	\$ 1,358.13	\$ 17,018.62

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		
	MILK FUND	JUICE & WATER FUND	TOTALS
Cash and cash equivalents - July 1	\$ <u>4,049.49</u>	\$ <u>1,358.13</u>	\$ <u>5,407.62</u>
Cash and cash equivalents - June 30	\$ <u><u>4,049.49</u></u>	\$ <u><u>1,358.13</u></u>	\$ <u><u>5,407.62</u></u>
Operating income (loss)	\$ (1,547.00)	\$	\$ (1,547.00)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	<u>1,547.00</u>	<u> </u>	<u>1,547.00</u>
Net cash provided (used) by operating activities	\$ <u><u> </u></u>	\$ <u><u> </u></u>	\$ <u><u> </u></u>

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Township of Warren School District is a Type II District located in Somerset County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms 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.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the 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.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one elementary school. 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.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain 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.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

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

Special Revenue Fund - The Special Revenue Fund is used to account for 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.

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to milk, juice, & water operations. The milk fund and juice & water fund are 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.

Basis of Accounting - Measurement Focus

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

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 totaled net \$1,743,687.00, representing prior unbudgeted state aids, and other approved modifications. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting (Continued)

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

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

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

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In fiscal year 2016, the District implemented GASB 72. The objective of this is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

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

Compensated Absences

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

District employees are granted varying amounts of sick days in accordance with the District's employment contract and personnel policy. Upon retirement, employees with accumulated sick days are eligible to be compensated up to \$8,000 for teachers, \$15,000 or \$25,000 depending on contracts for administrators, and \$5,000 for other staff. The rate of compensation per day varies in accordance with the contracts.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

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

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

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

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spend because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve, Tuition Reserve, and Excess Surplus, Unemployment, and Student Activity fund balances as Restricted Fund Balance.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amount that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposed for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, he District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-Exchange 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.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Proprietary Funds - Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

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

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements, the year-end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2021, the District has implemented GASB Statement 84, Fiduciary Activities. The objective of this new Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. As a result of the implementation of this Statement, the New Jersey Department of Education has made the following determinations as to the reporting of certain funds which, in prior years, have been reported as Fiduciary Activities:

<u>Activity</u>	<u>Prior To Implementation</u>	<u>After Implementation</u>
Student Activity Funds	Fiduciary Fund	Special Revenue Fund
Payroll Agency Funds	Fiduciary Fund	General Fund
State Unemployment	Fiduciary Fund	General Fund

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Warren School District had the following cash and cash equivalents at June 30, 2021:

	<u>Cash in</u>	<u>Reconciling</u>	<u>Reported</u>
	<u>Bank</u>	<u>Items</u>	<u>Total</u>
General Fund	\$ 11,581,613.81	\$ (\$526,560.98)	\$ 11,055,052.83
Special Revenue Fund	6,393.09	(34.30)	6,358.79
Enterprise Fund	5,407.62		5,407.62
	<u>\$ 11,593,414.52</u>	<u>(\$526,595.28)</u>	<u>\$ 11,066,819.24</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2021, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$11,343,414.52 was covered under the provisions of NJGUDPA.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - 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. 17:19-41); and

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

- e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2021, the District had no outstanding investments. Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Subtractions/ Adjustments</u>		<u>Ending Balance</u>
Governmental activities:							
Capital assets that are not depreciated:							
Land	\$ 239,124.00	\$		\$		\$ 239,124.00	
Construction in progress	<u>4,019,534.00</u>				<u>2,868,773.00</u>		<u>1,150,761.00</u>
Total capital assets that are not depreciated	<u>\$ 4,258,658.00</u>	\$		\$	<u>2,868,773.00</u>	\$	<u>\$ 1,389,885.00</u>
Capital assets being depreciated:							
Building and building improvements	\$ 33,074,175.00	\$	2,178,479.00	\$	2,868,773.00	\$	38,121,427.00
Machinery and equipment	<u>12,932,162.00</u>		<u>445,165.39</u>		<u>(234,068.39)</u>		<u>13,143,259.00</u>
Total capital assets being depreciated	<u>\$ 46,006,337.00</u>	\$	<u>2,623,644.39</u>	\$	<u>2,634,704.61</u>	\$	<u>\$ 51,264,686.00</u>
Total gross assets	<u>\$ 50,264,995.00</u>	\$	<u>2,623,644.39</u>	\$	<u>5,503,477.61</u>	\$	<u>\$ 52,654,571.00</u>
Less: accumulated depreciation for:							
Building and building improvements	\$ (18,943,096.00)	\$	(730,678.00)	\$		\$	(19,673,774.00)
Machinery and equipment	<u>(10,701,877.00)</u>		<u>(334,931.39)</u>		<u>234,068.39</u>		<u>(10,802,740.00)</u>
	<u>\$ (29,644,973.00)</u>	\$	<u>(1,065,609.39)</u>	\$	<u>234,068.39</u>	\$	<u>(30,476,514.00)</u>
Governmental activities capital assets, net	<u>\$ 20,620,022.00</u>	\$	<u>1,558,035.00</u>	\$	<u>5,737,546.00</u>	\$	<u>\$ 22,178,057.00</u>
Business type activities:							
Machinery and equipment	\$ 52,953.00	\$		\$		\$	52,953.00
Less: accumulated depreciation	<u>(39,795.00)</u>		<u>(1,547.00)</u>				<u>(41,342.00)</u>
Proprietary fund capital assets, net	<u>\$ 13,158.00</u>	\$	<u>(1,547.00)</u>	\$		\$	<u>\$ 11,611.00</u>

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2021, the District had \$0 bonds or notes issued or authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2021:

	<u>Compensated Absences</u>	<u>Net Pension Liability</u>	<u>Totals</u>
Balance – 6/30/20	\$580,236.00	\$10,540,226.00	\$11,120,462.00
Increases/(Decreases)	<u>(56,403.00)</u>	<u>(502,762.00)</u>	<u>(559,165.00)</u>
Balance – 6/30/21	<u>\$523,833.00</u>	<u>\$10,037,464.00</u>	<u>\$10,561,297.00</u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 3% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2021, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2020	\$4,513,640,044.00
2019	4,593,256,872.00
2018	<u>4,640,200,070.00</u>
	<u>\$13,747,096,986.00</u>
Average equalized valuation of property	<u>\$4,582,365,662.00</u>
School borrowing margin (3% of above)	<u>\$137,470,969.86</u>
Net bonded school debt and authorized but not issued as of June 30, 2021	<u>\$0.00</u>
School borrowing power available	<u>\$137,470,969.86</u>

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS

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

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A, 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 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.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law’s effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Year</u> <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		<u>Net Pension</u> <u>Obligation</u>
	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2021	\$673,344.00	100.00%	\$673,344.00
2020	569,003.00	100.00%	569,003.00
2019	563,790.00	100.00%	563,790.00

During the fiscal years ended June 30, 2021, 2020, and 2019, the State of New Jersey contributed \$5,398,517.00, \$4,076,291.00, and \$3,809,841.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,456,271.64, \$1,452,684.13, and \$1,418,675.66 respectively during the fiscal years ended June 30, 2021, 2020, and 2019 for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 68.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$10,037,464.00 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. At June 30, 2020, the District's proportion was 0.0615516494 percent, which was an increase of 0.0030549063 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$353,079.00 in the district-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$182,766	\$35,497
Changes of assumptions	325,627	4,202,781
Net difference between projected and actual earnings on pension plan investments	343,089	
Changes in proportion and differences between District contributions and proportionate share of contributions	873,654	468,784
District contributions subsequent to the measurement date	<u>741,704</u>	
	<u>\$2,466,840</u>	<u>\$4,707,062</u>

The \$741,704.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2021	(\$1,178,544)
2022	(1,067,324)
2023	(575,249)
2024	(184,391)
2025	<u>23,582</u>
	<u>(\$2,981,926)</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 rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00%-6.00%	2.00%-6.00%
	Based on Years of Service	Based on Years of Service
Thereafter	3.00%-7.00%	3.00%-7.00%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

<u>Assets 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 Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Estate 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 Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. 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 on 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.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the net pension liability	\$12,734,851	\$10,037,464	\$7,894,560

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2021 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$120,221,830</u>
	<u><u>\$120,221,830</u></u>

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 June 30, 2019 which was rolled forward to June 30, 2020. The net pension liability associated with the District 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 school districts and the State, actuarially determined. At June 30, 2020, the proportion of the TPAF net pension liability associated with the District was 0.1825725545% which was a decrease of 0.0071674240 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$7,475,905.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55%-4.45%	1.55%-4.55%
	Based on Years of Service	Based on Years of Service
Thereafter	2.75%-5.65%	2.00%-5.65%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Mortality Rate

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

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2020 and June 30, 2019 respectively) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets 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 Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Estate 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 Mitigation Strategies	3.00%	3.40%

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.40% and 5.60% as of June 30, 2020 and 2019, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2020 and 2019, and a municipal bond rate of 2.21% and 3.50% as of June 30, 2020 and 2019, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>366,108</u>

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2021 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share Associated with the District	<u>111,293,472</u>
	<u><u>\$111,293,472</u></u>

The total Non-Employer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2021, the District recognized on-behalf post-employment expense and revenue of \$5,698,201.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2020 measurement date.

At June 30, 2020, the District's proportion was 0.1641255469 percent, which was an increase of 0.0036504458 from its proportion measured as of June 30, 2019. The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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:

	<u>June 30, 2020</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases			
Through 2026	1.55-4.45%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-4.45%*	3.00-7.00%*	Applied to All Future Years
	<u>June 30, 2019</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
CPI – 2.5%			
Salary Increases			
Through 2026	1.55-3.05%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-3.05%*	3.00-7.00%*	Applied to All Future Years

*Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015— June 30, 2018, July 1, 2014 — June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 and June 30, 2019 was 2.21% and 3.50% respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2019 to June 30, 2020.

Balance at 6/30/19		\$66,964,785
Changes for the year:		
Service cost	\$2,787,888	
Interest	2,408,747	
Differences between expected and actual experience	20,681,361	
Changes in assumptions or other inputs	20,329,493	
Membership Contributions	58,726	
Benefit payments - Net	<u>(1,937,528)</u>	
Net changes		<u>44,328,687</u>
Balance at 6/30/20		<u><u>\$111,293,472</u></u>

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% <u>Decrease (1.21%)</u>	At Discount <u>Rate (2.21%)</u>	1.00% <u>Increase (3.21%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the District	\$134,170,025	\$111,293,472	\$93,406,211

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the District	\$89,839,844	\$111,293,472	\$136,839,975

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 16,897,248	\$ 15,051,467
Changes of assumptions	18,930,653	12,699,216
Changes in proportion	<u>4,163,267</u>	<u>1,096,465</u>
	\$ <u><u>39,991,168</u></u>	\$ <u><u>28,847,148</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended <u>June 30,</u>	<u>Amount</u>
2021	\$684,657
2022	684,657
2023	684,657
2024	684,657
2025	684,657
Total Thereafter	<u>7,720,733</u>
	<u><u>\$11,144,020</u></u>

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2002-2021 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 10: 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 maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 10: RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation.

The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District’s Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

<u>Fiscal</u> <u>Year</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Balance</u>
2020-21	\$ 123,197.69	\$ 84,942.38	573,332.56
2019-20	84,340.65	63,951.31	535,077.25
2018-19	68,999.89	88,685.28	554,762.64

NOTE 11: FUND BALANCE APPROPRIATED

General Fund - Of the \$11,736,026.98 in General Fund Balance at June 30, 2021, \$1,492,517.82 has been assigned for encumbrances; \$7,357,238.81 has been restricted in the Capital Reserve Account; \$462,000.00 has been restricted as excess surplus - subsequent years’ expenditures; \$11,659.00 has been restricted for Emergency Reserve; \$118,800.23 has been restricted for Maintenance Reserve; \$535,077.25 has been restricted for Unemployment; and \$1,758,733.87 is unassigned.

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS (CONTINUED)

The excess fund balance resulting from the year ended June 30, 2021 is \$0.00.

General Fund Expenditures Fiscal Year Ended June 30, 2021	\$53,935,548.98
Less:	
On-Behalf TPAF Pension and Social Security Reimbursement	8,548,872.64
Adjusted General Fund Expenditures	\$45,386,676.34
Excess Surplus Percentage	4.00%
4% of Adjusted 2020-21 General Fund Expenditures	\$1,815,467.05
Add: Allowable Adjustments	838,240.00
Maximum Unreserved/Undesignated Fund Balance	\$2,653,707.05
Total Unassigned/Unrestricted Fund Balance	1,929,204.87
Excess Surplus	\$0.00

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Township of Warren School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The balance remaining in the reserve as of June 30, 2021 is \$9,225,791.02.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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.

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020		\$9,225,791.02
Increased by:		
Interest earnings	\$10,369.07	
Completed projects	598,832.72	
Designated per board resolution	<u>3,150,000.00</u>	
		<u>3,759,201.79</u>
		\$12,984,992.81
Decreased by:		
Budget Appropriation	\$4,320,602.00	
Budget Amendment	<u>1,307,152.00</u>	
		<u>\$5,627,454.00</u>
Ending balance, June 30, 2021		<u><u>\$7,357,238.81</u></u>

NOTE 14: EMERGENCY RESERVE ACCOUNT

An emergency reserve was established by the District for the accumulation of funds for use as emergency 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 account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

The activity of the emergency reserve for the year ending June 30, 2021 is as follows:

Balance June 30, 2020 and 2021		<u><u>\$11,659.00</u></u>
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Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve was established through a board resolution by the Township of Warren School District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

The activity of the maintenance reserve for the year ending June 30, 2021 is as follows:

Balance June 30, 2020 and 2021	<u>\$118,800.00</u>
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NOTE 16: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2021.

