

**NORTH WARREN
REGIONAL SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2022**

Annual Comprehensive

Financial Report

of the

North Warren Regional School District

Board of Education

Blairstown, New Jersey

For the Fiscal Year Ending June 30, 2022

Prepared by

North Warren Regional School District

Board of Education

Finance Department

OUTLINE OF ACFR

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

FINANCIAL SECTION

Independent Auditor's Report	7-9
Required Supplementary Information – Part I Management’s Discussion and Analysis	11-18

Basic Financial Statements

A. District-Wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

Notes to the Financial Statements	31-59
--	-------

Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	62-71
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	72
Notes to Required Supplementary Information-Part II	
C-3 Budget-to-GAAP Reconciliation	73

OUTLINE OF ACFR

Required Supplementary Information – Part III	<u>Page</u>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L- Schedule of the District's Proportionate Share of the Net Pension Liability	74
L-2 Schedule of District Contributions	75
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	76
Notes to Required Supplementary Information - Part III	77
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
D-4 Schedule of DEOA Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	80
E-2 Demonstrably Effective Program Aid Schedule of Expenditures- Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures-Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures-Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures-Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues and Expenditures	N/A
F-2a Schedule of Project Revenues and Expenditures-Detail	N/A
G. Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Position	See B-4
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3 Combining Statement of Cash Flows	See B-6
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

OUTLINE OF ACFR

Other Supplementary Information-(Continued)		<u>Page</u>
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
I.	Long-Term Debt:	
I-2	Schedule of Obligations Under Capital Leases	85
I-3	Budgetary Comparison Schedule Debt Service Fund	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1	Net Position by Component	87
J-2	Changes in Net Position	88-89
J-3	Fund Balances - Governmental Funds	90
J-4	Changes in Fund Balances - Governmental Funds	91
J-5	General Fund Other Local Revenue by Source	92

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	93-96
J-7	Direct and Overlapping Property Tax Rates	97-100
J-8	Principal Property Taxpayers	101-104
J-9	Property Tax Levies and Collections	105

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	106
J-11	Ratios of General Bonded Debt Outstanding	107-110
J-12	Direct and Overlapping Governmental Activities Debt	111
J-13	Legal Debt Margin Information	112

Demographic and Economic Information

J-14	Demographic and Economic Statistics	113
J-15	Principal Employers	114

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	115
J-17	Operating Statistics	116
J-18	School Building Information	117
J-19	Schedule of Required Maintenance Expenditures by School Facility	118
J-20	Insurance Schedule	119

OUTLINE OF ACFR

SINGLE AUDIT SECTION		<u>Page</u>
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	121-122
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by <i>Uniform Guidance</i> and <i>New Jersey OMB's circular 15-08</i>	123-125
K-3	Schedule of Expenditures of Federal Awards, Schedule A	126
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	127
K-5	Notes to the Schedules of Awards and Financial Assistance	128-129
K-6	Schedule of Findings and Questioned Costs	130-132
K-7	Summary Schedule of Prior Audit Findings	133

Introductory Section



NORTH WARREN REGIONAL SCHOOL DISTRICT

Jennifer Kerr, School Business Administrator
E-mail: jkerr@northwarren.org

P.O. Box 410, 10 Noe Road, Blairstown, NJ 07825
Phone: 908-362-8211 Ext. 1205

January 26, 2023

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

Dear Board Members:

Each year, the District must submit a report entitled the Comprehensive Annual Financial Report (CAFR) reflecting the financial status of the entity as of June 30, 2022. This report is a synopsis of the fiscal soundness of the North Warren Regional School District. The Comprehensive Annual Financial Report is presented in four sections:

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

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

The Comprehensive Annual Financial Report (CAFR) of the North Warren Regional School District for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the North Warren Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities are included.

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

1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational and extra-curricular activities and programs for students in grades seven through twelve. These programs and activities are designed for both regular education students as well as special education students. As of October 15, 2021, the District had a total enrollment of 665.

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

FISCAL YEAR	STUDENT ENROLLMENT	PERCENT CHANGE
2011-2012	1031	-5.0%
2012-2013	1029	-1.9%
2013-2014	992	-3.5%
2014-2015	946	-4.6%
2015-2016	925	-2.2%
2016-2017	911	-1.5%
2017-2018	848	-6.9%
2018-2019	826	-2.6%
2019-2020	767	-7.1%
2020-2021	709	-7.6%
2021-2022	665	-6.2%

2. ECONOMIC CONDITION AND OUTLOOK

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

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

REVENUES				
SOURCE	AMOUNT	PERCENT OF TOTAL	+/- AMOUNT	+/- PERCENT
Local	13,306,637	65.23%	273,569	2.10%
State	6,566,442	32.19%	(449,114)	(6.40%)
Federal	525,194	2.57%	243,416	86.39%
TOTAL	20,398,273	100.00%	67,871	0.33%

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

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

EXPENDITURES				
CLASSIFICATION	AMOUNT	PERCENT OF TOTAL	+/- AMOUNT	+/- PERCENT
Current Expense: Instruction	5,886,578	29.73%	71,077	1.22%
Undistributed	11,243,803	56.78%	412,666	3.81%
SUBTOTAL	17,130,381	86.51%	483,743	2.91%
Capital Outlay	1,995,405	10.08%	1,918,488	2494.23
Capital Projects				
Debt Service				
Special Revenue	675,954	3.41%	345,300	104.43%
TOTAL	19,801,740	100.00%	2,747,531	16.11%

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

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

3. MAJOR INITIATIVES

North Warren Regional School District prides itself on its focus on student achievement. During the 2021-2022 school year, North Warren Regional followed through on the District and School goals with a focus on data driven instruction.

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

The school continues outreach programs to the community. Students invite our local senior citizens to attend events throughout the school year. Students cater these events and create performances for the senior citizens. The District also engaged in a process called Portrait of A Graduate (Patriot) that solicited input from parents, community, business owners, staff, and students to help guide the district to develop programs around necessary skills for the 21st century.

In addition to these endeavors, North Warren Regional continues to boast over 75% student participation in extra and co-curricular activities and athletics. Additionally, North Warren Regional was named US News & World Reports top-ranked high school in Warren County for the 2021-2022 school year, and has held this honor now for multiple years.

4. INTERNAL ACCOUNTING CONTROLS

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

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

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

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. DEBT ADMINISTRATION

As of June 30, 2022, the District does not have any outstanding debt issues. The District still maintains payments for multiple lease purchase agreements that addressed improvements to the facility, specifically, updating computer and technology needs.

8. CASH MANAGEMENT

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

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

9. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION

Independent Audit

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

11. ACKNOWLEDGMENTS

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

Respectfully submitted,

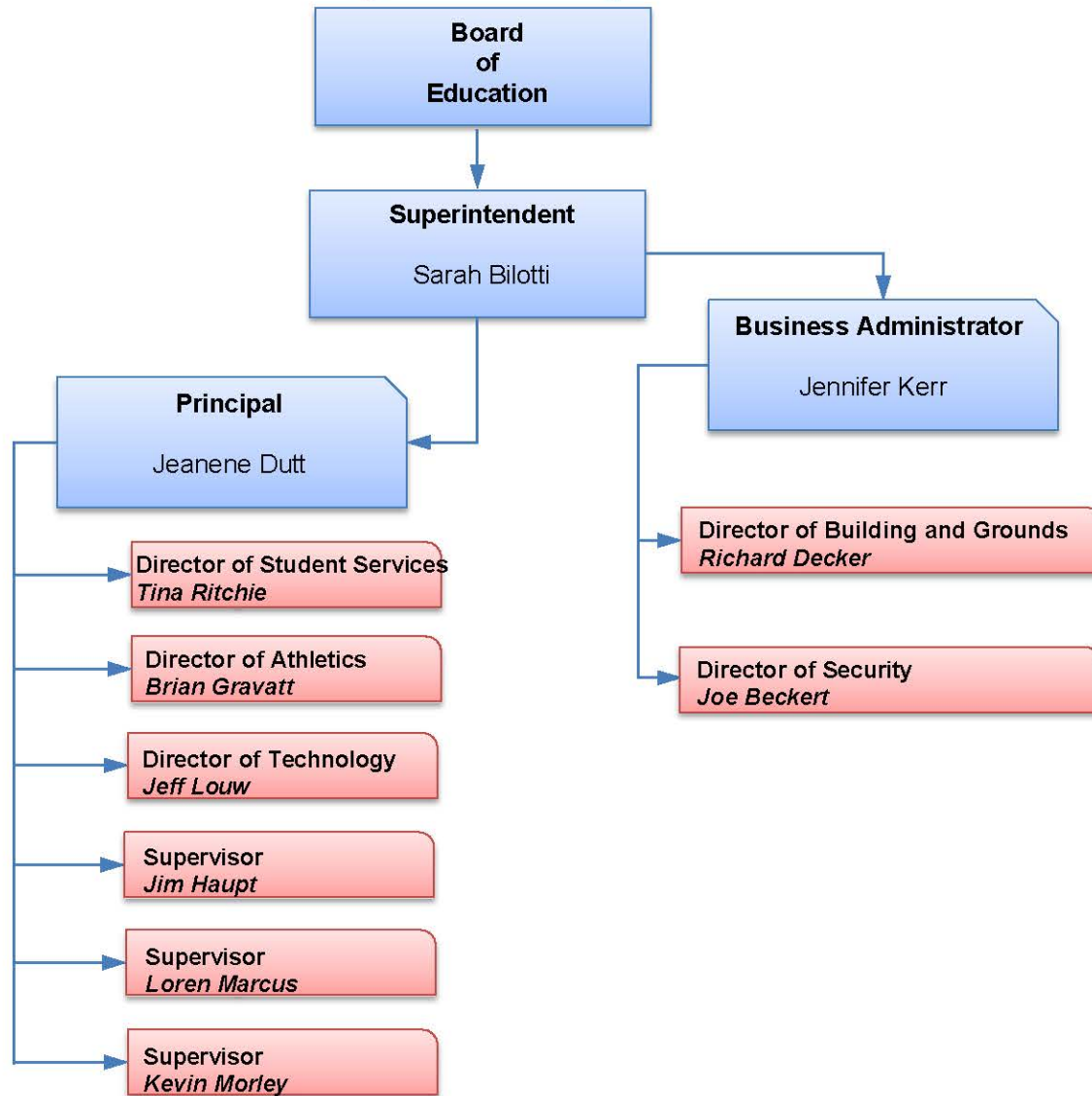


Dr. Jeanene Dutt
Superintendent



Jennifer Kerr
Business Administrator

North Warren Regional Organizational Chart



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

ROSTER OF OFFICIALS

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Tracy Albertson, President	2022
Taylor Casey	2024
Mary Ann Boyd	2024
Dwayne Leverett	2024
Kevin B. Brennan	2022
Christopher Mulch	2022
Danielle Reay	2023
Jessica Wood-Rosso	2022
John Nause	2023