NOTE 17: COMPENSATED ABSENCES

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

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

Township of Warren School District
Notes to the Financial Statements
June 30, 2021

NOTE 17: COMPENSATED ABSENCES (CONTINUED)

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2021, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$523,833.00.

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 proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 18: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through February 4, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

NOTE 19: PRIOR PERIOD ADJUSTMENTS

Net Position at June 30, 2020 has been adjusted to properly reflect a prior period adjustment due to GASB 84 implementation:

	<u>Governmental Activities</u>
Net Position 6/30/20	\$14,416,084.13
Adjustments:	
Unemployment	535,077.25
Student Activities	<u>32,687.06</u>
Net Position 6/30/20 (as Restated)	<u>\$14,983,848.44</u>

NOTE 20: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balances sheet at June 30, 2021:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$3,807.20	
Special Revenue Fund	<u> </u>	<u>\$3,807.20</u>
	<u>\$3,807.20</u>	<u>\$3,807.20</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

REQUIRED SUPPLEMENTARY INFORMATION – Part II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$ 41,193,378.00	\$	\$ 41,193,378.00	\$ 41,193,378.00	\$
Tuition From Individuals	93,750.00		93,750.00	123,859.64	30,109.64
Tuition From Other LEA's				30,897.00	30,897.00
Tuition From Summer School	155,000.00		155,000.00	44,249.05	(110,750.95)
Transportation fees from other LEA's	23,971.00		23,971.00	54,824.40	30,853.40
Rents and Royalties	900.00		900.00	800.00	(100.00)
Unrestricted miscellaneous	158,836.00		158,836.00	204,741.60	45,905.60
Interest Earned on Capital Reserve Funds	500.00		500.00	10,369.07	9,869.07
Total revenues-local sources	\$ 41,626,335.00	\$	\$ 41,626,335.00	\$ 41,663,118.76	\$ 36,783.76
State sources:					
Categorical special education aid	\$ 1,493,230.00	\$ (175,507.00)	\$ 1,317,723.00	\$ 1,317,723.00	\$
Categorical security aid	34,560.00		34,560.00	34,560.00	
Extraordinary aid	150,000.00		150,000.00	955,470.00	805,470.00
Categorical transportation aid	387,630.00		387,630.00	387,630.00	
Other state aids				32,770.00	32,770.00
On-behalf TPAF pension contribution (non-budgeted)				5,398,517.00	5,398,517.00
On-behalf TPAF post-retirement medical (non-budgeted)				1,691,811.00	1,691,811.00
On-behalf TPAF long-term disability insurance (non-budgeted)				2,273.00	2,273.00
Reimbursed TPAF social security cont. (non-budgeted)				1,456,271.64	1,456,271.64
Total - state sources	\$ 2,065,420.00	\$ (175,507.00)	\$ 1,889,913.00	\$ 11,277,025.64	\$ 9,387,112.64
Total revenues	\$ 43,691,755.00	\$ (175,507.00)	\$ 43,516,248.00	\$ 52,940,144.40	\$ 9,423,896.40
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	\$	\$ 152,418.00	\$ 152,418.00	\$ 152,413.20	\$ 4.80
Kindergarten	801,452.00	210,790.00	1,012,242.00	1,008,170.21	4,071.79
Grades 1-5	5,935,246.00	1,346,950.00	7,282,196.00	7,207,257.21	74,938.79
Grades 6-8	4,347,425.00	41,820.00	4,389,245.00	4,357,444.64	31,800.36
Regular programs - home instruction:					
Salaries of teachers	15,000.00		15,000.00		15,000.00
Purchased professional services - home instruction	10,000.00		10,000.00	6,501.75	3,498.25
Regular programs - undistributed instruction:					
Purchased professional - educational services	3,750.00		3,750.00	1,077.00	3,750.00
Purchased technical services	130,130.00	44,328.00	174,458.00	165,256.77	8,923.00
General supplies	520,723.12	135,320.00	656,043.12	611,107.55	9,201.23
Textbooks	1,500.00		1,500.00		1,500.00
Other object	13,197.00		13,197.00	2,142.00	11,055.00
Total regular programs	\$ 11,788,423.12	\$ 1,931,626.00	\$ 13,720,049.12	\$ 13,511,370.33	\$ 208,678.79

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Learning and/or language disabilities:					
Salaries of teachers	\$ 81,158.00	\$ 33,235.00	\$ 114,393.00	\$ 114,392.40	\$ 0.60
Other salaries for instruction	32,222.00	(28,895.00)	3,327.00	3,325.30	1.70
Other purchased services	5,400.00	1,926.00	7,326.00	6,322.35	1,003.65
General supplies	5,000.00	2,150.00	7,150.00	527.63	6,622.37
Textbooks	500.00		500.00		500.00
Info tech misc exp	2,500.00		2,500.00		2,500.00
Total learning and/or language disabilities	\$ 126,780.00	\$ 8,416.00	\$ 135,196.00	\$ 124,567.68	\$ 10,628.32
Behavioral disabilities:					
Salaries of teachers	\$ 71,169.00	\$ 75.00	\$ 71,244.00	\$ 71,244.00	\$
Other salaries for instruction	110,321.00	(79,335.00)	30,986.00	30,983.26	2.74
Purchased professional educational services	1,000.00		1,000.00		1,000.00
General supplies	4,250.00		4,250.00	253.35	3,996.65
Total behavioral disabilities	\$ 186,740.00	\$ (79,260.00)	\$ 107,480.00	\$ 102,480.61	\$ 4,999.39
Resource room:					
Salaries of teachers	\$ 3,253,108.00	\$ (438,155.00)	\$ 2,814,953.00	\$ 2,637,484.74	\$ 177,468.26
Other salaries for instruction	600,706.00	31,500.00	632,206.00	582,830.60	49,375.40
Other purchased services	5,500.00		5,500.00	4,976.66	523.34
General supplies	19,375.00		19,375.00	5,270.99	14,104.01
Total resource room	\$ 3,878,689.00	\$ (406,655.00)	\$ 3,472,034.00	\$ 3,230,562.99	\$ 241,471.01
Autism:					
Salaries of teachers	\$ 229,692.00	\$ (80,850.00)	\$ 148,842.00	\$ 148,838.63	\$ 3.37
Purchased professional - educational services	16,000.00		16,000.00		16,000.00
Other purchased services	6,252.00	(1,926.00)	4,326.00	3,805.84	520.16
General supplies	8,750.00	(4,250.00)	4,500.00	2,148.24	2,351.76
Total autism	\$ 260,694.00	\$ (87,026.00)	\$ 173,668.00	\$ 154,792.71	\$ 18,875.29
Preschool disabilities-part-time					
Salaries of teachers	\$	\$ 265,463.00	\$ 265,463.00	\$ 261,167.38	\$ 4,295.62
Other salaries for instruction		95,474.00	95,474.00	92,069.44	3,404.56
Other purchased services		2,150.00	2,150.00	2,035.18	114.82
General supplies		4,950.00	4,950.00	4,447.34	502.66
Total preschool disabilities - full-time		\$ 368,037.00	\$ 368,037.00	\$ 359,719.34	\$ 8,317.66
Preschool disabilities-full-time					
Salaries of teachers	\$ 409,736.00	\$ (409,736.00)	\$	\$	\$
Other salaries for instruction	74,774.00	(74,774.00)			
Other purchased services	2,000.00	(2,000.00)			
General supplies	3,000.00	(3,000.00)			
Total preschool disabilities - full-time	\$ 489,510.00	\$ (489,510.00)	\$	\$	\$

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Home Instruction:					
Salaries of Teachers	\$ 2,000.00	\$	\$ 2,000.00	\$	\$ 2,000.00
Purchased Professional Services	8,000.00		8,000.00	1,300.00	6,700.00
Total Home Instruction	10,000.00		10,000.00	1,300.00	8,700.00
Total special education	4,952,413.00	(685,998.00)	4,266,415.00	3,973,423.33	292,991.67
Basic skills/remedial:					
Salaries of teachers	\$ 1,321,344.00	\$ (1,046,475.00)	\$ 274,869.00	\$ 164,609.60	\$ 110,259.40
Other purchased services	2,000.00	656.00	2,656.00	2,654.00	2.00
General supplies	14,000.00	(656.00)	13,344.00	775.92	12,568.08
Total basic skills/remedial	1,337,344.00	(1,046,475.00)	290,869.00	168,039.52	122,829.48
Bilingual education:					
Salaries of teachers	\$ 281,220.00	\$	\$ 281,220.00	\$ 279,484.00	\$ 1,736.00
General supplies	2,250.00		2,250.00	500.29	1,749.71
Total bilingual education	283,470.00		283,470.00	279,984.29	3,485.71
School sponsored cocurricular activities:					
Salaries	\$ 104,913.00	\$	\$ 104,913.00	\$ 55,207.58	\$ 49,705.42
Purchased services	3,700.00	249.00	2,490.00	249.00	
Supplies and materials	108,613.00	(249.00)	3,451.00	135.84	3,315.16
Total school sponsored cocurricular activities	217,226.00		108,613.00	55,592.42	53,020.58
School sponsored athletics:					
Salaries	\$ 42,350.00	\$	\$ 42,350.00	\$ 19,572.00	\$ 22,778.00
Purchased services	9,170.00		9,170.00	185.00	8,985.00
Supplies and materials	2,800.00		2,800.00	2,184.50	615.50
Total school sponsored athletics	54,320.00		54,320.00	21,941.50	32,378.50
Total other instructional programs	1,783,747.00	(1,046,475.00)	737,272.00	525,557.73	211,714.27
Total - instruction	18,524,583.12	199,153.00	18,723,736.12	18,010,351.39	713,384.73
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-special	\$	\$ 58,517.00	\$ 58,517.00	\$ 48,043.58	\$ 10,473.42
Tuition to priv. school for the disabled within the state	559,812.00	(66,838.00)	492,974.00	439,799.82	53,174.18
Total undistributed expenditures - instruction	559,812.00	(8,321.00)	551,491.00	487,843.40	63,647.60
Attendance and social work:					
Other purchased services (400-500 series)	\$ 1,000.00	\$	\$ 1,000.00	\$	\$ 1,000.00
Total attendance and social work	1,000.00		1,000.00		1,000.00

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Health services:					
Salaries	\$ 431,133.00	\$ 25,800.00	\$ 456,933.00	\$ 420,045.86	\$ 36,887.14
Purchased professional and technical services	15,000.00		15,000.00	9,807.00	5,193.00
Other purchased services (400-500 series)					
Supplies and materials	13,814.36	19,248.00	33,062.36	27,354.40	5,707.96
Total health services	\$ 459,947.36	\$ 45,048.00	\$ 504,995.36	\$ 457,207.26	\$ 47,788.10
Other support services - student related services:					
Salaries	\$ 690,980.00	\$ 735.00	\$ 691,715.00	\$ 642,343.55	\$ 49,371.45
Purchased professional - educational services	4,500.00	57,000.00	61,500.00	55,975.55	5,524.45
Supplies and materials	19,848.00	(735.00)	19,113.00	18,518.19	594.81
Total other support services - students related services	\$ 715,328.00	\$ 57,000.00	\$ 772,328.00	\$ 716,837.29	\$ 55,490.71
Other support services - student extra service:					
Salaries	\$ 854,200.00	\$	\$ 854,200.00	\$ 834,104.38	\$ 20,095.62
Purchased professional - education services	187,951.00	(37,000.00)	150,951.00	105,760.25	45,190.75
Supplies and materials	5,000.00		5,000.00	1,764.00	3,236.00
Other objects	1,000.00		1,000.00	1,000.00	1,000.00
Total other support services - student extra service	\$ 1,048,151.00	\$ (37,000.00)	\$ 1,011,151.00	\$ 941,628.63	\$ 69,522.37
Other support services - students - regular:					
Salaries of other professional staff	\$ 671,854.00	\$ 15,000.00	\$ 686,854.00	\$ 672,037.06	\$ 14,816.94
Salaries of secretarial and clerical assistants	60,994.00		60,994.00	60,736.08	257.92
Other purchased prof. and tech. services	2,500.00		2,500.00	2,500.00	2,500.00
Other purchased services (400-500 series)	45,400.00		45,400.00	35,930.28	9,469.72
Supplies and materials	6,905.00		6,905.00	1,903.53	5,001.47
Total other support services - students - regular	\$ 787,653.00	\$ 15,000.00	\$ 802,653.00	\$ 770,606.95	\$ 32,046.05
Other support services - students - special services:					
Salaries of other professional staff	\$ 1,097,530.00	\$ (946.00)	\$ 1,096,584.00	\$ 1,063,920.89	\$ 32,663.11
Salaries of secretarial and clerical assistants	119,580.00	946.00	120,526.00	120,307.20	218.80
Other purchased prof. and tech. services	35,900.00		35,900.00	25,717.00	10,183.00
Other purchased services	25,200.00		25,200.00	18,821.75	6,378.25
Supplies and materials	24,455.00		24,455.00	13,804.44	10,650.56
Other objects	17,580.00		17,580.00	2,814.50	14,765.50
Total other support services - students - special services	\$ 1,320,245.00	\$	\$ 1,320,245.00	\$ 1,245,385.78	\$ 74,859.22
Improvement of instructional services:					
Salaries of supervisor of instruction	\$ 297,245.00	\$	\$ 297,245.00	\$ 297,054.00	\$ 191.00
Salaries of secretarial and clerical assistants	61,495.00		61,495.00	60,736.08	758.92
Other salaries	40,000.00	54,100.00	94,100.00	77,712.50	16,387.50
Salaries of facilitator, math and amp; literacy coaches	237,746.00	(21,700.00)	216,046.00	166,260.80	49,785.20
Purchased prof. educational services	3,250.00		3,250.00	3,250.00	3,250.00
Other purchased services	3,400.00		3,400.00	2,400.00	1,000.00
Supplies and materials	4,100.00		4,100.00	598.29	3,501.71
Other objects	5,300.00		5,300.00	3,739.00	1,561.00
Total improvement of instructional services	\$ 652,536.00	\$ 32,400.00	\$ 684,936.00	\$ 608,500.67	\$ 76,435.33

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Educational media services/school library:					
Salaries	\$ 728,425.00	\$ (137,805.00)	\$ 590,620.00	\$ 558,445.29	\$ 32,174.71
Purchased Professional and Technical Services	85,000.00		85,000.00	45,172.43	39,827.57
Other purchased services (400-500 series)	295,709.00	(77,268.00)	218,441.00	203,368.22	15,072.78
Supplies and materials	36,717.81	25,620.00	62,337.81	47,918.24	14,419.57
Other objects	100.00		100.00	65.00	35.00
Total educational media services/school library	\$ 1,145,951.81	\$ (189,453.00)	\$ 956,498.81	\$ 854,969.18	\$ 101,529.63
Instructional staff training services:					
Other salaries	\$ 65,000.00	\$	\$ 65,000.00	\$ 21,688.33	\$ 43,311.67
Purchased professional - educational services	66,400.00	(25,700.00)	40,700.00	25,200.00	15,500.00
Other purchased services (400-500 series)	89,900.00	(28,400.00)	61,500.00	19,830.52	41,669.48
Supplies and materials	5,250.00		5,250.00	1,474.00	3,776.00
Total instructional staff training services	\$ 226,550.00	\$ (54,100.00)	\$ 172,450.00	\$ 68,192.85	\$ 104,257.15
Support services general administration:					
Salaries	\$ 291,559.00	\$ 1,000.00	\$ 292,559.00	\$ 292,551.84	\$ 7.16
Legal services	64,000.00		64,000.00	21,107.57	42,892.43
Audit fees	26,500.00		26,500.00	26,000.00	500.00
Architectural/ engineering services	20,000.00		20,000.00		20,000.00
Other purchased professional services	23,075.00	2,200.00	25,275.00	22,961.15	2,313.85
Communications/telephone	29,477.00		29,477.00	23,487.63	5,989.37
BOE other purchased services	2,450.00		2,450.00		2,450.00
Other purchased services	97,566.55		97,566.55	86,505.25	11,061.30
General supplies	10,275.00		10,275.00	9,365.15	909.85
BOE in-house training/meeting supplies	350.00	9,800.00	10,150.00	121.38	10,028.62
Miscellaneous expenditures	5,750.00		5,750.00	3,989.50	1,760.50
BOE membership dues and fees	24,800.00		24,800.00	22,379.25	2,420.75
Total support services general administration	\$ 595,802.55	\$ 13,000.00	\$ 608,802.55	\$ 508,468.72	\$ 100,333.83
Support services school administration:					
Salaries of principals/asst. principals	\$ 978,679.00	\$ 33,532.00	\$ 1,012,211.00	\$ 1,012,207.71	\$ 3.29
Salaries of secretarial and clerical assistants	412,742.00		412,742.00	412,557.36	184.64
Other purchased services	11,882.00	(652.00)	11,230.00	7,294.54	3,935.46
Supplies and materials	17,785.00	410.00	18,195.00	7,635.07	10,559.93
Other objects	6,873.00	60.00	6,933.00	6,146.99	786.01
Total support services school administration	\$ 1,427,961.00	\$ 33,350.00	\$ 1,461,311.00	\$ 1,445,841.67	\$ 15,469.33
Central services:					
Salaries	\$ 494,319.00	\$ 1,601.00	\$ 495,920.00	\$ 495,794.16	\$ 125.84
Purchased professional services	12,000.00		12,000.00	11,364.76	635.24
Misc. purchased services	3,500.00	(2,000.00)	1,500.00	170.09	1,329.91
Supplies and materials	7,000.00	(2,000.00)	5,000.00	3,935.85	1,064.15
Miscellaneous expenditures	2,580.00		2,580.00	1,930.00	650.00
Total central services:	\$ 519,399.00	\$ (2,399.00)	\$ 517,000.00	\$ 513,194.86	\$ 3,805.14

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Admin. info. technology:					
Salaries	\$ 96,454.00	\$	\$ 96,454.00	\$ 96,386.40	\$ 67.60
Purchased professional services	23,565.00	14,944.00	38,509.00	37,875.74	633.26
Other purchased services	29,600.00	7,000.00	36,600.00	33,723.00	2,877.00
Supplies and materials	20,000.00	48,801.00	68,801.00	68,355.46	445.54
Other objects	1,000.00	200.00	1,200.00	1,035.00	165.00
Total admin. info. technology	\$ 170,619.00	\$ 70,945.00	\$ 241,564.00	\$ 237,375.60	\$ 4,188.40
Central services and admin info technology	\$ 690,018.00	\$ 68,546.00	\$ 758,564.00	\$ 750,570.46	\$ 7,993.54
Required maintenance for school facilities:					
Salaries	\$ 367,886.00	\$ (8,576.00)	\$ 359,310.00	\$ 357,673.92	\$ 1,636.08
Cleaning, repair and maintenance services	241,787.00	(19,970.00)	221,817.00	157,093.24	64,723.76
General supplies	97,207.80	9,500.00	106,707.80	84,363.62	22,344.18
Other objects	4,125.00	925.00	5,050.00	4,582.45	467.55
Total required maintenance for school facilities	\$ 711,005.80	\$ (18,121.00)	\$ 692,884.80	\$ 603,713.23	\$ 89,171.57
Other operation and maint. of plant :					
Salaries	\$ 1,391,112.00	\$ (47,255.00)	\$ 1,343,857.00	\$ 1,309,116.77	\$ 34,740.23
Salaries of non-instructional aides	355,486.00	1,875.00	357,361.00	357,010.93	330.07
Purchased professional and technical services	65,000.00		65,000.00	49,070.25	15,929.75
Cleaning, repair and maint. services	63,660.00	(12,900.00)	50,760.00	33,857.79	16,902.21
Other purchased property services	64,700.00		64,700.00	54,788.31	9,911.69
Insurance	112,454.00		117,566.00	116,865.70	700.30
Miscellaneous purchased services	4,700.00		4,700.00	2,400.00	2,300.00
General supplies	176,526.92	(7,662.00)	168,864.92	151,571.42	17,293.50
Energy (natural gas)	195,000.00	(49,128.00)	145,872.00	115,583.58	30,288.42
Energy (electricity)	282,000.00	(26,420.00)	255,580.00	171,510.03	84,069.97
Energy (oil)	10,000.00		10,000.00	4,204.06	5,795.94
Other objects	4,300.00		4,300.00	2,451.35	1,848.65
Total other operation and maint. of plant	\$ 2,724,918.92	\$ (136,378.00)	\$ 2,588,540.92	\$ 2,368,430.19	\$ 220,110.73
Care and upkeep of grounds:					
Salaries	\$ 82,609.00	\$ 5,100.00	\$ 87,709.00	\$ 87,706.56	\$ 2.44
Cleaning, repair, and maintenance services	84,650.00	45,970.00	130,620.00	96,681.10	33,938.90
General supplies	36,500.00	15,900.00	52,400.00	31,817.71	20,582.29
Other objects	1,000.00		1,000.00		1,000.00
Total care and upkeep of grounds	\$ 204,759.00	\$ 66,970.00	\$ 271,729.00	\$ 216,205.37	\$ 55,523.63
Security:					
Salaries	\$ 30,000.00	\$	\$ 30,000.00	\$ 29,100.00	\$ 900.00
Purchased professional and technical services	12,500.00		12,500.00	8,701.38	3,798.62
Cleaning, repair, and maintenance services	20,000.00		20,000.00	1,169.70	18,830.30
General supplies	30,835.00		30,835.00	22,646.04	8,188.96
Total security	\$ 93,335.00	\$	\$ 93,335.00	\$ 61,617.12	\$ 31,717.88
Operation and maintenance of plant services	\$ 3,734,018.72	\$ (87,529.00)	\$ 3,646,489.72	\$ 3,249,965.91	\$ 396,523.81

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Student transportation services:					
Salaries for Non-Instructional Aides	\$ 95,779.00	\$ 12,620.00	\$ 108,399.00	\$ 105,081.62	\$ 3,317.38
Salaries for pupil transportation (between home and school) - regular	39,059.00		39,059.00	33,658.00	5,401.00
Salaries for pupil transportation (between H&S)					
Special education	521,463.00	(12,620.00)	508,843.00	433,826.17	75,016.83
Other purchased professional and tech services	6,000.00	3,890.00	9,890.00	6,119.60	3,770.40
Cleaning, repair, maintenance service	35,000.00	19,300.00	54,300.00	26,660.53	27,639.47
Rental payments - school buses	1,000.00		1,000.00	1,000.00	
Contracted services - aid in lieu of payments	130,000.00		130,000.00	89,853.71	40,146.29
Contracted services - (bet. home and sch) - vendors	931,086.00		931,086.00	896,428.08	34,657.92
Contracted services (other than between home and school) - vendors	19,500.00		19,500.00		19,500.00
Contracted services (special education students) - vendors					
Contracted services (special ed. students) - Joint Agrmnts	10,000.00	5,512.00	5,512.00	4,753.00	759.00
Contracted services (special ed. students) -					
Contracted services (reg students)-ESCs & CTSA's	300,000.00	(62,152.00)	237,848.00	108,381.08	129,466.92
Contracted services (special ed. students) - ESCs & CTSA's	56,895.00		56,895.00	53,698.45	3,196.55
Miscellaneous purchased services	58,700.00	(3,000.00)	55,700.00	23,857.16	31,842.84
General supplies	40,000.00	3,000.00	43,000.00	31,270.47	11,729.53
Transportation supplies	2,750.00	2,500.00	5,250.00	1,775.00	3,475.00
Other objects					
Total student transportation services	\$ 2,257,232.00	\$ (30,950.00)	\$ 2,226,282.00	\$ 1,815,362.87	\$ 410,919.13
Unallocated benefits - employee benefits:					
Social security contributions	\$ 550,000.00	\$	\$ 550,000.00	\$ 535,241.19	\$ 14,758.81
Other retirement contributions - PERS	598,000.00	93,345.00	691,345.00	686,687.73	4,657.27
Workmen's compensation	341,068.00		341,068.00	340,018.66	1,049.34
Health benefits	7,272,316.00	(173,323.00)	7,098,993.00	6,265,734.65	833,258.35
Tuition reimbursements	171,000.00		171,000.00	167,201.42	3,798.58
Other employee benefits	395,500.00	(12,846.00)	382,654.00	335,386.09	47,267.91
Unused sick payment to terminated/retired staff	48,000.00	12,846.00	60,846.00	60,845.50	0.50
Total unallocated benefits - employee benefits:	\$ 9,375,884.00	\$ (79,378.00)	\$ 9,296,506.00	\$ 8,391,115.24	\$ 904,790.76
On-behalf TPAF pension contribution (non-budgeted)	\$	\$	\$	\$ 5,398,517.00	\$ (5,398,517.00)
On-behalf TPAF post-retirement medical (non-budgeted)				1,691,811.00	(1,691,811.00)
On-behalf TPAF long-term disability insurance (non-budgeted)				2,273.00	(2,273.00)
Reimbursed TPAF social security cont. (non-budgeted)				1,456,271.64	(1,456,271.64)
				8,548,872.64	(8,546,599.64)
Total Undistributed Expenditures	\$ 24,998,090.44	\$ (222,987.00)	\$ 24,775,103.44	\$ 30,861,369.52	\$ (6,083,993.08)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 43,522,673.56	\$ (23,834.00)	\$ 43,498,839.56	\$ 48,871,720.91	\$ (5,370,608.35)