Other Officials

Sarah Bilotti, Superintendent

Jennifer Kerr, Board Secretary/School Business Administrator

Randy Wilson, Treasurer

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

CONSULTANTS AND ADVISORS

ARCHITECT

HQW Architects LLC
124 Main Street
Newton, New Jersey 07860

AUDIT FIRM

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825

ATTORNEY

Comegno Law Group P.C.
Tall Oaks Corp. Ctr. 11
Maple Shade, New Jersey 08052

OFFICIAL DEPOSITORIES

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

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Warren Regional School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

-Continued-

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Warren Regional School District Board of Education's basic financial statements. The combining and individual non-

major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, long-term debt schedules, 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

The discussion and analysis of North Warren Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ◆ In total, Net Position increased \$2,429,665 which represents a 28.8% increase from 2021.
- ◆ General revenues accounted for \$13,150,826 in revenue or 65.6% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,902,692 or 34.4% of total revenues of \$20,053,518.
- ◆ Total assets of governmental activities increased by \$4,097,682, as cash and cash equivalents decreased by \$630,457, receivables increased by \$3,439,150, and capital assets increased by \$1,214,284.
- ◆ The School District had \$17,623,853 in expenses; only \$6,902,692 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,150,826 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$19,738,710 in revenues and \$19,125,786 in expenditures. The General Fund's surplus balance increased \$612,924 over 2021, which compares favorably to the budgeted decrease of \$00.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2022?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District’s Net Position for 2022 compared to 2021.

**Table 1
Net Position**

	<u>2022</u>	<u>2021</u>
Assets		
Current and Other Assets	\$ 8,701,718	\$ 5,818,320
Capital Assets	<u>8,175,826</u>	<u>6,961,542</u>
Total Assets	<u>16,877,544</u>	<u>12,779,862</u>
 Deferred Outflows of Resources	 <u>276,850</u>	 <u>538,878</u>
 Liabilities		
Long-Term Liabilities	93,219	186,981
Other Liabilities	<u>4,901,607</u>	<u>3,464,043</u>
Total Liabilities	<u>4,994,826</u>	<u>3,651,024</u>
 Deferred Inflows of Resources	 <u>1,283,048</u>	 <u>1,220,861</u>
 Net Position		
Invested in Capital Assets, Net of Debt	8,170,247	6,934,284
Restricted	4,697,880	4,229,903
Unrestricted	<u>(1,991,607)</u>	<u>(2,717,332)</u>
Total Net Position	<u>\$ 10,876,520</u>	<u>\$ 8,446,855</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Total assets of governmental activities increased by \$4,097,682, as cash and cash equivalents decreased by \$630,457, receivables increased by \$3,439,150, and capital assets increased by \$1,214,284.

The cash decrease was due to the roof project spending. Receivables increase due to collection of covid federal grants in the subsequent year the collection of the prior year tax levy final installment in July. Capital Assets increased due to capital improvements on the roof, net of depreciations expense.

Table 2 shows the changes in Net Position from fiscal year 2021.

Table 2
Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 218,246	\$ 27,145
Operating Grants and Contributions	6,684,446	9,532,036
General Revenues:		
Property Taxes	13,117,699	12,860,489
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	18,458	10,339
Other	<u>14,669</u>	<u>135,465</u>
Total Revenues	<u>20,053,518</u>	<u>22,565,474</u>
Program Expenses		
Instruction	9,216,825	10,574,779
Support Services:		
Pupils and Instructional Staff	3,006,466	3,496,574
General Administration, School Administration, Business	1,629,776	2,311,182
Operations and Maintenance of Facilities	1,804,039	1,967,462
Pupil Transportation	1,014,742	797,399
Business-Type Activities	325,642	68,622
Interest and Fiscal Charges	<u>626,363</u>	<u>466,235</u>
Total Expenses	<u>17,623,853</u>	<u>19,682,253</u>
Increase in Net Position	<u>\$ 2,429,665</u>	<u>\$ 2,883,221</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 65.4% percent of revenues for governmental activities for the North Warren Regional School District for the fiscal year 2022.

Instruction comprises 52.3% of district expenses. Support services expenses make up 42.3% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction	\$ 9,216,825	\$ 5,707,675	\$ 10,574,779	\$ 5,298,268
Support Services:				
Pupils and Instructional Staff	3,006,466	1,560,499	3,496,574	1,699,525
General Admin., School Admin., Business	1,629,776	1,057,034	2,311,182	1,200,051
Operation and Maintenance of Facilities	1,804,039	1,170,057	1,967,462	1,021,579
Pupil Transportation	1,014,742	658,138	797,399	414,039
Business-Type Activities	325,642	(58,605)	68,622	23,375
Interest and Fiscal Charges	<u>626,363</u>	<u>626,363</u>	<u>466,235</u>	<u>466,235</u>
Total Expenses	<u>\$ 17,623,853</u>	<u>\$ 10,721,161</u>	<u>\$ 19,682,253</u>	<u>\$ 10,123,072</u>

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

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

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

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

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

The dependence upon tax revenues is apparent. Over 61.9% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 59.6%. The community, as a whole, is the primary support for the North Warren Regional School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$20,398,273 and expenditures of \$19,801,740. The General Fund's surplus balance increased \$612,924 over 2021, which compares favorably to the budgeted decrease of \$00.

General Fund Budgeting Highlights

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

During the course of the fiscal 2022 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$16,149,198, \$257,762 over original budgeted estimates of \$15,891,436. This difference was due primarily to an increase in extraordinary aid and miscellaneous revenues over budgeted amounts.

General fund revenues exceeded expenditures by \$540,778. Again this surplus compares to a budgeted deficit of \$00. The budgeted deficit was reduced due to under spending of the operating budget in the areas of Instruction, Related Service, Plant Maintenance, Transportation, and Benefits.

Overall general fund balance (budget basis) was \$5,500,373, and amounts ear-marked and reserved for future purposes were \$4,637,843, creating a surplus in unreserved fund balance of \$862,530. This is the maximum unreserved amount allowed by law. Management believes the district can maintain unreserved fund balances at or near the statutory maximum level.

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Capital Assets

At the end of the fiscal year 2022, the School District had \$8,168,981 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2022 balances compared to 2021.

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

	<u>2022</u>	<u>2021</u>
Land	\$ 435,000	\$ 435,000
Land Improvements	191,503	227,803
Buildings and Improvements	3,840,430	4,470,636
Machinery and Equipment	<u>3,702,048</u>	<u>1,808,025</u>
Totals	<u>\$ 8,168,981</u>	<u>\$ 6,941,464</u>

Overall capital assets increased \$1,227,517 from fiscal year 2021 to fiscal year 2022.

\$2,009,154 in Capital improvements were purchased during fiscal year 2022 and consisted of roof improvements.

Debt Administration

At June 30, 2022, the School District had \$98,798 as outstanding long term debt. Of this amount, \$93,219 is for compensated absences, and \$5,579 is for capital lease obligations.

At June 30, 2022, the School District's overall legal debt margin was \$47,116,067 and the unvoted debt margin was the same.