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
Equipment:					
Undistributed expend:					
Grades 1-5	\$ 16,014.00	\$ 10,208.00	\$ 26,222.00	\$ 22,670.02	\$ 3,551.98
Grades 6-8	54,000.00	32,016.00	86,016.00	74,291.06	11,724.94
Administration - info tech		128,355.00	128,355.00	121,738.78	6,616.22
Required maintenance for school fac.	55,049.17	38,355.00	93,404.17	55,941.41	37,462.76
Custodial services		10,420.00	10,420.00		10,420.00
Care and upkeep of grounds	79,200.00	16,055.00	95,255.00	11,855.99	4,199.01
Security	112,981.33	4,371.00	117,352.33	79,200.00	4,371.00
School bus - special education		850.00	113,831.33	56,490.33	57,341.00
School equipment	317,244.50	240,630.00	557,874.50	422,187.59	135,686.91
Facilities acquisition and construction services:					
Architectural/engineering services	\$ 11,136.00	\$ 169,474.00	\$ 180,610.00	\$ 128,088.72	\$ 52,521.28
Other purchased services prof. and tech. services		1,185.00	1,185.00		
Construction services	168,944.00	1,154,647.00	1,323,591.00	1,185.00	1,323,591.00
Bldgs. Other than lease purchase agreements		17,757.00	17,757.00		17,757.00
Assessment for debt service on SDA funding	24,700.00		24,700.00		
Total facilities acquis. and const. services	204,780.00	1,343,063.00	1,547,843.00	153,973.72	1,393,869.28
Capital Reserve - Transfer to Repayment of Debt	4,320,602.00		4,320,602.00	4,320,602.00	
Interest deposit to capital reserve	500.00		500.00		500.00
TOTAL CAPITAL OUTLAY	4,843,126.50	1,583,693.00	6,426,819.50	4,896,763.31	1,530,056.19
SPECIAL SCHOOLS:					
Summer school - instruction:					
Salaries of teachers	242,000.00		242,000.00	132,271.50	109,728.50
Other salaries for instruction	59,923.00		59,923.00	13,648.00	46,275.00
Other purchased services (400-500 series)	6,000.00		6,000.00	2,447.00	3,553.00
General supplies	7,000.00		7,000.00	4,642.26	2,357.74
Total summer school - instruction	314,923.00		314,923.00	153,008.76	161,914.24
Summer school - support services:					
Salaries	5,735.00		5,735.00	5,735.00	
Total summer school - support services	5,735.00		5,735.00	5,735.00	
TOTAL SPECIAL SCHOOLS	320,658.00		320,658.00	158,743.76	161,914.24
TRANSFER OF FUNDS TO CHARTER SCHOOLS		8,321.00	8,321.00	8,321.00	
GENERAL FUND GRAND TOTAL	48,686,458.06	1,568,180.00	50,254,638.06	53,935,548.98	(3,678,637.92)

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Excess (deficiency) of revenues Over (under) expenditures	\$ (4,994,703.06)	\$ (1,743,687.00)	\$ (6,738,390.06)	\$ (995,404.58)	\$ 5,742,985.48
Other financing sources (uses):					
Operating transfers in - capital projects	\$	\$	\$	\$ 598,832.72	\$ (598,832.72)
Total other financing sources (uses)	\$	\$	\$	\$ 598,832.72	\$ (598,832.72)
Excess (deficiency) of revenues and other financing sources Over (under) expenditures and other financing sources(uses)	\$ (4,994,703.06)	\$ (1,743,687.00)	\$ (6,738,390.06)	\$ (396,571.86)	\$ 5,144,152.76
Fund balance, July 1 (As Restated)				\$ 12,303,069.84	
Fund balance, June 30				\$ 11,906,497.98	
Recapitulation:					
Reserve for encumbrances				\$ 1,492,517.82	
Capital reserve				7,357,238.81	
Maintenance reserve				118,800.23	
Emergency reserve				11,659.00	
Unemployment				535,077.25	
Excess surplus - prior year				462,000.00	
Unrestricted Fund Balance				1,929,204.87	
				\$ 11,906,497.98	
Reconciliation to Government Fund Statements					
Last State aid payments not recognized on GAAP basis				\$ (170,471.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 11,736,026.98	

EXHIBIT "C-2"

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal sources	\$ 407,551.00	\$ 207,036.05	\$ 614,587.05	\$ 606,187.05	\$ (8,400.00)
Other sources	<u>1,000.00</u>	<u>55,371.74</u>	<u>56,371.74</u>	<u>47,306.50</u>	<u>(9,065.24)</u>
Total revenues	<u>\$ 408,551.00</u>	<u>\$ 262,407.79</u>	<u>\$ 670,958.79</u>	<u>\$ 653,493.55</u>	<u>\$ (17,465.24)</u>
EXPENDITURES:					
Instruction:					
Salaries	\$ 43,083.00	\$ 81,983.38	\$ 125,066.38	\$ 124,032.67	\$ 1,033.71
Tuition	350,566.00	67,587.00	418,153.00	418,153.00	
General supplies	<u>13,902.00</u>	<u>1,283.20</u>	<u>15,185.20</u>	<u>14,148.16</u>	<u>1,037.04</u>
Total instruction	<u>\$ 407,551.00</u>	<u>\$ 150,853.58</u>	<u>\$ 558,404.58</u>	<u>\$ 556,333.83</u>	<u>\$ 2,070.75</u>
Support services:					
Other salaries	\$	\$ 14,902.62	\$ 14,902.62	\$ 14,652.62	\$ 250.00
Purchased prof. educational services		23,900.00	23,900.00	15,500.00	8,400.00
Other purchased services		3,405.00	3,405.00	3,396.00	9.00
Supplies and materials	1,000.00	25,291.59	26,291.59	10,958.50	15,333.09
Student Activities				<u>34,925.87</u>	<u>(34,925.87)</u>
Total support services	<u>\$ 1,000.00</u>	<u>\$ 67,499.21</u>	<u>\$ 68,499.21</u>	<u>\$ 79,432.99</u>	<u>\$ (10,933.78)</u>
Facilities acquisition and construction services:					
Equipment	\$	\$ 44,055.00	\$ 44,055.00	\$ 44,055.00	
Total facilities acquisition and construction services	<u>\$</u>	<u>\$ 44,055.00</u>	<u>\$ 44,055.00</u>	<u>\$ 44,055.00</u>	
Total expenditures	<u>\$ 408,551.00</u>	<u>\$ 262,407.79</u>	<u>\$ 670,958.79</u>	<u>\$ 679,821.82</u>	<u>\$ (8,863.03)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$	<u>(26,328.27)</u>	
Fund Balance, July 1 (as Restated)			\$	<u>32,687.06</u>	
Fund Balance, June 30			\$	<u>6,358.79</u>	

TOWNSHIP OF WARREN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 52,940,144.40	\$ 653,493.55
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	162,585.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(170,471.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 52,932,258.40	\$ 653,493.55
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$ 53,935,548.98	\$ 679,821.82
Difference - 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 purposes		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 53,935,548.98	\$ 679,821.82

REQUIRED SUPPLEMENTARY INFORMATION – Part III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

Township of Warren School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Years

Measurement Date Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a Percentage of It's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	0.0586528175%	\$ 11,209,719	\$ 3,890,785.22	288.11%	48.72%
2014	0.0583200402%	10,919,107	3,970,189.00	275.03%	52.08%
2015	0.0597859702%	13,420,752	4,041,824.00	332.05%	47.92%
2016	0.0613533052%	18,171,089	4,191,914.00	433.48%	40.14%
2017	0.0602971826%	14,036,220	3,850,229.00	364.56%	48.10%
2018	0.0564381200%	11,112,385	3,956,605.00	280.86%	53.60%
2019	0.0584967431%	10,540,226	4,275,955.00	246.50%	56.27%
2020	0.0615516494%	10,037,464	4,577,513.00	219.28%	58.32%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Township of Warren School District
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Years

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 480,782	\$ 480,782	\$ -0-	\$ 3,970,189.00	12.11%
2015	513,999	513,999	-0-	4,041,824.00	12.72%
2016	545,054	545,054	-0-	4,191,914.00	13.00%
2017	547,779	547,779	-0-	3,850,229.00	14.23%
2018	561,377	561,377	-0-	3,956,605.00	14.19%
2019	569,003	569,003	-0-	4,275,955.00	13.31%
2020	673,345	673,345	-0-	4,577,513.00	14.71%
2021	741,704	741,704	-0-	4,950,725.00	14.98%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Township of Warren School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers Pension and Annuity Fund
Last Ten Years

Measurement Date Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered-Employee Payroll	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District as a Percentage of It's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	0.1906757070%	\$ 96,366,003.00	\$ 18,541,882.00	-0-	519.72%	33.76%
2014	0.1813075711%	96,902,996.00	18,724,022.00	-0-	517.53%	33.64%
2015	0.1873594940%	118,419,201.00	18,906,946.00	-0-	626.33%	28.71%
2016	0.1813119650%	145,635,987.00	19,330,548.00	-0-	753.40%	22.33%
2017	0.1845351875%	124,420,277.00	19,538,787.00	-0-	636.79%	25.41%
2018	0.1869731555%	118,948,305.00	19,991,993.00	-0-	594.98%	26.49%
2019	0.1897399785%	116,445,216.00	20,314,493.00	-0-	573.21%	26.95%
2020	0.1825725545%	120,221,830.00	20,490,364.00	-0-	586.72%	24.60%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Township of Warren School District
Notes to the Required Supplementary Information Part III
For The Fiscal Year Ended June 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION – Part IV

SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)

TOWNSHIP OF WARREN SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE DISTRICT'S
 TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST TEN YEARS

	Measurement Date Ended June 30,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>2017</u>		
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District			
Balance at 6/30	\$66,964,785	\$71,925,707	\$85,102,136
Changes for the year:			
Service cost	2,787,888	2,637,707	3,084,519
Interest	2,408,747	2,847,373	3,124,138
Changes of benefit terms and actual experience	20,681,361	(9,449,767)	(9,274,454)
Changes in assumptions or other inputs	20,329,493	998,450	(8,253,835)
Membership Contributions	58,726	60,934	66,471
Benefit payments - Net	(1,937,528)	(2,055,619)	(1,923,268)
Net changes	<u>44,328,687</u>	<u>(4,960,922)</u>	<u>(13,176,429)</u>
Balance at 6/30	<u>\$111,293,472</u>	<u>\$66,964,785</u>	<u>\$71,925,707</u>
Covered Employee Payroll	25,441,089	24,892,006	24,267,948
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the District as a percentage of the District's Covered Employee Payroll	437.46%	269.02%	296.38%
			362.21%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF WARREN SCHOOL DISTRICT
NOTE TO RSI IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	IDEA BASIC	IDEA PRESCHOOL	TITLE I.A	TITLE I.A	TITLE II.A	TITLE III	TITLE IV	CARES ACT	ESSER	CRF GRANT	LOCAL/ OTHER	STUDENT ACTIVITIES	TOTAL
REVENUES:													
Federal sources	\$ 418,153.00	\$ 16,188.00	\$ 60,350.00	\$ 15,500.00	\$ 3,047.00	\$ 7,980.17	\$ 4,776.88	\$ 40,751.00	\$ 39,431.00	\$ 38,708.90	\$ 8,597.60	\$ 606,187.05	
Other sources													47,306.50
Total revenues	\$ 418,153.00	\$ 16,188.00	\$ 60,350.00	\$ 15,500.00	\$ 3,047.00	\$ 7,980.17	\$ 4,776.88	\$ 40,751.00	\$ 39,431.00	\$ 38,708.90	\$ 8,597.60	\$ 653,493.55	
EXPENDITURES:													
Instruction:													
Salaries of teachers	\$ 418,153.00	\$ 16,188.00	\$ 50,350.00	\$ 1,950.00	\$ 3,679.17	\$ 4,452.62	\$ 40,751.00	\$ 1,076.00	\$ 11,104.50	\$ 124,032.67	\$ 418,153.00	\$ 14,148.16	
Tuition													14,148.16
General supplies													
Total instruction	\$ 418,153.00	\$ 16,188.00	\$ 50,350.00	\$ 1,950.00	\$ 3,679.17	\$ 4,452.62	\$ 40,751.00	\$ 1,076.00	\$ 11,104.50	\$ 124,032.67	\$ 14,148.16	\$ 14,148.16	
Support services:													
Other salaries			\$ 10,000.00	\$ 200.00	\$ 897.00	\$ 2,499.00	\$ 1,802.00	\$ 8,832.24	\$ 34,925.87	\$ 34,925.87	\$ 79,432.99	\$ 14,652.62	
Purchased professional educational services													15,500.00
Other purchased services													3,396.00
Supplies and materials													10,958.50
Student Activities													34,925.87
Total support services			\$ 10,000.00	\$ 1,097.00	\$ 4,301.00	\$ 4,776.88	\$ 8,832.24	\$ 34,925.87	\$ 34,925.87	\$ 79,432.99	\$ 14,652.62		
Facilities acquisition and construction services:													
Equipment													44,055.00
Total facilities acquisition and construction services													44,055.00
Total expenditures	\$ 418,153.00	\$ 16,188.00	\$ 60,350.00	\$ 15,500.00	\$ 3,047.00	\$ 7,980.17	\$ 4,776.88	\$ 40,751.00	\$ 39,431.00	\$ 38,708.90	\$ 34,925.87	\$ 679,821.82	
Excess (Deficiency) of Revenues Over (Under) Expenditures													(26,328.27)
Fund Balance, July 1 (As Restated)													32,687.06
Fund Balance, June 30													6,358.79

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES AND OTHER FINANCING USES:

Capital outlay	\$	(4,550.26)
Other purchased professional and technical services		(238,456.52)
Construction services		598,832.72
Transfer Out-Capital Reserve	\$	<u>598,832.72</u>
Total expenditures and other financing uses	\$	<u>355,825.94</u>
Excess (deficiency) of revenues over (under) expenditures	\$	(355,825.94)
Fund balance - July 1		<u>355,825.94</u>
Fund balance - June 30	\$	<u>- 0 -</u>
<u>Reconciliation to GAAP Basis:</u>		
Encumbrances	\$	<u>- 0 -</u>
Total fund balance (Deficit) - GAAP basis (B-2)	\$	<u>- 0 -</u>

TOWNSHIP OF WARREN SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - WINDOWS & HVAC CENTRAL SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Debt Proceeds	\$ 1,959,840.87	\$	\$ 1,959,840.87	\$ 1,959,840.87
Transfer - Capital Reserve		(34,019.96)	(34,019.96)	(34,019.96)
Total revenues and other financing sources	<u>\$ 1,959,840.87</u>	<u>\$ (34,019.96)</u>	<u>\$ 1,925,820.91</u>	<u>\$ 1,925,820.91</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal services	\$ 4,559.38	\$	\$ 4,559.38	
Other purchased professional and technical services	122,937.02	(772.74)	122,164.28	
Construction services	1,825,010.00	(33,247.22)	1,791,762.78	
Other objects	7,334.47		7,334.47	
Total expenditures and other financing uses	<u>\$ 1,959,840.87</u>	<u>\$ (34,019.96)</u>	<u>\$ 1,925,820.91</u>	<u>\$ 1,925,820.91</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	5470-030-18-1000			
Grant date	8/30/18			
Debt authorization date	1/22/19			
Debt authorized (adjusted)	\$1,959,840.87			
Debt issued	\$1,959,840.87			
Original authorized cost	\$1,746,505.00			
Additional authorized cost	\$179,315.91			
Revised authorized cost	\$1,925,820.91			
Percentage increase over original authorized cost	10.27%			
Percentage completion	100.00%			

TOWNSHIP OF WARREN SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - HVAC, BOILERS, & PUMPS ALT SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Debt Proceeds	\$ 1,950,167.13	\$	\$ 1,950,167.13	\$ 1,950,167.13
Transfer - Capital Reserve		<u>(260,820.43)</u>	<u>(260,820.43)</u>	<u>(260,820.43)</u>
Total revenues and other financing sources	<u>\$ 1,950,167.13</u>	<u>\$ (260,820.43)</u>	<u>\$ 1,689,346.70</u>	<u>\$ 1,689,346.70</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal services	\$ 4,559.37	\$	\$ 4,559.37	
Other purchased professional and technical services	146,948.60	(2,690.77)	144,257.83	
Construction services	1,650,906.00	(117,710.98)	1,533,195.02	
Other objects	<u>7,334.48</u>	<u></u>	<u>7,334.48</u>	
Total expenditures and other financing uses	<u>\$ 1,809,748.45</u>	<u>\$ (120,401.75)</u>	<u>\$ 1,689,346.70</u>	<u>\$ 1,689,346.70</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 140,418.68</u>	<u>\$ (140,418.68)</u>	<u>\$</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	5470-040-18-1000			
Grant date	8/30/18			
Debt authorization date	1/22/19			
Debt authorized (adjusted)	\$1,950,167.13			
Debt issued	\$1,950,167.13			
Original authorized cost	\$2,164,091.00			
Additional authorized cost	(\$474,744.30)			
Revised authorized cost	\$1,689,346.70			
Percentage increase over original authorized cost	-21.94%			
Percentage completion	100.00%			

TOWNSHIP OF WARREN SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - BOILERS & PUMPS MT. HOREB SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Debt Proceeds	\$ 712,250.00	\$	\$ 712,250.00	\$ 712,250.00
Transfer - Capital Reserve		<u>(198,296.49)</u>	<u>(198,296.49)</u>	<u>(198,296.49)</u>
Total revenues and other financing sources	<u>\$ 712,250.00</u>	<u>\$ (198,296.49)</u>	<u>\$ 513,953.51</u>	<u>\$ 513,953.51</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal services	\$ 2,279.69	\$	\$ 2,279.69	
Purchased professional and technical services	88,943.23		88,943.23	
Construction services	446,500.00	(27,436.66)	419,063.34	
Other objects	<u>3,667.25</u>		<u>3,667.25</u>	
Total expenditures and other financing uses	<u>\$ 541,390.17</u>	<u>\$ (27,436.66)</u>	<u>\$ 513,953.51</u>	<u>\$ 513,953.51</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 170,859.83</u>	<u>\$ (170,859.83)</u>	<u>\$</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	5470-035-18-1000			
Grant date	8/30/18			
Debt authorization date	1/22/19			
Debt authorized	\$712,250.00			
Debt issued	\$712,250.00			
Original authorized cost	\$712,250.00			
Additional authorized cost	(\$198,296.49)			
Revised authorized cost	\$513,953.51			
Percentage increase over original authorized cost	N/A			
Percentage completion	100.00%			

TOWNSHIP OF WARREN SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - ROOF, BOILERS, & PUMPS MIDDLE SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Debt Proceeds	\$ 1,823,742.00	\$	\$ 1,823,742.00	\$ 1,823,742.00
Transfer - Capital Reserve		<u>(105,695.84)</u>	<u>(105,695.84)</u>	<u>(105,695.84)</u>
Total revenues and other financing sources	<u>\$ 1,823,742.00</u>	<u>\$ (105,695.84)</u>	<u>\$ 1,718,046.16</u>	<u>\$ 1,718,046.16</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal services	\$ 4,559.38	\$	\$ 4,559.38	
Purchased professional and technical services	160,400.29	(1,086.75)	159,313.54	
Construction services	1,606,900.00	(60,061.66)	1,546,838.34	
Other objects	<u>7,334.90</u>	<u></u>	<u>7,334.90</u>	
Total expenditures and other financing uses	<u>\$ 1,779,194.57</u>	<u>\$ (61,148.41)</u>	<u>\$ 1,718,046.16</u>	<u>\$ 1,718,046.16</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 44,547.43</u>	<u>\$ (44,547.43)</u>	<u>\$</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	5470-033-18-1000			
Grant date	8/30/18			
Debt authorization date	1/22/19			
Debt authorized	\$1,823,742.00			
Debt issued	\$1,823,742.00			
Original authorized cost	\$1,823,742.00			
Additional authorized cost	(\$105,695.84)			
Revised authorized cost	\$1,718,046.16			
Percentage increase over original authorized cost	N/A			
Percentage completion	100.00%			

EXHIBIT "F-2"

TOWNSHIP OF WARREN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>ISSUE / PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATION</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED BALANCE JUNE 30, 2021</u>
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR *</u>	
Windows & HVAC - Central School	8/30/18	\$ 1,959,840.87	\$ 1,959,840.87	\$	
HVAC, Boilers, & Pumps - ALT School	8/30/18	1,950,167.13	1,809,748.45	140,418.68	
Boilers & Pumps - Mt. Horeb School	8/30/18	712,250.00	541,390.17	170,859.83	
Roof, Boilers, & Pumps - Middle School	8/30/18	<u>1,823,742.00</u>	<u>1,779,194.57</u>	<u>44,547.43</u>	
		\$ <u>6,446,000.00</u>	\$ <u>6,090,174.06</u>	\$ <u>355,825.94</u>	\$

* - includes adjustments for closed projects

PROPRIETARY FUND DETAIL STATEMENTS

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

Milk Fund: This fund provides for the operation of paid & free milk sales within the district.

Juice & Water Fund: This fund provides for the operation of juice & water sales within the district.

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF NET POSITIONS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MILK FUND	JUICE & WATER FUND	TOTALS
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 4,049.49	\$ 1,358.13	\$ 5,407.62
Total current assets	\$ 4,049.49	\$ 1,358.13	\$ 5,407.62
Noncurrent assets:			
Furniture, machinery and equipment	\$ 52,953.00	\$	\$ 52,953.00
Less accumulated depreciation	(41,342.00)		(41,342.00)
Total noncurrent assets	\$ 11,611.00	\$	\$ 11,611.00
Total assets	\$ 15,660.49	\$ 1,358.13	\$ 17,018.62
NET POSITIONS:			
Net investment in capital assets	\$ 11,611.00	\$	\$ 11,611.00
Unrestricted	4,049.49	1,358.13	5,407.62
Total net positions	\$ 15,660.49	\$ 1,358.13	\$ 17,018.62

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MILK FUND</u>	<u>JUICE & WATER FUND</u>	<u>TOTALS</u>
OPERATING EXPENSES:			
Depreciation	\$ <u>1,547.00</u>	\$ _____	\$ <u>1,547.00</u>
Total operating expenses	\$ <u>1,547.00</u>	\$ _____	\$ <u>1,547.00</u>
Operating income (loss)	\$ <u>(1,547.00)</u>	\$ _____	\$ <u>(1,547.00)</u>
Net income (loss)	\$ <u>(1,547.00)</u>	\$ _____	\$ <u>(1,547.00)</u>
Total net positions - beginning	\$ <u>17,207.49</u>	\$ <u>1,358.13</u>	\$ <u>18,565.62</u>
Total net positions - ending	\$ <u><u>15,660.49</u></u>	\$ <u><u>1,358.13</u></u>	\$ <u><u>17,018.62</u></u>

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MILK</u> <u>FUND</u>	<u>JUICE & WATER</u> <u>FUND</u>	<u>TOTALS</u>
Cash and cash equivalents - July 1	4,049.49	1,358.13	5,407.62
Cash and cash equivalents - June 30	\$ 4,049.49	\$ 1,358.13	\$ 5,407.62
Operating income (loss)	\$ (1,547.00)	\$	\$ (1,547.00)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	1,547.00		1,547.00
Net cash provided (used) by operating activities	\$	\$	\$

LONG-TERM LIABILITY SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District.

TOWNSHIP OF WARREN SCHOOL DISTRICT
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:			
State Sources:			
Debt Service Aid	\$ 2,225,765.00	\$ 2,225,765.00	\$ _____
Total Revenues	\$ 2,225,765.00	\$ 2,225,765.00	\$ - 0 -
EXPENDITURES:			
Regular Debt Service:			
Redemption of Note Principal	\$ 6,446,000.00	\$ 6,446,000.00	\$ _____
Interest on Notes	160,703.00	160,703.00	_____
Total Debt Service	\$ 6,606,703.00	\$ 6,606,703.00	\$ _____
Total Expenditures	\$ 6,606,703.00	\$ 6,606,703.00	\$ _____
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,380,938.00)	\$ (4,380,938.00)	\$ _____
Other Financing Sources(Uses):			
Operating Transfers In	\$ - 0 -	\$ 4,320,602.00	\$ 60,336.00
Excess (Deficiency) of Revenues and Other Financing Sources(Uses) Over/(Under) Expenditures		\$ (60,336.00)	
Fund Balance, July 1		\$ 60,336.00	
Fund Balance, June 30		\$ - 0 -	

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STATISTICAL SECTION

(UNAUDITED)

TOWNSHIP OF WARREN SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
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 to J-5
Revenue Capacity: These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to 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 to 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.	J-14 to J-15
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

TOWNSHIP OF WARREN SCHOOL DISTRICT
NET POSITIONS BY COMPONENT
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 22,178,067.00	\$ 14,174,022.00	\$ 18,059,451.00	\$ 16,861,315.00	\$ 16,856,508.00	\$ 16,996,737.00	\$ 16,695,619.00	\$ 13,953,990.18	\$ 22,730,532.31	\$ 22,704,682.30
Restricted	8,491,134.08	12,835,798.79	6,738,121.37	6,635,350.98	6,482,233.31	5,472,022.54	4,140,134.41	3,675,110.27	4,009,673.91	6,289,422.11
Unrestricted (Deficit)	(10,291,971.31)	(12,593,736.66)	(12,239,181.20)	(11,532,641.99)	(11,867,599.02)	(10,437,537.33)	(9,757,637.96)	2,763,696.97	2,573,007.79	736,573.46
Total governmental activities net positions	\$ 20,377,219.77	\$ 14,416,084.13	\$ 12,559,391.17	\$ 11,964,023.99	\$ 11,471,132.29	\$ 12,031,222.21	\$ 11,078,115.45	\$ 20,392,797.42	\$ 29,313,214.01	\$ 29,730,677.87
Business-type activities										
Net investment in capital assets	\$ 11,611.00	\$ 13,158.00	\$ 14,705.00	\$ 16,247.00	\$ 18,686.00	\$ 22,052.00	\$ 21,015.00	\$ 12,534.00	\$ 9,225.62	\$ 8,797.98
Unrestricted	5,407.62	5,407.62	7,009.54	10,038.79	9,863.76	9,355.13	11,889.48	14,668.49	14,443.93	18,688.73
Total business-type activities net positions	\$ 17,018.62	\$ 18,565.62	\$ 21,714.54	\$ 26,285.79	\$ 28,559.76	\$ 31,407.13	\$ 32,904.48	\$ 27,202.49	\$ 23,669.55	\$ 27,466.71
District-wide										
Net investment in capital assets	\$ 22,189,668.00	\$ 14,187,180.00	\$ 18,074,156.00	\$ 16,877,562.00	\$ 16,875,204.00	\$ 17,018,789.00	\$ 16,716,634.00	\$ 13,966,524.18	\$ 22,739,757.93	\$ 22,713,480.28
Restricted	8,491,134.08	12,835,798.79	6,738,121.37	6,635,350.98	6,482,233.31	5,472,022.54	4,140,134.41	3,675,110.27	4,009,673.91	6,289,422.11
Unrestricted (Deficit)	(10,286,563.69)	(12,588,329.04)	(12,232,171.66)	(11,522,603.20)	(11,857,735.26)	(10,428,182.20)	(9,745,748.48)	2,778,365.46	2,587,451.72	755,242.19
Total district net positions	\$ 20,394,238.39	\$ 14,434,649.75	\$ 12,580,105.71	\$ 11,990,309.78	\$ 11,499,692.05	\$ 12,062,629.34	\$ 11,111,019.93	\$ 20,419,999.91	\$ 29,336,883.56	\$ 29,758,144.58