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

For the Future

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

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

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

Contacting the School District's Financial Management

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

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 1,050,707	\$ 29,276	\$ 1,079,983
Receivables, Net	3,655,614	57,083	3,712,697
Interfund Receivable		80,626	80,626
Inventory		5,594	5,594
Restricted Assets:			
Capital Reserve Account - Cash	3,566,875		3,566,875
Emergency Reserve Account - Cash	250,000		250,000
Maintenance Reserve Account - Cash	5,943		5,943
Capital Assets, Net (Note 5)	8,168,981	6,845	8,175,826
Total Assets	16,698,120	179,424	16,877,544
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	276,850		276,850
LIABILITIES			
Accounts Payable	2,103,430	52,260	2,155,690
Payroll Deductions and Withholdings Payable	375,250		375,250
Unemployment Claims Payable	913		913
Interfund Payable	80,626		80,626
Net Pension Liability (Note 7)	1,599,877		1,599,877
Unearned Revenue	680,943	2,729	683,672
Noncurrent Liabilities (Note 6):			
Due Within One Year	5,579		5,579
Due Beyond One Year	93,219		93,219
Total Liabilities	4,939,837	54,989	4,994,826
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	1,283,048		1,283,048
NET POSITION			
Invested in Capital Assets, Net of Related Debt	8,163,402	6,845	8,170,247
Restricted for:			
Other Purposes	4,697,880		4,697,880
Unrestricted	(2,109,197)	117,590	(1,991,607)
Total Net Position	\$ 10,752,085	\$ 124,435	\$ 10,876,520

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES
Functions/Programs							
Governmental Activities:							
Instruction:							
Regular	\$ 6,298,753		\$ 2,483,671		\$ (3,815,082)	\$ (3,815,082)	
Special Education	1,689,238		593,638		(1,095,600)	(1,095,600)	
Other Special Instruction	208,890		73,409		(135,481)	(135,481)	
Other Instruction	1,019,944		358,432		(661,512)	(661,512)	
Support Services:							
Tuition	334,396		117,515		(216,881)	(216,881)	
Student & Instruction Related Serv.	2,672,070	\$ 155,844	1,172,608		(1,343,618)	(1,343,618)	
School Administrative Services	549,653		193,161		(356,492)	(356,492)	
General and Business Admin. Serv.	1,080,123		379,581		(700,542)	(700,542)	
Plant Operations and Maintenance	1,804,039		633,982		(1,170,057)	(1,170,057)	
Pupil Transportation	1,014,742		356,604		(658,138)	(658,138)	
Unallocated Depreciation and Other Fiscal Charges	626,363				(626,363)	(626,363)	
Total Governmental Activities	17,298,211	155,844	6,362,601		(10,779,766)	(10,779,766)	
Business-Type Activities:							
Food Service	325,642	62,402	321,845		\$ 58,605	58,605	
Total Business-Type Activities	325,642	62,402	321,845		58,605	58,605	
Total Primary Government	\$ 17,623,853	\$ 218,246	\$ 6,684,446		\$ (10,779,766)	\$ 58,605	\$ (10,721,161)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes,Net				\$ 13,117,699		\$ 13,117,699	
Investment Earnings				18,458		18,458	
Miscellaneous Income				14,636	\$ 33	14,669	
Transfers				-	-	-	
Total General Revenues, Special Items, Extraordinary Items and Transfers				13,150,793	33	13,150,826	
Change in Net Position				2,371,027	58,638	2,429,665	
Net Position—Beginning				8,381,058	65,797	8,446,855	
Prior Period Adjustment						-	
Net Position—Beginning (As Restated)				8,381,058	65,797	8,446,855	
Net Position—Ending				\$ 10,752,085	\$ 124,435	\$ 10,876,520	

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2022

	<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			
Cash and Cash Equivalents	\$ 4,813,488	\$ 60,037	\$ 4,873,525
Receivables from Other Governments	335,142	1,184,662	1,519,804
Other Receivables	2,135,810		2,135,810
Interfund Receivables	466,735		466,735
TOTAL ASSETS	\$ 7,751,175	\$ 1,244,699	\$ 8,995,874
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,066,446	\$ 36,984	\$ 2,103,430
Payroll Deductions and Withholdings Payable	375,250		375,250
Unemployment Compensation Claims Payable	913		913
Interfund Payable	80,626	466,735	547,361
Deferred Revenue		680,943	680,943
Total Liabilities	2,523,235	1,184,662	3,707,897
Fund Balances:			
<u>Restricted for:</u>			
Maintenance Reserve	5,943		5,943
Capital Reserve Account	3,566,875		3,566,875
Emergency Reserve	250,000		250,000
Unemployment Compensation	399,188		399,188
Student Activities		60,037	60,037
<u>Assigned to:</u>			
General Fund - Designated for Subsequent Year's Expenditures	415,837		415,837
<u>Unassigned:</u>			
General Fund	590,097		590,097
Total Fund Balances	5,227,940	60,037	5,287,977
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,751,175	\$ 1,244,699	\$ 8,995,874

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,248,836 and the accumulated depreciation is \$11,079,855.

\$ 8,168,981

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note

276,850

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)

(1,283,048)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(1,599,877)

Long-term liabilities, including capital lease obligations payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)

(98,798)

Net Position of governmental activities (Exhibit A-1)

\$ 10,752,085

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2022

Exhibit B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 13,117,699		\$ 13,117,699
Miscellaneous	33,094	\$ 155,844	188,938
Total - Local Sources	13,150,793	155,844	13,306,637
State Sources	6,566,442		6,566,442
Federal Sources	21,475	503,719	525,194
Total Revenues	19,738,710	659,563	20,398,273
EXPENDITURES			
Current:			
Regular Instruction	3,857,242	425,226	4,282,468
Special Education Instruction	1,174,759		1,174,759
Other Special Instruction	145,270		145,270
Other Instruction	709,307		709,307
Support services and undistributed costs:			
Tuition	334,396		334,396
Student and Instruction Related Services	1,624,678	233,579	1,858,257
School Administrative Services	382,249		382,249
Other Administrative Services	743,270		743,270
Plant Operations and Maintenance	1,244,127		1,244,127
Pupil Transportation	994,022		994,022
Unallocated Benefits	5,814,655		5,814,655
Transfer to Charter School	106,406		106,406
Capital Outlay	1,995,405	17,149	2,012,554
Total Expenditures	19,125,786	675,954	19,801,740
Excess (Deficiency) of Revenues Over Expend.	612,924	(16,391)	596,533
Net Change in Fund Balances	612,924	(16,391)	596,533
Fund Balance—July 1	4,615,016	76,428	4,691,444
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	4,615,016	76,428	4,691,444
Fund Balance—June 30	\$ 5,227,940	\$ 60,037	\$ 5,287,977

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 596,533**

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

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

	Depreciation Expense	\$ (781,637)	
Capital Outlays, Net of Capital Lease Obligations	2,009,154		1,227,517

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

437,115

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.

21,679

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

88,183

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,371,027**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 29,276	\$ 29,276
Accounts Receivable	57,083	57,083
Interfund Accounts Receivable	80,626	80,626
Inventories	<u>5,594</u>	<u>5,594</u>
Total Current Assets	<u>172,579</u>	<u>172,579</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	147,389	147,389
Less Accumulated Depreciation	<u>(140,544)</u>	<u>(140,544)</u>
Total Noncurrent Assets	<u>6,845</u>	<u>6,845</u>
	<u>Total Assets</u>	<u>179,424</u>
LIABILITIES		
Current liabilities:		
Accounts Payable	52,260	52,260
Deferred Revenue	<u>2,729</u>	<u>2,729</u>
Total Current Liabilities	<u>54,989</u>	<u>54,989</u>
	<u>Total Liabilities</u>	<u>54,989</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt	6,845	6,845
Unrestricted	<u>117,590</u>	<u>117,590</u>
Total Net Position	<u>\$ 124,435</u>	<u>\$ 124,435</u>

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-5

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable	\$ 62,402	\$ 62,402
Daily Sales - Non-Reimbursable Programs	-	-
Miscellaneous Income	33	33
Total Operating Revenues	<u>62,435</u>	<u>62,435</u>
 Operating Expenses:		
Cost of Sales - Reimbursable Programs	144,968	144,968
Cost of Sales - Non-reimbursable Programs	-	-
Salaries	101,419	101,419
Employee Benefits	29,677	29,677
Purchased Property Service	11,330	11,330
Cleaning, Repair and Maintenance Services	19,879	19,879
General Supplies	5,136	5,136
Depreciation	<u>13,233</u>	<u>13,233</u>
Total Operating Expenses	<u>325,642</u>	<u>325,642</u>
 Operating Income (Loss)	<u>(263,207)</u>	<u>(263,207)</u>
 Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	6,999	6,999
Federal Sources:		
National School Lunch Program	303,207	303,207
P-EBT Administrative Cost Reimbursement	1,242	1,242
Food Distribution Program	<u>10,397</u>	<u>10,397</u>
Total Nonoperating Revenues (Expenses)	<u>321,845</u>	<u>321,845</u>
 Income (Loss) Before Contributions and Transfers	58,638	58,638
 Transfers In (Out)	<u>-</u>	<u>-</u>
Change in Net Position	58,638	58,638
 Total Net Position—Beginning	<u>65,797</u>	<u>65,797</u>
 Total Net Position—Ending	<u>\$ 124,435</u>	<u>\$ 124,435</u>

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 62,402	\$ 62,402
Payments to Employees	(101,419)	(101,419)
Payments for Employee Benefits	(29,677)	(29,677)
Payments to Suppliers	<u>(117,211)</u>	<u>(117,211)</u>
Net Cash Provided by (used for) Operating Activities	<u>(185,905)</u>	<u>(185,905)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	5,743	5,743
Federal Sources	250,883	250,883
Operating Subsidies and Transfers from Other Funds	<u>(80,626)</u>	<u>(80,626)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>176,000</u>	<u>176,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,905)	(9,905)
Balances—Beginning of Year	<u>39,181</u>	<u>39,181</u>
Balances—End of Year	<u>\$ 29,276</u>	<u>\$ 29,276</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (263,207)	\$ (263,207)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided		
by (used for) Operating Activities:		
Depreciation and Net Amortization	13,233	13,233
Federal Commodities	10,397	10,397
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	5,921	5,921
Increase (Decrease) in Accounts Payable	<u>47,751</u>	<u>47,751</u>
Total Adjustments	<u>77,302</u>	<u>77,302</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (185,905)</u>	<u>\$ (185,905)</u>

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

Notes to Financial Statements

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2021.

A. Reporting Entity:

The North Warren Regional School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 7-12. The North Warren Regional School District had an approximate enrollment at June 30, 2022, of 665 students.