Source: ACFR Schedule A-1

TOWNSHIP OF WARREN SCHOOL DISTRICT
CHANGES IN NET POSITIONS
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
EXPENSES & INDIRECT ALLOCATIONS										
Governmental activities:										
Instruction:										
Regular	\$ 27,143,660.65	\$ 21,061,187.07	\$ 22,198,914.62	\$ 24,166,268.76	\$ 24,191,714.42	\$ 20,205,488.52	\$ 18,687,012.31	\$ 17,307,939.79	\$ 17,939,073.20	\$ 16,693,621.40
Special education	8,834,461.41	10,123,067.13	9,686,910.24	10,032,047.70	9,908,979.08	10,193,730.86	8,867,274.58	8,148,986.91	8,037,074.17	6,089,079.85
Other instruction	1,499,240.70	3,528,140.26	4,035,149.76	4,257,101.34	3,999,741.50	3,407,208.12	2,873,591.48	3,044,491.10	2,390,435.28	1,702,778.48
Support Services:										
Tuition										
Student & instruction related services	7,932,846.38	7,427,877.46	7,349,501.96	7,779,408.42	7,322,881.17	8,493,325.80	7,066,582.17	7,658,436.84	6,259,416.88	841,081.12
General administrative services	670,770.79	731,332.86	837,092.73	848,795.57	922,913.71	902,239.27	1,129,152.41	1,625,973.76	1,089,361.14	5,726,269.46
School administrative services	2,799,104.45	2,426,087.71	2,458,955.66	2,669,449.65	2,756,055.49	2,512,996.44	2,062,224.90	2,734,637.61	2,143,286.86	1,347,710.80
Central services	832,298.12	735,520.77	665,412.19	700,479.62	677,956.66	807,164.23	720,278.14	1,456,846.92	774,085.89	1,755,107.66
Administration information technology	388,613.79	371,542.16	391,284.78	251,713.83	246,683.21	328,798.47	285,555.21	1,021,852.90	441,045.06	
Plant operations and maintenance	4,249,604.88	3,929,697.66	4,357,890.31	4,123,267.90	4,016,228.00	3,770,543.72	3,823,052.21	4,526,347.00	3,546,521.78	3,708,678.37
Student transportation services	2,138,339.28	2,118,374.31	2,402,383.11	2,418,358.37	2,417,257.32	2,742,347.42	2,785,766.73	3,411,776.00	2,679,010.24	2,099,899.31
Special Schools										172,812.25
Interest on long-term debt	12,982.17	147,720.83				20,322.08	49,281.25	78,429.50	108,147.86	138,029.73
Total governmental activities expenses	\$ 56,501,923.62	\$ 52,600,588.22	\$ 54,383,495.36	\$ 57,247,141.16	\$ 56,460,408.56	\$ 53,384,164.93	\$ 48,329,791.39	\$ 51,015,718.33	\$ 45,407,458.36	\$ 40,275,068.43
Business-type activities:										
Milk Fund	\$ 1,547.00	\$ 15,418.21	\$ 36,809.87	\$ 40,897.29	\$ 45,291.52	\$ 45,929.70	\$ 50,315.80	\$ 51,512.31	\$ 60,301.22	\$ 65,603.56
Water/Juice Fund		3,310.63	10,977.72	11,355.55	11,230.63	10,557.55	8,493.40	8,343.33	8,146.52	7,892.77
Total business-type activities expense	\$ 1,547.00	\$ 18,728.84	\$ 47,787.59	\$ 52,252.84	\$ 56,522.15	\$ 56,487.25	\$ 58,809.20	\$ 59,855.64	\$ 68,447.74	\$ 73,496.33
Total district expenses	\$ 56,503,470.62	\$ 52,619,287.06	\$ 54,431,282.95	\$ 57,299,394.00	\$ 56,516,930.71	\$ 53,440,652.18	\$ 48,388,600.59	\$ 51,075,573.97	\$ 45,475,906.10	\$ 40,348,564.76
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 8,597.60	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total governmental activities program revenues	\$ 15,277,546.59	\$ 10,539,974.94	\$ 12,140,415.94	\$ 15,857,104.33	\$ 14,629,594.03	\$ 12,422,203.46	\$ 7,754,256.54	\$ 4,020,359.74	\$ 4,721,856.00	\$ 5,225,650.52
Business-type activities:										
Charges for services:										
Milk Fund	\$	\$	\$ 20,546.80	\$ 23,649.77	\$ 26,322.81	\$ 26,715.89	\$ 25,272.60	\$ 28,503.25	\$ 31,287.14	\$ 34,461.02
Water/Juice Fund	2,857.20	10,012.75	11,556.43	11,078.28	11,078.28	11,234.50	8,497.56	8,203.42	7,346.51	8,011.43
Operating grants and contributions		5,160.08	12,656.79	14,772.67	16,273.69	19,090.86	23,285.36	23,655.31	26,016.93	31,561.14
Total business-type activities program revenues	\$ 15,579.92	\$ 43,216.34	\$ 49,778.87	\$ 53,674.78	\$ 57,041.25	\$ 57,041.25	\$ 57,041.25	\$ 60,361.98	\$ 64,650.58	\$ 74,033.59
Total district program revenues	\$ 15,286,144.19	\$ 10,555,554.86	\$ 12,183,632.28	\$ 15,907,083.20	\$ 14,683,268.81	\$ 12,479,244.71	\$ 7,811,312.06	\$ 4,080,721.72	\$ 4,786,506.58	\$ 5,490,440.84
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (41,215,779.43)	\$ (42,060,583.28)	\$ (42,243,079.42)	\$ (41,390,036.83)	\$ (41,830,814.53)	\$ (40,961,961.47)	\$ (40,575,534.85)	\$ (46,995,358.59)	\$ (40,685,602.36)	\$ (34,858,661.18)
Business-type activities	(1,547.00)	(3,148.92)	(4,571.25)	(2,273.97)	(2,847.37)	554.00	(1,753.68)	506.34	(3,797.16)	537.26
Total district-wide net expense	\$ (41,217,326.43)	\$ (42,063,732.20)	\$ (42,247,650.67)	\$ (41,392,310.80)	\$ (41,833,661.90)	\$ (40,961,407.47)	\$ (40,577,288.53)	\$ (46,994,852.25)	\$ (40,689,399.52)	\$ (34,858,123.92)

TOWNSHIP OF WARREN SCHOOL DISTRICT
CHANGES IN NET POSITIONS
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL REVENUES AND OTHER CHANGES										
IN NET ASSETS										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 41,193,378.00	\$ 41,193,378.00	\$ 40,178,034.00	\$ 39,579,035.00	\$ 39,300,340.00	\$ 39,002,007.00	\$ 38,501,488.00	\$ 37,746,557.00	\$ 37,026,216.00	\$ 36,524,488.00
Taxes levied for debt service	4,946,032.00	2,229,160.00	1,807,434.00	1,661,342.20	1,617,000.57	548,664.00	576,108.00	603,733.00	613,840.00	656,101.00
Federal and state aid not restricted	469,740.76	862,856.09	898,463.97	657,300.41	391,867.34	2,004,917.84	3,043,384.81	1,952,468.34	1,902,159.00	213,614.27
Miscellaneous income						405,565.73	357,047.07	386,864.39	725,925.62	225,673.91
Proceeds of long-term debt (Refunding Bonds)		(367,118.03)	(46,485.19)	(14,749.08)	(38,483.30)	(46,086.34)		(2,614,680.73)		(16,751.00)
Disposal of capital assets										
Total governmental activities	\$ 46,609,150.76	\$ 43,918,276.06	\$ 42,837,446.78	\$ 41,882,928.53	\$ 41,270,724.61	\$ 41,915,068.23	\$ 42,478,027.88	\$ 38,074,942.00	\$ 40,268,140.62	\$ 37,603,126.18
Business-type activities:										
Investment earnings	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Disposal of capital assets						(2,051.35)				11.00
Total business-type activities	\$	\$	\$	\$	\$	(2,051.35)				\$
Total district-wide	\$ 46,609,150.76	\$ 43,918,276.06	\$ 42,837,446.78	\$ 41,882,928.53	\$ 41,270,724.61	\$ 41,913,016.88	\$ 42,478,027.88	\$ 38,074,942.00	\$ 40,268,140.62	\$ 37,603,137.18
CHANGE IN NET POSITIONS										
Governmental activities	\$ 5,393,371.33	\$ 1,857,692.78	\$ 594,367.36	\$ 492,891.70	\$ (560,089.92)	\$ 953,106.76	\$ 1,902,493.03	\$ (8,920,416.59)	\$ (417,461.74)	\$ 2,744,465.00
Business-type activities	(1,547.00)	(3,148.92)	(4,571.25)	(2,273.97)	(2,847.37)	(1,497.35)	(1,753.68)	506.34	(3,797.16)	548.26
Total district	\$ 5,391,824.33	\$ 1,854,543.86	\$ 589,796.11	\$ 490,617.73	\$ (562,937.29)	\$ 951,609.41	\$ 1,900,739.35	\$ (8,919,910.25)	\$ (421,258.90)	\$ 2,745,013.26

TOWNSHIP OF WARREN SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 8,484,775.29	\$ 10,279,250.25	\$ 7,556,928.31	\$ 6,635,350.98	\$ 6,303,941.68	\$ 5,277,385.55	\$ 3,423,521.86	\$ 3,675,027.27	\$ 4,008,091.17	\$ 4,207,129.02
Assigned	1,492,517.82	213,101.06	861,924.05	161,326.33	703,723.66	747,596.43	415,539.69	526,262.30	1,905,591.84	2,100,555.36
Unassigned	1,758,733.87	1,113,056.28	916,810.93	872,860.68	868,957.32	854,560.24	928,000.82	988,160.66	979,138.57	1,016,558.34
Reserved										
Unreserved										
Total general fund	\$ 11,736,026.98	\$ 11,605,407.59	\$ 9,335,663.29	\$ 7,669,537.99	\$ 7,876,622.66	\$ 6,879,542.22	\$ 4,767,062.37	\$ 5,189,450.23	\$ 6,892,821.58	\$ 7,324,242.72
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assigned		355,825.94				94,131.56	520,962.24	1,577,559.97	940.00	940.00
Restricted reported in:										
Special revenue fund	6,358.79									
Capital projects fund		2,288,107.43	(818,806.94)		178,281.63	100,505.43	724,815.76	164.74	83.04	14,321.65
Debt service fund		60,336.00								
Unreserved, reported in:										
Debt service fund									85.00	
Permanent fund									557.58	
Total all other governmental funds	\$ 6,358.79	\$ 2,704,269.37	\$ (818,806.94)	\$ 0.00	\$ 178,281.63	\$ 194,636.99	\$ 1,245,778.00	\$ 1,577,807.71	\$ 1,665.62	\$ 15,818.98

Source: ACFR Schedule B-1

TOWNSHIP OF WARREN SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Tax levy	\$ 41,193,378.00	\$ 41,193,378.00	\$ 40,178,034.00	\$ 39,579,035.00	\$ 39,300,340.00	\$ 39,550,671.00	\$ 39,077,596.00	\$ 38,350,290.00	\$ 37,640,056.00	\$ 37,180,589.00
Tuition charges	199,005.69	338,865.45	426,179.52	376,232.51	236,540.15	179,208.45	146,830.15	216,326.96	195,910.03	223,236.49
Transportation fees	54,824.40	47,650.62	74,182.25	49,138.14	29,052.75	39,361.33	42,179.32	106,857.35	107,511.00	97,851.28
Miscellaneous	263,217.17	507,215.63	467,330.50	264,963.09	157,792.50	190,132.33	168,037.60	173,295.54	546,257.58	182,914.70
State sources	13,494,904.64	9,274,410.78	8,807,150.66	7,744,855.20	6,835,882.54	6,648,404.30	7,053,342.60	5,379,767.10	5,984,810.01	4,748,690.90
Federal sources	606,187.05	506,324.59	525,802.00	530,218.00	512,363.00	545,022.62	489,857.00	483,445.00	515,452.00	603,002.06
Total revenue	\$ 55,811,516.95	\$ 51,867,845.03	\$ 50,478,678.93	\$ 48,544,441.94	\$ 47,071,940.94	\$ 47,152,800.03	\$ 46,977,842.67	\$ 44,709,981.95	\$ 44,989,986.62	\$ 43,036,284.43
Expenditures										
Instruction:										
Regular instruction	\$ 13,511,370.33	\$ 11,701,181.05	\$ 11,715,473.43	\$ 11,674,520.61	\$ 11,680,102.50	\$ 11,414,723.07	\$ 11,735,383.27	\$ 11,924,529.89	\$ 12,636,188.81	\$ 11,640,456.09
Special education instruction	4,111,604.16	5,079,585.64	4,445,931.19	4,233,960.44	3,997,664.09	4,752,477.10	4,491,500.02	4,325,819.94	4,941,210.47	4,536,407.61
Other instruction	692,622.49	1,709,903.46	2,057,636.49	2,020,500.34	1,870,023.39	1,828,255.20	1,696,838.12	1,541,614.83	1,565,741.46	1,224,850.29
Support Services:										
Tuition	905,996.40	1,269,639.48	1,426,305.20	1,489,569.37	1,842,198.36	1,901,470.86	1,727,420.25	1,383,725.46	1,064,518.11	841,081.12
Student and instruction related services	5,742,761.60	5,636,206.89	5,611,139.97	5,413,748.33	5,263,374.97	5,009,960.49	5,158,069.66	5,093,771.32	5,826,313.15	4,368,277.96
General administrative services	508,468.72	570,149.12	613,247.70	590,336.47	649,234.25	530,868.42	572,981.31	618,150.15	711,780.10	1,034,593.04
School administrative services	1,445,841.67	1,372,139.68	1,351,855.65	1,329,250.66	1,378,815.29	1,329,406.21	1,331,063.57	1,321,881.69	1,331,482.93	1,225,407.23
Central services	513,194.86	495,427.75	423,708.11	411,549.63	402,707.95	384,589.72	418,981.91	408,679.44	373,461.40	373,461.40
Administration information technology	237,375.60	243,515.54	234,589.75	235,892.72	121,480.80	171,721.80	112,695.90	118,376.32	177,314.26	2,954,059.93
Plant operations and maintenance	3,249,965.91	3,223,758.85	3,540,226.48	3,115,867.12	3,082,033.60	3,068,547.23	3,159,348.83	3,174,889.17	2,928,752.85	2,059,306.01
Student transportation services	1,815,362.87	1,796,763.56	2,089,337.98	2,007,048.78	2,046,019.97	2,159,181.24	2,300,507.24	2,321,568.26	2,205,064.56	8,968,350.57
Unallocated employee benefits	16,939,987.88	15,407,312.37	15,395,373.73	14,083,158.69	12,828,551.39	11,893,152.51	10,816,247.40	9,746,176.47	10,105,543.02	172,812.25
Special Schools										
Capital outlay	2,665,316.96	3,875,777.03	2,178,495.19	972,446.08	929,009.30	863,407.34	3,388,464.73	1,989,982.97	1,671,433.39	733,550.55
Debt service:										
Principal	6,446,000.00					755,000.00	765,000.00	775,000.00	780,000.00	790,000.00
Interest and other charges	160,703.00					28,690.00	57,760.00	87,045.33	116,766.61	146,785.56
Total expenditures	\$ 58,946,572.45	\$ 52,581,360.42	\$ 51,083,320.87	\$ 47,477,846.24	\$ 46,091,215.86	\$ 46,091,461.19	\$ 47,732,260.21	\$ 44,837,211.24	\$ 46,435,571.12	\$ 40,715,936.21
Excess (Deficiency) of revenues over (under) expenditures	\$ (3,135,055.50)	\$ (713,515.39)	\$ (604,641.94)	\$ 1,066,593.70	\$ 980,725.08	\$ 1,061,338.84	\$ (754,417.54)	\$ (445,574.50)	\$ (1,445,574.50)	\$ 2,320,346.22
Other Financing sources (uses)										
Debt Proceeds		6,446,000.00								
Premium on Sale of Debt		60,366.00								
Transfers in	4,919,434.72	60,336.00				845,040.40	1,416,661.00	1,671,096.00		
Transfers out	(4,919,434.72)	(60,336.00)				(845,040.40)	(1,416,661.00)	(1,671,096.00)		
Total other financing sources (uses)	\$ 0.00	\$ 6,506,366.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net change in fund balances	\$ (3,135,055.50)	\$ 5,792,850.61	\$ (604,641.94)	\$ 1,066,593.70	\$ 980,725.08	\$ 1,061,338.84	\$ (754,417.54)	\$ (445,574.50)	\$ (1,445,574.50)	\$ 2,320,346.22
Debt service as a percentage of noncapital expenditures	11.74%	0.00%	0.00%	0.00%	0.00%	1.73%	1.86%	2.01%	2.00%	2.34%

Source: ACFR Schedule B-2

TOWNSHIP OF WARREN SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Transportation</u> <u>Fees</u>	<u>Rentals</u>	<u>Other/</u> <u>Reimbursements</u>	<u>Total</u>
2021	\$ 199,005.69	\$ 24,415.87	\$ 54,824.40	\$ 800.00	\$ 238,001.30	\$ 517,047.26
2020	338,865.45	210,207.75	47,650.62	2,570.00	203,226.27	802,520.09
2019	426,179.52	185,382.64	74,182.25	1,635.00	211,084.55	898,463.96
2018	376,232.51	111,087.71	49,138.14	9,904.00	110,938.05	657,300.41
2017	236,540.15	19,952.17	29,052.75	7,770.00	95,552.27	388,867.34
2016	179,208.45	1,540.51	39,361.33	3,040.00	185,551.82	408,702.11
2015	146,830.15	5,251.33	42,179.32	2,800.00	106,287.44	303,348.24
2014	216,326.96	5,583.24	106,857.36	1,200.00	56,896.26	386,863.82
2013	112,499.23	4,899.78	99,033.55	1,200.00	408,164.64	625,797.20
2012	223,236.49	4,189.30	97,851.28	3,065.00	88,087.81	416,429.88

Source: District Records

TOWNSHIP OF WARREN SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Req.	Commercial	Industrial	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2021	\$ 44,711,200	\$ 3,920,049,000	\$ 29,742,900	\$ 548,229,400	\$ 46,361,500	\$ 4,589,094,000	\$ 5,943,052	\$ 4,595,037,052	\$ *	0.900
2020	46,034,300	3,856,539,200	30,206,000	560,121,700	45,112,500	4,538,013,700	5,757,639	4,543,771,339	4,583,104,417	0.907
2019	60,463,100	3,892,529,060	29,754,400	574,368,500	44,869,000	4,601,984,060	5,654,015	4,607,638,075	4,633,554,317	0.883
2018	61,169,000	3,891,435,990	30,811,000	608,208,900	44,399,000	4,636,023,890	5,616,235	4,641,640,125	4,613,989,883	0.859
2017	58,993,600	3,851,747,890	30,669,000	602,205,530	40,560,000	4,584,176,020	5,553,500	4,589,729,520	4,584,176,020	0.859
2016	60,040,000	3,776,295,660	30,311,300	593,589,400	40,268,100	4,500,504,460	5,615,916	4,506,120,376	4,550,293,358	0.875
2015	56,274,000	3,632,657,300	30,677,300	597,292,500	39,694,000	4,356,595,100	5,681,473	4,362,276,573	4,444,346,527	0.902
2014	61,316,700	3,471,066,700	28,120,500	633,883,600	39,665,800	4,234,053,300	5,568,016	4,239,621,316	4,293,722,216	0.914
2013	72,272,000	3,344,937,520	27,157,100	627,211,600	35,451,500	4,107,029,720	5,478,908	4,112,508,628	4,212,380,171	0.924
2012	82,894,100	3,222,571,800	26,641,500	634,342,600	35,303,600	4,001,753,600	5,764,382	4,007,517,982	4,138,746,096	0.944

Source: District records Tax list summary & Municipal Tax Assessor

* - Data Not Provided

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Township of Warren			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Warren	Regional School District	Somerset County	
2021	0.900	0.000	0.900	0.333	0.449	0.394	2.076
2020	0.907	0.000	0.907	0.323	0.441	0.399	2.070
2019	0.883	0.000	0.883	0.327	0.426	0.402	2.037
2018	0.859	0.000	0.859	0.313	0.421	0.394	1.987
2017	0.859	0.000	0.859	0.311	0.417	0.401	1.988
2016	0.863	0.012	0.875	0.318	0.412	0.404	2.009
2015	0.889	0.013	0.902	0.328	0.414	0.404	2.048
2014	0.900	0.014	0.914	0.319	0.404	0.400	2.037
2013	0.909	0.015	0.924	0.314	0.391	0.386	2.015
2012	0.908	0.016	0.924	0.296	0.395	0.376	1.991

Source: District Records and Municipal Tax Collector

(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

	2021				2012 (Not Available)			
	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Warren CC Acquisitions LLC	\$ 70,240,700	1	1.53%					
184 Property Owner LLC	47,083,000	2	1.02%					
GC Net Lease (Warren) Investors LLC	24,928,000	3	0.54%					
7 Powder Horn LLC	23,013,000	4	0.50%					
Somerset Associates	22,771,700	5	0.50%					
Brightview Warren LLC	18,500,000	6	0.40%					
Warren 2001 LLC	16,250,000	7	0.35%					
S/K Warren Associates LLC	13,000,000	8	0.28%					
HCRI NY-NJ Properties LLC	12,922,000	9	0.28%					
10 Independence Holding LLC	12,053,000	10	0.26%					
	<u>\$ 260,761,400</u>		<u>5.67%</u>		<u>\$ 0</u>			<u>0.00%</u>

Source: Municipal Tax Assessor

TOWNSHIP OF WARREN SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		Collections in <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2021	\$ 41,193,378	\$ 41,193,378	100.00%	-
2020	41,193,378	41,193,378	100.00%	-
2019	40,178,034	40,178,034	100.00%	-
2018	39,579,035	39,579,035	100.00%	-
2017	39,300,340	39,300,340	100.00%	-
2016	39,550,671	39,550,671	100.00%	-
2015	39,077,596	39,077,596	100.00%	-
2014	38,350,290	38,350,290	100.00%	-
2013	37,640,056	37,640,056	100.00%	-
2012	37,180,589	37,180,589	100.00%	-

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

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	General Obligation Bonds	Total District	Percentage of Personal Income (a)	Per Capita (a)
2021	\$ 0.00	\$ 0.00	----	\$ ----
2020	0.00	0.00	----	----
2019	0.00	0.00	----	----
2018	0.00	0.00	----	----
2017	0.00	0.00	----	----
2016	0.00	0.00	----	----
2015	755,000.00	755,000.00	0.05%	47.75
2014	1,520,000.00	1,520,000.00	0.12%	96.11
2013	2,295,000.00	2,295,000.00	0.19%	145.50
2012	3,075,000.00	3,075,000.00	0.26%	197.00

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

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

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value (a) of Property	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>		
2021	\$ 0.00		\$ 0.00	0.00%	\$ 0.00
2020	0.00		0.00	0.00%	0.00
2019	0.00		0.00	0.00%	0.00
2018	0.00		0.00	0.00%	0.00
2017	0.00		0.00	0.00%	0.00
2016	0.00		0.00	0.00%	0.00
2015	755,000.00		755,000.00	0.02%	47.75
2014	1,520,000.00		1,520,000.00	0.04%	96.11
2013	2,295,000.00		2,295,000.00	0.06%	145.50
2012	3,075,000.00		3,075,000.00	0.08%	197.00

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

(a) See Exhibit ACFR J-6 for property tax data.

(b) Population data can be found in Exhibit ACFR J-14.

TOWNSHIP OF WARREN SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Township of Warren	\$13,271,614.38	100.00%	\$13,271,614.38
Other debt			
Watchung Hills Regional High School	26,268,000.00	56.30%	14,788,884.00
Somerset County	228,271,942.76	7.60%	17,355,608.98
Subtotal, overlapping debt			<u>\$45,416,107.36</u>
Township of Warren School District Direct Debt			<u>0.00</u>
Total direct and overlapping debt			<u><u>\$45,416,107.36</u></u>

Source: Municipal Chief Financial Officer, County Treasurer's Office

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

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2021:

Equalized Valuation Basis

Calendar Year	2020	2019	2018	2017	2016	2015	2014	2013	2012
2020	\$4,513,640,044.00								
2019	4,593,256,872.00								
2018	4,640,200,070.00								
	<u>\$13,747,096,986.00</u>								

Average Equalized Valuation of Taxable Property
 Debt Limit (3% (a) of average equalization value)
 Total Net Debt Applicable to Limit
 Legal Debt Margin

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$137,470,969.86	\$138,011,891.26	\$137,827,392.88	\$137,228,513.50	\$136,647,083.66	\$133,918,073.97	\$130,181,110.54	\$127,558,921.01	\$127,960,114.41	\$131,159,339.00
Total Net Debt Applicable To Limit	0.00	6,446,000.00	0.00	0.00	0.00	0.00	755,000.00	1,520,000.00	2,295,000.00	3,075,000.00
Legal Debt Margin	\$137,470,969.86	\$131,565,891.26	\$137,228,513.50	\$136,647,083.66	\$133,918,073.97	\$129,426,110.54	\$126,038,921.01	\$125,665,114.41	\$128,084,339.00	\$134,137,097.00

Total Net Debt Applicable to the Limit as a % of Debt Limit	0.00%	4.67%	0.00%	0.00%	0.00%	0.58%	1.19%	1.79%	2.34%	2.80%
---	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
 (a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

TOWNSHIP OF WARREN SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d) Warren</u>
2021	15,635	\$ *	\$ *	6.90%
2020	15,673	*	*	2.60%
2019	15,723	1,728,209,268	109,916	2.90%
2018	15,736	1,654,813,496	105,161	3.30%
2017	15,805	1,567,682,145	99,189	3.60%
2016	15,745	145,704,230	9,254	3.90%
2015	15,810	1,398,347,070	88,447	4.50%
2014	15,816	1,319,513,064	83,429	5.30%
2013	15,773	1,237,407,623	78,451	4.40%
2012	15,609	1,173,110,004	75,156	4.20%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality estimated based upon the census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.
- (*) Data not available

TOWNSHIP OF WARREN SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND TEN YEARS AGO
 UNAUDITED

Employer	2021		2012	
	# of Employees	Rank (Optional)	# of Employees	Rank (Optional)
		Percentage of Total Employment		Percentage of Total Employment
	0	0.00%	0	0.00%