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

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

Basis of Accounting

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

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

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

D. Encumbrance Accounting:

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

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

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

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2022, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>
Checking	<u>\$ 4,902,801</u> <u>\$ 4,902,801</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$4,902,801 and the bank balance was \$7,718,644. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$7,468,644 was covered by collateral pool.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3: RECEIVABLES

Receivables at June 30, 2022, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 356,358	\$ 357,642
Federal Aid	1,163,446	1,219,245
Gross Receivable	<u>1,519,804</u>	<u>1,576,887</u>
Tax Levies - Constituent Townships	2,128,199	2,128,199
Other Local Receivables	7,611	7,611
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 3,655,614</u>	<u>\$ 3,712,697</u>

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2022, consisted of the following:

Food	<u>\$ 5,594</u>
------	-----------------

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

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 435,000			\$ 435,000
Total Capital Assets Not Being Depreciated	<u>435,000</u>			<u>435,000</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	839,404			839,404
Buildings and Building Improvements	12,454,700			12,454,700
Machinery and Equipment	3,510,578	\$ 2,009,154		5,519,732
Total at Historical Cost	<u>16,804,682</u>	<u>2,009,154</u>		<u>18,813,836</u>
Less Accumulated Depreciation for:				
Land Improvements	(611,601)	(36,300)		(647,901)
Building and Improvements	(7,984,064)	(630,206)		(8,614,270)
Equipment	(1,702,553)	(115,131)		(1,817,684)
Total Accumulated Depreciation	<u>(10,298,218)</u>	<u>(781,637)</u>		<u>(11,079,855)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>6,506,464</u>	<u>1,227,517</u>		<u>7,733,981</u>
Government Activity Capital Assets, Net	<u>\$ 6,941,464</u>	<u>\$ 1,227,517</u>		<u>\$ 8,168,981</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 5: CAPITAL ASSETS - (Continued)

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 119,597
Administrative	7,888
Transportation	10,469
Operations/Maintenance	20,720
Unallocated	622,963
Total	<u>\$ 781,637</u>

NOTE 6: LONG-TERM OBLIGATIONS

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Balance <u>7/1/21</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/22</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Capital Lease Obligations	\$ 27,258		\$ (21,679)	\$ 5,579	\$ 5,579
Compensated Absences Payable	181,402		(88,183)	93,219	
Total	<u>\$ 208,660</u>		<u>\$ (109,862)</u>	<u>\$ 98,798</u>	<u>\$ 5,579</u>

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

B. Debt Service Requirements:

The District has commitments to lease copying equipment, printers, and technology equipment under capital leases which expire on September 15, 2022. Total lease payments made during the year ended June 30, 2022, were \$22,488. This amount was liquidated in the General Fund. Future minimum lease payments are as follows and include interest of 4.65%.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 6: LONG-TERM OBLIGATIONS - (Continued)

<u>Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/23	\$ 5,579	\$ 44	\$ 5,623
Total Minimum Lease Payments	<u>\$ 5,579</u>	<u>\$ 44</u>	<u>\$ 5,623</u>

NOTE 7: PENSION PLANS

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$30,315,696 as measured on June 30, 2021 and \$41,871,449 measured on June 30, 2020.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$713,342 and revenue of \$713,342 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2022 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2021. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2020 and June 30, 2021.

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

	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$9,589,140,982	\$6,356,228,800
Collective deferred inflows of resources	\$14,409,361,877	\$27,175,330,929
Collective net pension liability (Nonemployer-State of New Jersey)	\$65,848,796,740	\$48,075,188,642
State's portion of the net pension liability that was associated with the district	\$41,871,449	\$30,315,696
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.063587%	0.063059%

Actuarial assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45%
Therafter	2.75-5.65%
Investment Rate of Return:	7.00%

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

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-2021.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-US devel.markets equit	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalentents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	3.00%	3.35%

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2021, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 56,988,413,045	\$ 48,165,991,182	\$ 40,755,711,186

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2021 was \$26,533,142,515.

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

	<u>Year Ended June 30:</u>
2022	(\$2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	<u>(3,367,824,517)</u>
Total	<u>(\$20,990,267,071)</u>

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	\$1,759,507,848
Interest on total pension liability	4,695,758,765
Member contributions	(883,659,076)
Administrative expenses	9,042,590
Expected investment return net of investment expenses	(1,458,899,157)
Pension expense related to specific liabilities of individual employers	(403,226)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	201,861,563
Changes in assumptions	(2,256,761,544)
Difference between projected and actual investment earnings on pension plan investments	<u>(933,080,851)</u>
Total pension expense	<u>\$1,133,366,912</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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

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

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

At June 30, 2022, the District reported a liability of \$1,599,877 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2020 valuation was determined by an experience study for the period July 1, 2014 to June 30, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2021 and 2020. At June 30, 2021, the District's proportion was 0.01351% which was a decrease of 0.00097% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$293,659). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 25,232	\$ 11,453
Changes of assumptions	8,332	569,567
Net difference between projected and actual earnings on pension plan investments	-	421,450
Changes in proportion and differences between District contributions and proportionate share of contributions	99,593	280,578
District contributions subsequent to the measurement date	143,693	
Total	<u>\$ 276,850</u>	<u>\$ 1,283,048</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

\$143,693 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, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability measured as of June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2022	(\$448,016)
2023	(319,883)
2024	(218,105)
2025	(163,950)
2026	<u>64</u>
Total	<u>(\$1,149,891)</u>

	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$2,347,583,337	\$1,164,738,169
Collective deferred inflows of resources	7,849,949,467	8,339,123,762
Collective net pension liability (Non State - Local Group)	\$16,307,384,832	\$11,846,496,875
District's portion of net pension liability	\$2,361,207	\$1,599,877
District's proportion %	0.01447937%	0.01350506%

Actuarial assumptions - The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-US devel.markets equit	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalentents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	3.00%	3.35%

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 2,178,708	\$1,599,877	\$ 1,108,657

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	(\$23,437)
Interest on total Pension liability	(92,101)
Member contributions	19,068
Administrative expens	(333)
Expected investment return net of investment expenses	50,247
Pension expense related to specific liabilities of individual employers	235
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	(2,581)
Changes in assumptions	69,911
Difference between projected and actual investment earnings on pension plan investments	<u>33,341</u>
Total pension expense	<u>\$54,349</u>

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

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2022	\$143,693	100 %	-0-
6/30/2021	\$158,397	100 %	-0-
6/30/2020	\$145,573	100 %	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2022	\$2,518,792	100 %	-0-
6/30/2021	\$1,868,715	100 %	-0-
6/30/2020	\$1,420,756	100 %	-0-

During the fiscal year ended June 30, 2022, the State of New Jersey did contribute \$3,107,141 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$410,225 during the year ended June 30, 2022, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

Note 8: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

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

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

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes The June 30, 2022 GASB 75 reporting is based on a measurement date of June 30, 2021. The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and PERS, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases Through 2026:	1.55-4.45% TPAF 2.00-6.00% PERS Based on service years
Salary Increases Thereafter:	2.75-4.45% TPAF 3.00-7.00% PERS Based on service years
Discount rate (2021)	2.16%
Discount rate (2020)	2.21%
Healthcare cost trend rates (PPO Plans)	5.74%, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (HMO Plans)	6.01%, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (Prescription Drug Benefits)	6.75% and decreases to a 4.5% long-term trend rate after seven years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	5.65%

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

The discount rate for June 30, 2021 2.16%. 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.

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

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2020	\$67,809,962,608
<u>Changes for the year:</u>	
Service Cost	3,217,184,264
Interest on the Total OPEB Liability	1,556,661,679
Change in Benefit Terms	(63,870,842)
Differences Between Expected and Actual Experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Gross Benefit Payments	-
Contributions from Members	(1,186,417,186)
Net changes	<u>(7,802,311,638)</u>
The State's Total OPEB Liability Balance at 6/30/2021	<u>\$60,007,650,970</u>
The State's total OPEB liability attributable to the District:	\$39,680,841

Benefit Changes: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021 and other changes.

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2021		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

	June 30, 2020		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Total OPEB Liability (School Retirees)	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160

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

	June 30, 2021		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970

	June 30, 2020		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$54,738,488,540	\$67,809,962,608

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

For the year ended June 30, 2021, the board of education recognized OPEB expense and related revenue of \$1,664,155 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,045,886,863	\$18,009,362,976
Changes of assumptions or other inputs	<u>10,179,536,966</u>	<u>6,438,261,807</u>
Total	<u>\$19,225,423,829</u>	<u>\$24,447,624,783</u>

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

Year ended June 30:	
2022	(\$1,182,303,041)
2023	(\$1,182,303,041)
2024	(\$1,182,303,041)
2025	(\$1,182,303,041)
2026	(840,601,200)
Thereafter	<u>347,612,410</u>
	<u>(\$5,222,200,954)</u>

NOTE 9: DEFERRED COMPENSATION

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

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

NOTE 10: ACCRUED SALARIES AND WAGES

Under contractual provisions between the District and the North Warren Regional Education Association, district personnel covered by this agreement are to be paid salaries on a bi-weekly basis over a twelve month period. As of June 30, 2022, the amount earned, but not disbursed, including payroll matching taxes, by ten month employees, was \$1,343,404.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11: COMPENSATED ABSENCES

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

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

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

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

No interfund balances remained on the balance sheet at June 30, 2022.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$466,735	80,626
Special Revenue Fund		\$466,735
	<u>\$547,361</u>	<u>\$547,361</u>

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

NOTE 13: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2021-2022	\$355	\$558	-	\$400,101
2020-2021	\$410	\$11,613	\$14,842	\$399,188
2019-2020	\$3,542	\$14,578	\$27,433	\$402,007

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 14: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

The Board is not involved in any know claims or lawsuits. There are no outstanding judgments against the board as of June 30, 2022.