Source: Municipal Records - Data Not Available

TOWNSHIP OF WARREN SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	123.65	120.65	133.65	136.5	140.71	139.3	140.6	151.5	152.0	159.9
Special education	74.1	73.7	89.82	78.31	72.77	96.5	94	94.5	91.5	44.8
Other instruction	18	17	17.85	17	17.2	15.2	15	14.9	16.6	15.7
School sponsored/other instructional	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Support Services:										
Student and instruction related services	81.61	73.85	46	61.96	49.8	49.8	50.3	50.3	38.4	90.6
General administrative services	3.2	3.2	3.1	3.1	3.1	3.1	3	3.0	3.0	3.1
School administrative services	14	14	14	14	14	14	14	14.0	15.5	13.5
Central services	5.6	5.6	4.86	4.72	4.4	4.2	5.2	5.2	4.6	4.6
Administrative information technology	4.6	0.6	4.1	0.3	1	1	0.4	0.4	0.8	0.8
Plant operations and maintenance	44.45	42.1	42.83	43.95	42.9	43.9	47	47.0	45.6	49.0
Pupil transportation	21.55	19.2	21.92	20.63	21	17	16.5	16.5	14.5	14.5
Total	392.4	371.5	379.7	382.1	368.5	385.6	387.6	398.9	384.1	398.1

Source: District Personnel Records

TOWNSHIP OF WARREN SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio	Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2021	1,524	\$ 49,674,552.49	\$ 32,594.85	7.08%	230.5	6.6	1,525	1,486	-3.97%	97.44%
2020	1,600	48,705,583.39	30,440.99	4.07%	221.9	7.2	1,588	1,541	-5.92%	97.04%
2019	1,672	48,904,825.38	29,249.30	9.69%	242.1	6.9	1,688	1,614	-2.20%	95.62%
2018	1,744	46,505,402.16	26,665.94	18.43%	240	7.3	1,726	1,647	-2.12%	95.42%
2017	1,775	39,966,835.00	22,516.53	1.98%	242.5	7.3	1,763	1,695	-0.85%	96.10%
2016	1,804	39,830,455.00	22,078.97	0.84%	235.8	7.7	1,778	1,716	-3.03%	96.47%
2015	1,868	40,900,606.00	21,895.40	0.65%	234.6	8.0	1,834	1,767	-5.02%	96.35%
2014	1,930	41,983,685.00	21,753.20	3.32%	246	7.8	1,931	1,862	-4.12%	96.43%
2013	2,036	42,867,371.00	21,054.70	13.72%	244	8.4	2,014	1,936	-4.14%	96.13%
2012	2,109	39,046,099.00	18,514.03	----	218	9.7	2,101	2,029	----	96.57%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures per ACFR B-2 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).

TOWNSHIP OF WARREN SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>District Buildings</u>										
Elementary School(s):										
Angelo L. Tomaso School (1959)	57455	57455	57455	57455	57455	57455	57455	57,455	57,455	57,455
Square Feet	500	500	500	500	500	500	500	500	500	500
Capacity (students)	247	246	253	264	282	284	300	315	321	328
Enrollment										
Central School (1932)	62890	62890	62890	62890	62890	62890	62890	62,890	62,890	62,890
Square Feet	550	550	550	550	550	550	550	550	550	550
Capacity (students)	293	302	313	294	301	310	314	321	337	294
Enrollment										
Mt. Horeb School (1965)	61414	61414	61414	61414	61414	61414	61414	61,414	61,414	61,414
Square Feet	500	500	500	500	500	500	500	500	500	500
Capacity (students)	202	221	229	236	230	262	265	278	284	308
Enrollment										
Woodland School (1950)	61660	61660	61660	61660	61660	61660	61660	61,660	61,660	61,660
Square Feet	400	400	400	400	400	400	400	400	400	400
Capacity (students)	229	251	248	265	250	256	286	298	297	361
Enrollment										
Middle School(s):										
Warren Middle School (1976)	124087	124087	124087	124087	124087	124087	124087	124,087	124,087	124,087
Square Feet	900	900	900	900	900	900	900	900	900	900
Capacity (students)	543	565	629	666	689	663	674	718	775	801
Enrollment										
Other:										
Central Administration (2000)	4200	4200	4200	4200	4200	4200	4200	4,200	4,200	4,200
Square Feet										
Buildings & Grounds / Transportation (1950)	8766	8766	8766	8766	8766	8766	8766	8,766	8,766	8,766
Square Feet										
Number of Schools at June 30, 2021										
Elementary = 4										
Middle School = 1										

Source: District records

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

TOWNSHIP OF WARREN SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

	<u>Total</u>	Angelo Tomaso <u>Elementary School</u>	Central <u>Elementary School</u>	Mt. Horeb <u>Elementary School</u>	Woodland <u>Elementary School</u>	Warren <u>Middle School</u>
2021	\$ 603,713.23	\$ 94,383.07	\$ 103,311.31	\$ 100,886.64	\$ 101,290.75	\$ 203,841.47
2020	631,056.20	98,657.80	107,990.41	105,455.93	105,878.34	213,073.72
2019	727,724.83	113,770.74	124,532.97	121,610.24	122,097.36	245,713.51
2018	577,940.08	90,353.76	98,900.84	96,579.68	96,966.54	195,139.26
2017	649,837.11	101,593.96	111,204.32	108,594.41	109,029.39	219,415.02
2016	474,348.62	74,158.52	81,173.60	79,268.49	79,586.01	160,162.00
2015	589,454.77	214,729.79	86,743.85	80,922.92	81,570.62	125,487.59
2014	641,769.00	120,386.00	138,222.00	109,197.00	92,638.00	181,326.00
2013	488,459.00	79,313.00	101,208.00	89,970.00	95,325.00	122,643.00
2012	522,171.00	65,149.00	80,278.00	99,365.00	84,536.00	192,843.00
Total	\$ <u>5,302,760.61</u>	\$ <u>859,454.77</u>	\$ <u>822,263.58</u>	\$ <u>785,507.74</u>	\$ <u>761,748.93</u>	\$ <u>1,442,729.39</u>

Source: District records

**WARREN TOWNSHIP SCHOOL
TOWNSHIP OF WARREN**

**Insurance Schedule
As of June 30, 2021
Unaudited**

CARRIER	INSURANCE	COVERAGE	DEDUCTIBLE
SAIF	Blanket Building & Contents (Property)	\$ 500,000,000	
	General Liability	\$ 5,000,000	
	Commercial Crime Coverage	\$ 500,000	\$ 1,000
	Comprehensive Automobile Liability	\$ 5,000,000	
	Employee Benefits Liability	\$ 5,000,000	1,000
	Errors & Omissions	\$ 5,000,000	\$ 5,000
	Cyber Liability (ea occurrence/aggregate)	\$ 2,000,000	\$ 50,000
SAIF	Environmental	\$ 1,000,000	50,000
NJSIG	Workers Compensation	\$ 3,000,000	
NJSIG	Supplemental Workers Comp - Weekly Maximum	\$ 2,500	
Hudson/Allied/Evanston	Catastrophe Umbrella Liability	\$ 30,000,000	
U.S. Fire Insurance Co. National Union	Student Accident Insurance	\$ 7,500,000	
	Voluntary Student Accident	\$ 25,000	
Hanover/Selective	Surety Bond - Board Secretary/Business Administrator	\$ 105,000	
	Surety Bond - Treasurer of School Moneys	\$ 330,000	

Source: District records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Township of Warren School District
County of Somerset
Warren, New Jersey 07059

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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Warren School District (the "District") as of and for the 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 February 4, 2022.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Warren School District's internal control.

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2022



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Township of Warren School District
County of Somerset
Warren, New Jersey 07059

Report on Compliance for Each Major State Program

We have audited the Township of Warren School District's, County of Somerset, State of New Jersey compliance with the types of compliance requirements described in the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Warren School District's major state programs for the year ended June 30, 2021. The District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Warren School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and New Jersey *OMB 15-08*. Those standards and New Jersey *OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Warren School 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 state program. However, our audit does not provide a legal determination of the Township of Warren School District's compliance.

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major State Program

In our opinion, the Township of Warren School District, County of Somerset, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Township of Warren School 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 Township of Warren School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB 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 Township of Warren School 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 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 and 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 State of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2022

TOWNSHIP OF WARREN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2021		BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				DEFERRED REVENUE (ACCTS REC.)	DEFERRED REVENUE (ACCTS REC.)				DEFERRED REVENUE (ACCTS REC.)	DEFERRED REVENUE (ACCTS REC.)		
General Fund:												
State Aid Cluster:												
Special Education Categorical Aid	21-495-034-5120-089	\$ 1,317,723.00	7/1/20-6/30/21	\$	\$	1,189,486.00	(1,317,723.00)	128,237.00	\$	\$	128,237.00	\$ 1,317,723.00
Security Aid	21-495-034-5120-084	34,560.00	7/1/20-6/30/21			31,104.00	(34,560.00)	3,456.00			3,456.00	34,560.00
				\$	\$	1,220,590.00	(1,352,283.00)	131,693.00	\$	\$	131,693.00	1,352,283.00
Other-General Fund:												
Extraordinary Special Education Costs Aid	21-495-034-5120-044	955,470.00	7/1/20-6/30/21	\$	\$	348,852.00	(955,470.00)	38,778.00	\$	\$	955,470.00	955,470.00
Transportation Aid	21-495-034-5120-014	387,630.00	7/1/20-6/30/21				(387,630.00)				38,778.00	387,630.00
Nonpublic School Transportation Costs Aid	Not Available	32,770.00	7/1/20-6/30/21				(32,770.00)				32,770.00	32,770.00
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	1,456,271.64	7/1/20-6/30/21			1,456,271.64	(1,456,271.64)					1,456,271.64
On-behalf TPAF long-term disability insurance	Not Available	2,273.00	7/1/20-6/30/21			2,273.00	(2,273.00)					2,273.00
On-behalf TPAF pension contributions	21-495-034-5094-002	5,398,517.00	7/1/20-6/30/21			5,398,517.00	(5,398,517.00)					5,398,517.00
On-behalf TPAF post retirement medical	21-495-034-5094-001	1,691,811.00	7/1/20-6/30/21			8,897,724.64	(1,691,811.00)	38,778.00			1,027,018.00	1,691,811.00
				\$	\$	8,897,724.64	(9,924,742.64)	38,778.00	\$	\$	1,027,018.00	9,924,742.64
Debt Service Fund:												
Debt Service Aid	21-495-034-5120-075	2,225,765.00	7/1/20-6/30/21			2,225,765.00	(2,225,765.00)					2,225,765.00
				\$	\$	2,225,765.00	(2,225,765.00)					2,225,765.00
				\$	\$	12,344,079.64	(13,502,790.64)	170,471.00	\$	\$	1,158,711.00	13,502,790.64

Total state financial assistance subject to single audit

Less: On-behalf amounts not utilized for determination of major programs:
 On-behalf TPAF long-term disability insurance 2,273.00
 On-behalf TPAF pension contributions 5,398,517.00
 On-behalf TPAF post retirement medical (6,410,189.64)

See accompanying notes to schedules of financial assistance.

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2020 (ACCOUNTS RECEIVABLE)	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2021 (ACCOUNTS RECEIVABLE)
U.S. Department of Education										
Passed-through State Department of Education:										
N.C.L.B. Cluster:										
Title I - Part A	84-010	S010A190030	NCLB547021	7/1/20-9/30/21	\$ 62,332.00	\$	\$ 51,000.00	\$ (60,350.00)	\$	\$ (9,350.00)
Title II - Part A	84-367	S367A190029	NCLB547021	7/1/20-9/30/21	24,122.00		9,500.00	(23,900.00)		(14,400.00)
Title III	84-365	S365A190030	NCLB547021	7/1/20-9/30/21	3,479.00		2,150.00	(3,047.00)		(897.00)
Title IV	84-424	S424A190031	NCLB547021	7/1/20-9/30/21	16,725.00		7,980.17	(7,980.17)		
Total N.C.L.B. Cluster						\$	\$ 70,630.17	\$ (95,277.17)	\$	\$ (24,647.00)
I.D.E.A. Special Education Cluster:										
I.D.E.A. Part B - Basic	84-027	H027A190100	IDEA547021	7/1/20-9/30/21	418,153.00		418,153.00	(418,153.00)		
I.D.E.A. Part B - Preschool	84-173	H173A190114	IDEA547021	7/1/20-9/30/21	16,198.00		13,769.00	(16,198.00)		(2,429.00)
Total I.D.E.A. Special Education Cluster							\$ 431,922.00	\$ (434,351.00)		\$ (2,429.00)
Total U.S. Department of Education										
CARES Act	84-425D	S425D200027			4,776.88	\$	\$ 4,776.88	\$ (4,776.88)	\$	\$
ESSER	84-425D	S425D200027			40,751.00		40,751.00	(40,751.00)		
CRF Grant	21-019				39,431.00		39,431.00	(39,431.00)		
Total Federal Financial Assistance						\$	\$ 84,958.88	\$ (84,958.88)	\$	\$
						\$	\$ 587,511.05	\$ (614,587.05)	\$	\$ (27,076.00)

See accompanying notes to schedules of financial assistance.

Township of Warren School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2021

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Township of Warren School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2021

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,886.00) for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$11,269,139.64	\$11,269,139.64
Special Revenue Fund	\$606,187.05		606,187.05
Debt Service Fund		2,225,765.00	2,225,765.00
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$606,187.05</u>	<u>\$13,494,904.64</u>	<u>\$14,101,091.69</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

The amount reported as TPAF pension contributions, post-retirement medical benefits, and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2021.

Township of Warren School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s) – Not Applicable

State Program(s)

- | | | |
|-----|---|------------|
| (1) | Internal Control Over Major State Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major state program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? | No |

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Debt Service Aid	495-034-5120-075
Extraordinary Special Education Costs Aid	495-034-5120-044

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A State Program Threshold > \$750,000.00
Type B State Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under New Jersey OMB Circular 15-08? | Yes |

Township of Warren School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Township of Warren School District
Schedule of Prior Year Audit Findings

Not Applicable