NOTE 15: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance July 1, 2021	\$ 3,498,344
Deposits (PL 2007 c.62 (A1)) - June 27, 2022 Board Resolution	<u>68,531</u>
Ending balance June 30, 2022	<u>\$ 3,566,875</u>

NOTE 16: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the North Warren Regional School District Board of Education in fiscal year 2008, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance July 1, 2021	\$ <u>5,943</u>
Ending balance June 30, 2022	<u>\$ 5,943</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 17: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the North Warren Regional School District Board of Education in fiscal year 19-20, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance July 1, 2021	\$ 250,000
Ending balance June 30, 2022	<u>\$ 250,000</u>

NOTE 18: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$5,227,940 General Fund fund balance at June 30, 2022, \$250,000 is reserved for emergency reserve; \$3,566,875 is reserved in the Capital Reserve Account; \$5,943 is reserved in the Maintenance Reserve Account; \$415,837 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2023; \$399,188 is reserved for unemployment compensations; and \$590,097 is unreserved and undesignated.

NOTE 19: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is -0-.

NOTE 20: TAX ABATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,117,699		\$ 13,117,699	\$ 13,117,699	
Transportation	10,000		10,000	-	\$ (10,000)
Miscellaneous	25,000		25,000	33,094	8,094
Total - Local Sources	<u>13,152,699</u>	<u>-</u>	<u>13,152,699</u>	<u>13,150,793</u>	<u>(1,906)</u>
State Sources:					
Equalization Aid	2,016,473		2,016,473	2,016,473	
School Choice Aid	11,504		11,504	11,504	
Transportation Aid	24,106		24,106	24,106	
Special Education Aid	607,635		607,635	607,635	
Security Aid	79,019		79,019	79,019	
Extraordinary Aid				230,393	230,393
Non-Public Transportation Aid				7,800	7,800
TPAF Pension (On-Behalf - Non-Budgeted)				2,518,183	2,518,183
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				588,349	588,349
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				609	609
TPAF Social Security (Reimbursed - Non-Budgeted)				410,225	410,225
Total State Sources	<u>2,738,737</u>		<u>2,738,737</u>	<u>6,494,296</u>	<u>3,755,559</u>
Federal Sources:					
FEMA Public Assistance				21,475	
Total Federal Sources				<u>21,475</u>	
TOTAL REVENUES	<u>15,891,436</u>		<u>15,891,436</u>	<u>19,666,564</u>	<u>3,753,653</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	1,167,097	(20,000)	1,147,097	1,085,441	61,656
Grades 9-12 - Salaries of Teachers	2,373,385	7,000	2,380,385	2,237,043	143,342
Regular Programs - Home Instruction:					
Salaries of Teachers	40,000		40,000	4,443	35,557
Purchased Professional-Educational Services	12,000		12,000	11,201	799
Other Purchased Services (400-500 series)	1,000		1,000		1,000
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	10,000		10,000	5,813	4,187
Purchased Technical Services	381,004	13,752	394,756	369,745	25,011
Other Purchased Services (400-500 series)	40,500	(17,573)	22,927	1,075	21,852
General Supplies	257,869	4,152	262,021	140,149	121,872
Textbooks	11,550		11,550	337	11,213
Other Objects	5,500	(331)	5,169	1,995	3,174
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,299,905	(13,000)	4,286,905	3,857,242	429,663
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	1,286,683	(1)	1,286,682	1,002,250	284,432
Other Salaries for Instruction	159,632	2,000	161,632	161,632	
General Supplies	55,838	(2,000)	53,838	9,477	44,361
Total Resource Room/Resource Center	1,502,153	(1)	1,502,152	1,173,359	328,793
Home Instruction:					
Salaries of Teachers	6,500		6,500		6,500
Purchased Professional-Educational Services	5,000		5,000	1,400	3,600
Total Home Instruction	11,500		11,500	1,400	10,100
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,513,653	(1)	1,513,652	1,174,759	338,893

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	144,270	1,000	145,270	145,270	
General Supplies	2,200	(1,000)	1,200		1,200
Total Basic Skills/Remedial - Instruction	146,470		146,470	145,270	1,200
School-Spon. Co/Extra Curricular Actvts. - Inst.:					
Salaries	172,502		172,502	168,745	3,757
Purchased Services (300-500 series)	14,380		14,380	6,208	8,172
Sup undistributed	19,937		19,937	12,333	7,604
Dues / Fees/ Adm	9,567		9,567	6,221	3,346
Total School-Spon. Cocurricular Actvts. - Inst.	216,386		216,386	193,507	22,879
School-Spon. Athletics - Instruction:					
Salaries	413,412	15,855	429,267	429,267	
Purchased Services (300-500 series)	86,200	(15,920)	70,280	28,016	42,264
Sup undistributed	46,460	6,301	52,761	40,587	12,174
Dues / Fees/ Adm	22,115		22,115	17,930	4,185
Total School-Spon. Athletics - Inst.	568,187	6,236	574,423	515,800	58,623
TOTAL INSTRUCTION	6,744,601	(6,765)	6,737,836	5,886,578	851,258
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEA's Within the State - Special	145,848		145,848	69,224	76,624
Tuition to County Voc. District - Regular	161,000		161,000	145,994	15,006
Tuition to Private Schools for the Disabled-Within State	215,873		215,873	119,178	96,695
Total Instruction	522,721		522,721	334,396	188,325

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Attendance and Social Work:					
Salaries	48,788		48,788	48,788	
Total Attendance and Social Work	<u>48,788</u>		<u>48,788</u>	<u>48,788</u>	
Health Services:					
Salaries	98,356		98,356	96,535	1,821
Purchased Professional and Technical Services	25,000		25,000	21,983	3,017
Other Purchased Services (400-500 series)	2,000		2,000	1,802	198
Supplies and Materials	5,000		5,000	3,284	1,716
Total Health Services	<u>130,356</u>		<u>130,356</u>	<u>123,604</u>	<u>6,752</u>
Other Supp. Services Students-Related Services:					
Purchased Professional - Educational Services	350,000		350,000	260,094	89,906
Supplies and Materials	330		330	182	148
Total Other Supp. Services Students-Related Services	<u>350,330</u>		<u>350,330</u>	<u>260,276</u>	<u>90,054</u>
Other Supp. Services Students-Extra Services:					
Purchased Professional - Educational Services	187,182		187,182	24,054	163,128
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	427,907	3,369	431,276	420,051	11,225
Salaries of Secretarial and Clerical Assistants	45,948	810	46,758	46,758	
Other Purchased Prof. and Tech. Services	10,000	(4,179)	5,821	5,196	625
Supplies and Materials	14,500		14,500	14,354	146
Total Other Supp. Services Students-Regular	<u>498,355</u>		<u>498,355</u>	<u>486,359</u>	<u>11,996</u>
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	211,965		211,965	195,804	16,161
Salaries of Secretarial and Clerical Assistants	46,885		46,885	46,885	
Misc. Pur Serv (400-500 series O/than Resid Costs)	75,000		75,000	11,439	63,561
Supplies and Materials	7,773	2	7,775	7,674	101
Total Other Supp. Services Students-Special	<u>341,623</u>	<u>2</u>	<u>341,625</u>	<u>261,802</u>	<u>79,823</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Improvement of Instruction Services :					
Salaries of Other Professional Staff	232,885		232,885	232,885	
Other Objects	7,500		7,500	7,017	483
Total Improvement of Instruction Services	240,385		240,385	239,902	483
Educational Media Services/School Library:					
Salaries	76,806		76,806	76,805	1
Salaries of Technology Coordinators	48,168		48,168	48,168	
Other Purchased Services (400-500 series)	9,900		9,900	8,089	1,811
Supplies and Materials	7,150		7,150	7,056	94
Total Educational Media Services/School Library	142,024		142,024	140,118	1,906
Instructional Staff Training Services:					
Purchased Professional-Educational Services	5,000		5,000	1,150	3,850
Other Purchased Services (400-500 series)	50,000		50,000	38,146	
Supplies and Materials	1,000		1,000	479	521
Total Instructional Staff Training Services	56,000		56,000	39,775	4,371
Supp. Services - General Administration:					
Salaries	272,377	(8,000)	264,377	244,033	20,344
Legal Services	32,000	12,761	44,761	44,761	
Audit Fees	19,371		19,371	19,371	
Other Purchased Professional Services	1,000		1,000	475	525
Purchased Technical Services	5,500		5,500	5,062	438
Communications/Telephone	40,000		40,000	20,170	19,830
BOE Other Purchased Services	1,000		1,000	383	617
Other Purchased Services (400-500 series)	23,100		23,100	1,325	21,775
General Supplies	5,500	210	5,710	5,560	150
BOE In-House Training/Meeting Supplies	500	(12)	488		488
Miscellaneous Expenditures	8,000	5,195	13,195	5,695	7,500
BOE Membership Dues and Fees	12,500	(2,154)	10,346	10,346	
Total Supp. Services - General Administration	420,848	8,000	428,848	357,181	71,667

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	151,145		151,145	151,145	
Salaries of Other Professional Staff	171,265	5,000	176,265	171,265	5,000
Salaries of Secretarial and Clerical Assistants	54,369		54,369	54,369	
Other Purchased Services (400-500 series)	2,900	1,665	4,565	3,065	1,500
Supplies and Materials	2,000	445	2,445	2,405	40
Other Objects	400		400		400
Total Support Services - School Administration	382,079	7,110	389,189	382,249	6,940
Central Services:					
Salaries	280,082	2,891	282,973	219,133	63,840
Purchased Professional Services	16,500		16,500	12,500	4,000
Supplies and Materials	2,000		2,000	1,980	20
Miscellaneous Expenditures	3,000		3,000	2,063	937
Central Services	301,582	2,891	304,473	235,676	68,797
Admin. Information Technology:					
Salaries	139,375	4,999	144,374	139,375	4,999
Purchased Professional Services	1,300	(210)	1,090	828	262
Purchased Technical Services	10,000	210	10,210	10,210	
Admin. Information Technology	150,675	4,999	155,674	150,413	5,261

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Required Maintenance for School Facilities:					
Salaries	25,000	5,638	30,638	30,638	
Cleaning, Repair, and Maintenance Services	178,000		178,000	112,821	65,179
General Supplies	85,000		85,000	58,053	26,947
Other Objects	1,200		1,200	1,100	100
Total Required Maintenance for School Facilities	289,200	5,638	294,838	202,612	92,226
Other Operations and Maintenance of Plant:					
Salaries	233,628	(4,422)	229,206	194,690	34,516
Cleaning, Repair and Maintenance Services	90,000		90,000	80,696	9,304
Other Purchased Property Services	4,000	(1,216)	2,784		2,784
Insurance	121,958		121,958	115,040	6,918
Miscellaneous Purchased Services	3,000		3,000		3,000
General Supplies	41,000		41,000	20,887	20,113
Energy (Electricity)	150,000	(5,000)	145,000	108,828	36,172
Energy (Oil)	130,000	5,000	135,000	131,666	3,334
Other Objects	200		200		200
Total Other Operations and Maintenance of Plant	773,786	(5,638)	768,148	651,807	116,341
Care and Upkeep of Grounds:					
Salaries	145,654	(1)	145,653	138,452	7,201
Supplies and Materials	75,000		75,000	66,357	8,643
Total Care and Upkeep of Grounds	220,654	(1)	220,653	204,809	15,844
Undist. Expend. -Security					
Salaries	200,970	(1,200)	199,770	184,792	14,978
Cleaning, Repair, and Maintenance Services		1,200	1,200	107	1,093
Total Undist. Expend. -Security	200,970		200,970	184,899	16,071

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services					
Salaries of Non-Instructional Aides	1,400		1,400		1,400
Management Fees - ESC & CTSA Transportation Programs	20,000		20,000	19,938	62
Contract Services - Aid in Lieu of Payments-Nonpub.Sch.	47,000		47,000	29,159	17,841
Contract Services - (Between Home and School) - Vendors	550,000		550,000	517,032	32,968
Contract Services (Other than Between Home & School)-Vendors	155,460	(684)	154,776	108,549	46,227
Contract Services - (Between Home and School) - Joint Agreements	6,500	684	7,184	7,184	
Contract Services - (Spl. Ed. Students) - Vendors	45,000		45,000	12,143	32,857
Contracted Services (Special Education Students)-Joint Agrmnts.	1,000		1,000		1,000
Contract Services - (Regular Students) - ESCs & CTSA	105,000		105,000	61,205	43,795
Contract Services - (Special Ed. Students) - ESCs & CTSA	350,000	(16,235)	333,765	238,812	94,953
Total Student Transportation Services	1,281,360	(16,235)	1,265,125	994,022	271,103
UNALLOCATED BENEFITS					
Social Security Contributions	240,840		240,840	190,108	50,732
Other Retirement Contributions - Regular	147,176		147,176	147,176	
Unemployment Compensation	-		-	-	
Workmen's Compensation	96,485	(13,208)	83,277	75,181	8,096
Health Benefits	1,640,720	38,000	1,678,720	1,678,695	25
Tuition Reimbursement	85,000		85,000	56,187	28,813
Other Employee Benefits	100,000	(73,000)	27,000	16,734	10,266
Unused Sick Payments to Terminated/Retired Staff	120,000	13,208	133,208	133,208	
TOTAL UNALLOCATED BENEFITS	2,430,221	(35,000)	2,395,221	2,297,289	97,932
On-behalf TPAF pension Contrib. (non-budgeted)				2,518,183	(2,518,183)
On-behalf TPAF PRM Contrib. (non-budgeted)				588,349	(588,349)
On-behalf TPAF pension Non-contributory Ins. (non-budgeted)				609	(609)
Reimbursed TPAF Social Security Contributions (non-budgeted)				410,225	(410,225)
TOTAL ON-BEHALF CONTRIBUTIONS				3,517,366	(3,517,366)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,430,221	(35,000)	2,395,221	5,814,655	(3,419,434)

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL UNDISTRIBUTED EXPENDITURES	8,969,139	(28,234)	8,940,905	11,137,397	(2,208,346)
TOTAL GENERAL CURRENT EXPENSE	15,713,740	(34,999)	15,678,741	17,023,975	(1,345,234)
Facilities Acquisition and Construction Services					
Construction Services		1,994,465	1,994,465	1,992,005	2,460
Assessment for Debt Service on SDA Funding	3,400		3,400	3,400	
Total Facilities Acquisition and Construction Services	3,400	1,994,465	1,997,865	1,995,405	2,460
TOTAL CAPITAL OUTLAY	3,400	1,994,465	1,997,865	1,995,405	2,460
Transfer of Funds to Charter Schools	174,296		174,296	106,406	67,890
TOTAL EXPENDITURES	15,891,436	1,959,466	17,850,902	19,125,786	(1,274,884)
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,959,466)	(1,959,466)	540,778	2,500,244

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)		(1,959,466)	(1,959,466)	540,778	2,500,244
Fund Balance, July 1	4,959,595		4,959,595	4,959,595	
Prior Period Adjustment	-		-	-	-
Fund Balance, July 1 (Restated)	4,959,595		4,959,595	4,959,595	
Fund Balance, June 30	\$ 4,959,595	(1,959,466)	\$ 3,000,129	\$ 5,500,373	\$ 2,500,244
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 3,566,875	
Maintenance Reserve				5,943	
Emergency Reserve				250,000	
Unemployment Compensation				399,188	
Assigned to:					
Designated for Subsequent Year's Expenditures				415,837	
Unassigned:					
Unrestricted Fund Balance				<u>862,530</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				\$ 5,500,373	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(272,433)</u>	
Fund Balance per Governmental Funds(GAAP Basis B-2)				<u>\$ 5,227,940</u>	

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 155,844	\$ 155,844	\$ 155,844	-
State Sources	\$ 6,056	15,160	21,216	-	\$ (21,216)
Federal Sources	199,011	964,435	1,163,446	503,719	(659,727)
Total Revenues	205,067	1,135,439	1,340,506	659,563	(680,943)
EXPENDITURES:					
Instruction					
Salaries of Teachers	12,724	(12,724)	-	-	
Purchased Professional & Technical Services		404,928	404,928	71,726	333,202
Other Purchased Services		316,996	316,996	126,426	190,570
Tuition	132,065	66,060	198,125	198,125	
General Supplies	25,436	3,513	28,949	28,949	
Total Instruction	170,225	778,773	948,998	425,226	523,772
Support Services					
Purchased Professional Educational Services	32,269	(7,468)	24,801	18,886	5,915
Maintenance	2,573	97,427	100,000	34,658	65,342
Supplies and Materials		57,800	57,800	7,800	50,000
Student Activities		172,235	172,235	172,235	
Total Support Services	34,842	319,994	354,836	233,579	121,257
Facilities Acq. & Construction Services:					
Buildings		53,063	53,063	17,149	35,914
Total Facilities Acq. & Construction Services	-	53,063	53,063	17,149	35,914
Total Expenditures	205,067	1,151,830	1,356,897	675,954	680,943
Total Outflows	\$ 205,067	\$ 1,151,830	\$ 1,356,897	\$ 675,954	\$ 680,943
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		(16,391)	(16,391)	(16,391)	
Fund Balance Beginning				76,428	
Prior Period Adjustment *				-	
Fund Balance Beginning (Restated)				76,428	
Fund Balance Ending				<u>\$ 60,037</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 60,037	
Total Fund Balance				<u>\$ 60,037</u>	

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

For the Fiscal Year Ended June 30, 2022

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$19,666,564	\$659,563
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	N/A
Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes	344,579	N/A
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(272,433)</u>	<u>N/A</u>
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$19,738,710</u>	<u>\$ 659,563</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$19,125,786	\$675,954
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	<u>N/A</u>	<u>N/A</u>
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$19,125,786</u>	<u>\$ 675,954</u>

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 30,315,696	\$ 41,871,449	\$ 39,147,890	\$ 40,999,121	\$ 48,823,841	\$ 57,564,524	\$ 46,015,696	\$ 38,648,263	\$ 36,203,413	
Total	\$ 30,315,696	\$ 41,871,449	\$ 39,147,890	\$ 40,999,121	\$ 48,823,841	\$ 57,564,524	\$ 46,015,696	\$ 38,648,263	\$ 36,203,413	
District's covered employee payroll	\$ 5,558,527	\$ 6,253,686	\$ 6,851,283	\$ 7,117,519	\$ 6,841,384	\$ 6,301,664	\$ 7,583,124	\$ 7,926,962	\$ 7,859,596	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	

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

Exhibit L-1

Public Employees' Retirement System (PERS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.01351%	0.01448%	0.01485%	0.01500%	0.01347%	0.01578%	0.15779%	0.01375%	0.01444%	
District's proportionate share of the net pension liability (asset)	\$ 1,599,877	\$ 2,361,207	\$ 2,675,990	\$ 2,953,276	\$ 3,136,551	\$ 4,673,174	\$ 3,326,760	\$ 2,573,694	\$ 2,759,303	
District's covered employee payroll	\$ 1,069,526	\$ 1,059,282	\$ 1,033,924	\$ 1,044,630	\$ 1,053,014	\$ 982,965	\$ 1,447,595	\$ 1,518,318	\$ 1,383,440	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	149.59%	222.91%	258.82%	282.71%	297.86%	475.42%	229.81%	169.51%	199.45%	
Plan fiduciary net position as a percentage of the total pension liability (Local)	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%	

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

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 5,558,527	\$ 6,253,686	\$ 6,851,283	\$ 7,117,519	\$ 6,841,384	\$ 6,301,664	\$ 7,583,124	\$ 7,926,962	\$ 7,859,596	
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 143,693	\$ 158,397	\$ 145,573	\$ 150,358	\$ 127,440	\$ 141,668	\$ 127,411	\$ 113,323	\$ 108,784	
Contributions in relation to the contractually required contribution	(143,693)	(158,397)	(145,573)	(150,358)	(127,440)	(141,668)	(127,411)	(113,323)	(108,784)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 1,069,526	\$ 1,059,282	\$ 1,033,924	\$ 1,044,630	\$ 1,053,014	\$ 982,965	\$ 1,447,595	\$ 1,518,318	\$ 1,383,440	
Contributions as a percentage of covered-employee payroll	13.44%	14.95%	14.08%	14.39%	12.10%	14.41%	8.80%	7.46%	7.86%	

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

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

Exhibit M-1

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

The State of New Jersey's Total OPEB Liability	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Service Cost	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319				
Interest	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792				
Change in Benefit Terms	-63870842									
Differences Between Expected and Actual Experience	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)	(1,242,412,566)	(1,223,298,019)				
Benefit Payments	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)				
Contributions from Members	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747				
Changes of Assumptions or other inputs	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521				
Net change in total OPEB liability	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360				
Total OPEB Liability - Beginning	\$ 67,809,962,608	\$41,729,081,045	\$46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824				
Total OPEB Liability - Ending	\$ 60,007,650,970	\$67,809,962,608	\$41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's total OPEB liability **	\$ 60,007,650,970	\$67,809,962,608	\$41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's OPEB liability attributable to the District **	\$ 39,680,841	\$ 47,012,605	\$ 29,357,148	\$ 32,848,709	\$ 38,377,078	\$ 41,824,071				
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero				
District's covered employee payroll	\$ 6,628,053	\$ 7,312,968	\$ 7,885,207	\$ 8,162,149	\$ 7,894,398	\$ 7,284,629				
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
District's contribution	None	None	None	None	None	None				
State's covered employee payroll ***	\$ 14,425,669,769	\$14,267,738,657	\$13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208				
Total State's OPEB liability as a percentage of its covered-employee payroll	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%				

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

*** Covered payroll for the Measurement Period ending June 30, 2020 and June 30, 2021 is based on the payroll on the June 30, 2019 and June 30, 2020 census data, respectively

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

Changes of assumptions. 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-2021.

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

Public Employees' Retirement System (PERS)

Pension Schedules

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

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

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2022

	Title I	Title II (A)	Title IV	CRRSA ESSER II	CRRSA Learn	CRRSA Mental	ARP ESSER III	ARP Learn	ARP Summer	ARP Mental	ARP IDEA Part B	IDEA Part B	Student Activity	Totals
REVENUES														
Local Sources													\$ 155,844	\$ 155,844
Federal Sources	\$ 28,949	\$ 18,886	\$ 12,800	\$ 63,155	\$ 6,615	\$ 36,553	\$ 71,358	\$ 1,794	\$ 21,000	\$ 44,484	\$ 31,096	\$ 167,029		503,719
TOTAL REVENUES	28,949	18,886	12,800	63,155	6,615	36,553	71,358	1,794	21,000	44,484	31,096	167,029	155,844	659,563
EXPENDITURES:														
Instruction:														
Salaries of Teachers														-
Purchased Professional & Technical Services				35,026			36,700							71,726
Other Purchased Services			5,000	10,980	6,615	36,553		1,794	21,000	44,484				126,426
Tuition											31,096	167,029		198,125
General Supplies	28,949													28,949
Total Instruction	28,949		5,000	46,006	6,615	36,553	36,700	1,794	21,000	44,484	31,096	167,029		425,226
Support Services:														
Purchased Professional Educational Services		18,886												18,886
Maintenance							34,658							34,658
Supplies and Materials			7,800											7,800
Student Activities													172,235	172,235
Total Support Services		18,886	7,800				34,658						172,235	233,579
Facilities Acq. & Construction Services:														
Buildings				17,149										17,149
Total Facilities Acq. & Construction Services	-	-	-	17,149	-	-	-	-	-	-	-	-	-	17,149
TOTAL EXPENDITURES	28,949	18,886	12,800	63,155	6,615	36,553	71,358	1,794	21,000	44,484	31,096	167,029	172,235	675,954
Total Outflows	\$ 28,949	\$ 18,886	\$ 12,800	\$ 63,155	\$ 6,615	\$ 36,553	\$ 71,358	\$ 1,794	\$ 21,000	\$ 44,484	\$ 31,096	\$ 167,029	\$ 172,235	\$ 675,954
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	(16,391)	(16,391)
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	-	76,428	76,428
Prior Period Adjustment *	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	-	76,428	76,428
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	-	\$ 60,037	\$ 60,037

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

N/A

**PROPRIETARY FUND
DETAIL STATEMENTS**

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

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

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

**FIDUCIARY FUND
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>LEASE TERM</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>AMOUNT OUTSTANDING 7/1/2021</u>	<u>ADDITIONAL OBLIGATIONS INCURRED</u>	<u>RETIRED CURRENT YEAR PRINCIPAL PAYMENTS</u>	<u>AMOUNT OUTSTANDING 6/30/2022</u>
Copier Equipment - Admin Office	4.65%	4 Years	81,928	\$ 27,258		\$ 21,679	\$ 5,579
Total				\$ 27,258	\$ -	\$ 21,679	\$ 5,579

North Warren Regional School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	87-92
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	93-105
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	106-112
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	113-114
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	115-119

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

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

Exhibit J-1

(accrual basis of accounting)

	2013		2014		2015		2016		Fiscal Year Ending June 30,		2017		2018		2019		2020		2021		2022			
Governmental activities																								
Invested in capital assets, net of related debt	\$	8,216,553	\$	7,830,857	\$	7,347,048	\$	7,150,031	\$	7,007,910	\$	7,024,396	\$	6,682,627	\$	7,400,715	\$	6,914,206	\$	8,163,402	\$	8,163,402	\$	8,163,402
Restricted		480,147		422,104		152,252		136,194		748,072		581,535		869,726		1,759,234		4,229,903		4,697,880		4,697,880		4,697,880
Unrestricted		(829,923)		(953,554)		(3,613,789)		(2,942,801)		(3,297,627)		(3,606,279)		(3,734,270)		(3,685,467)		(2,763,051)		(2,109,197)		(2,109,197)		(2,109,197)
Total governmental activities Net Position	\$	7,866,777	\$	7,299,407	\$	3,885,511	\$	4,343,424	\$	4,458,355	\$	3,999,652	\$	3,818,083	\$	5,474,482	\$	8,381,058	\$	10,752,085	\$	10,752,085	\$	10,752,085
Business-type activities																								
Invested in capital assets, net of related debt	\$	36,857	\$	29,343	\$	29,215	\$	52,168	\$	87,146	\$	67,481	\$	47,817	\$	33,948	\$	20,078	\$	6,845	\$	6,845	\$	6,845
Restricted		-		-		-		-		-		-		-		-		-		-		-		-
Unrestricted		107,309		127,604		131,875		96,292		63,872		43,181		9,490		55,204		45,719		117,590		117,590		117,590
Total business-type activities Net Position	\$	144,166	\$	156,947	\$	161,090	\$	148,460	\$	151,018	\$	110,662	\$	57,307	\$	89,152	\$	65,797	\$	124,435	\$	124,435	\$	124,435
District-wide																								
Invested in capital assets, net of related debt	\$	8,253,410	\$	7,860,200	\$	7,376,263	\$	7,202,299	\$	7,095,056	\$	7,091,877	\$	6,730,444	\$	7,434,663	\$	6,934,284	\$	8,170,247	\$	8,170,247	\$	8,170,247
Restricted		480,147		422,104		152,252		136,194		748,072		581,535		869,726		1,759,234		4,229,903		4,697,880		4,697,880		4,697,880
Unrestricted		(722,614)		(825,950)		(3,481,914)		(2,846,509)		(3,233,755)		(3,563,098)		(3,724,780)		(3,630,263)		(2,717,332)		(1,991,607)		(1,991,607)		(1,991,607)
Total district Net Position	\$	8,010,943	\$	7,456,354	\$	4,046,601	\$	4,491,884	\$	4,609,373	\$	4,110,314	\$	3,875,390	\$	5,563,634	\$	8,446,855	\$	10,876,520	\$	10,876,520	\$	10,876,520

Source: ACFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,173,028	\$ 6,883,697	\$ 7,765,856	\$ 8,062,619	\$ 8,781,821	\$ 9,443,741	\$ 8,480,801	\$ 7,528,662	\$ 7,255,233	\$ 6,298,753
Special education	1,510,989	1,619,468	1,862,106	1,866,507	2,034,902	2,192,137	2,220,051	2,015,108	2,218,157	1,689,238
Other special education	232,602	233,090	249,533	126,032	153,916	158,790	150,081	199,147	127,971	208,890
Other instruction	907,049	969,350	1,110,442	1,212,037	1,318,354	1,230,327	1,215,325	1,117,400	973,418	1,019,944
Support Services:										
Tuition	861,562	860,130	1,023,509	1,257,307	1,303,086	1,417,070	1,226,184	480,028	538,580	334,396
Student & instruction related services	2,093,470	2,130,674	2,538,211	2,531,391	2,905,644	3,202,065	2,989,665	2,726,089	2,957,994	2,672,070
General administrative services	1,034,288	1,045,811	1,190,447	1,285,934	1,314,672	1,375,771	1,190,346	1,139,350	1,347,210	1,080,123
School administrative services	974,748	1,090,029	1,172,400	1,146,680	1,073,217	1,008,958	790,953	840,053	963,972	549,653
Plant operations and maintenance	1,412,499	1,763,828	1,891,301	1,629,739	2,218,579	2,281,040	2,238,857	2,031,088	1,967,462	1,804,039
Pupil transportation	989,910	1,024,765	1,027,473	1,075,286	1,180,055	1,244,460	1,377,070	1,235,193	797,399	1,014,742
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Unallocated depreciation	443,839	433,018	276,836	276,553	302,085	336,421	341,086	460,376	466,235	626,363
Total governmental activities expenses	17,633,984	18,053,860	20,108,114	20,470,085	22,586,331	23,890,680	22,220,419	19,772,494	19,613,631	17,298,211
Business-type activities:										
Food service	314,280	297,957	305,074	301,571	304,455	265,629	295,979	193,995	68,622	325,642
Total business-type activities expense	314,280	297,957	305,074	301,571	304,455	265,629	295,979	193,995	68,622	325,642
Total district expenses	\$ 17,948,264	\$ 18,351,817	\$ 20,413,188	\$ 20,771,656	\$ 22,890,786	\$ 24,156,309	\$ 22,516,398	\$ 19,966,489	\$ 19,682,253	\$ 17,623,853
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (regular & special education)	\$ 104,034	\$ 76,298	\$ 64,206	\$ 55,752	\$ 45,788	\$ 13,187	\$ 66,012	\$ 3,700	\$ 26,795	\$ 155,844
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	6,908,674	6,750,029	8,784,516	9,524,620	10,974,995	11,507,262	9,496,638	8,329,889	9,487,139	6,362,601
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	7,012,708	6,826,327	8,848,722	9,580,372	11,020,783	11,520,449	9,562,650	8,333,589	9,513,934	6,518,445
Business-type activities:										
Charges for services										
Food service	247,272	258,340	242,422	240,105	232,868	180,117	196,100	143,670	350	62,402
Operating grants and contributions	53,949	47,552	48,659	48,438	65,134	44,017	46,087	31,963	44,897	321,845
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	301,221	305,892	291,081	288,543	298,002	224,134	242,187	175,633	45,247	384,247
Total district program revenues	\$ 7,313,929	\$ 7,132,219	\$ 9,139,803	\$ 9,868,915	\$ 11,318,785	\$ 11,744,583	\$ 9,804,837	\$ 8,509,222	\$ 9,559,181	\$ 6,902,692
Net (Expense)/Revenue										
Governmental activities	\$ (10,621,276)	\$ (11,227,533)	\$ (11,259,392)	\$ (10,889,713)	\$ (11,565,548)	\$ (12,370,231)	\$ (12,657,769)	\$ (11,438,905)	\$ (10,099,697)	\$ (10,779,766)
Business-type activities	(13,059)	7,935	(13,993)	(13,028)	(6,453)	(41,495)	(53,792)	(18,362)	(23,375)	58,605
Total district-wide net expense	\$ (10,634,335)	\$ (11,219,598)	\$ (11,273,385)	\$ (10,902,741)	\$ (11,572,001)	\$ (12,411,726)	\$ (12,711,561)	\$ (11,457,267)	\$ (10,123,072)	\$ (10,721,161)

-Continued-

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

Exhibit J-2

	2013		2014		2015		2016		Fiscal Year Ending June 30,		2017		2018		2019		2020		2021		2022		
General Revenues and Other Changes in Net Position																							
Governmental activities:																							
Property taxes levied for general purposes, net	\$	10,117,743	\$	10,623,032	\$	10,755,574	\$	11,317,236	\$	11,654,305	\$	11,887,390	\$	12,361,101	\$	12,608,323	\$	12,860,489	\$	13,117,699			
Taxes levied for debt service		-		-		-		-		-		-		-		-		-		-		-	
Tuition Received																							
Investment earnings		1,755		3,022		2,041		3,294		10,448		20,814		29,262		27,652		10,339		18,458			
Miscellaneous income		85,821		34,109		36,208		27,096		15,726		3,224		85,837		20,488		135,445		14,636			
Federal/State Aid for Capital Assets Projects		-		-		-		-		-		-		-		-		-		-		-	
Transfers																							
Total governmental activities		10,205,319		10,660,163		10,793,823		11,347,626		11,680,479		11,911,428		12,476,200		12,656,463		13,006,273		13,150,793			
Business-type activities:																							
Miscellaneous Income		1,481		4,845		18,137		398		9,011		1,139		437		207		20		33			
Transfers																							
Total business-type activities		1,481		4,845		18,137		398		9,011		1,139		437		207		20		33			
Total district-wide	\$	10,206,800	\$	10,665,008	\$	10,811,960	\$	11,348,024	\$	11,689,490	\$	11,912,567	\$	12,476,637	\$	12,656,670	\$	13,006,293	\$	13,150,826			
Change in Net Position																							
Governmental activities	\$	(415,957)	\$	(567,370)	\$	(465,569)	\$	457,913	\$	114,931	\$	(458,803)	\$	(181,569)	\$	1,217,558	\$	2,906,576	\$	2,371,027			
Business-type activities		(11,578)		12,780		4,144		(12,630)		2,558		(40,356)		(53,355)		(18,155)		(23,355)		58,638			
Total district	\$	(427,535)	\$	(554,590)	\$	(461,425)	\$	445,283	\$	117,489	\$	(499,159)	\$	(234,924)	\$	1,199,403	\$	2,883,221	\$	2,429,665			

Source: ACFR Schedule A-2

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

Exhibit J-3

	2013		2014		2015		2016		Fiscal Year Ending June 30,		2019		2020		2021		2022			
									2017	2018										
General Fund																				
Reserved	\$	446,904	\$	462,603	\$	164,206	\$	194,638	\$	748,048	\$	581,535	\$	869,726	\$	1,657,950	\$	4,153,476	\$	4,637,843
Unreserved		(329,149)		(541,896)		(539,147)		31,504		20,038		(228,210)		(291,105)		(343,983)		461,540		590,097
Total general fund	\$	<u>117,755</u>	\$	<u>(79,293)</u>	\$	<u>(374,941)</u>	\$	<u>226,142</u>	\$	<u>768,086</u>	\$	<u>353,325</u>	\$	<u>578,621</u>	\$	<u>1,313,967</u>	\$	<u>4,615,016</u>	\$	<u>5,227,940</u>
All Other Governmental Funds																				
Reserved													\$	101,284	\$	76,428	\$	60,037		
Unreserved, reported in:																				
Special revenue fund														-		-		-		-
Capital projects fund	\$	33,243	\$	24	\$	24	\$	24	\$	24				-		-		-		-
Debt service fund																				
Total all other governmental funds	\$	<u>33,243</u>	\$	<u>24</u>	\$	<u>24</u>	\$	<u>24</u>	\$	<u>24</u>				<u>101,284</u>		<u>76,428</u>		<u>60,037</u>		

Source: ACFR Schedule B-1

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

Exhibit J-4

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Tax levy	\$ 10,117,743	\$ 10,623,032	\$ 10,755,574	\$ 11,317,236	\$ 11,654,305	\$ 11,887,390	\$ 12,361,101	\$ 12,608,323	\$ 12,860,489	\$ 13,117,699
Tuition charges	21,205	8,706	-	-	-	-	61,500	-	-	-
Transportation	82,829	67,592	64,206	55,752	45,788	13,187	4,512	3,700	2,775	-
Interest earnings	904	201	148	145	-	-	-	-	-	-
Miscellaneous	86,672	36,930	38,101	30,245	26,174	24,038	115,099	48,140	169,804	188,938
State sources	6,572,667	6,430,812	6,780,889	6,959,574	7,139,987	7,267,829	7,330,621	7,156,946	7,015,556	6,566,442
Federal sources	336,007	319,217	317,597	341,245	326,453	317,433	353,748	350,599	281,778	525,194
Total revenue	17,218,027	17,486,490	17,956,515	18,704,197	19,192,707	19,509,877	20,226,581	20,167,708	20,330,402	20,398,273
Expenditures										
Instruction										
Regular Instruction	5,249,616	5,030,400	5,064,262	4,917,661	4,837,816	5,239,609	5,266,443	4,913,412	4,132,286	4,282,468
Special education instruction	1,119,104	1,212,208	1,231,303	1,150,636	1,126,207	1,232,865	1,390,972	1,332,651	1,284,210	1,174,759
Other special instruction	172,275	174,473	165,002	77,694	85,184	89,304	94,033	131,702	74,089	145,270
Other instruction	671,800	725,580	734,271	747,178	729,637	691,940	761,461	738,970	563,564	709,307
Support Services:										
Tuition	861,562	860,130	1,023,509	1,257,307	1,303,086	1,417,070	1,226,184	480,028	538,580	334,396
Student & instruction related services	1,550,515	1,594,857	1,678,372	1,560,514	1,608,115	1,800,739	1,873,173	1,802,844	1,712,541	1,858,257
School Administrative services	721,941	815,911	775,240	706,888	593,967	567,441	495,571	555,552	558,095	382,249
General administrative services	760,556	777,330	783,724	789,274	723,817	769,521	741,535	747,700	774,111	743,270
Plant operations and maintenance	1,031,756	1,305,863	1,241,547	995,592	1,217,928	1,271,788	1,391,524	1,328,020	1,123,675	1,244,127
Pupil transportation	982,633	1,017,488	1,022,895	1,070,696	1,175,036	1,238,863	1,371,395	1,227,513	789,621	994,022
Business and other support services										
Unallocated employee benefits	3,917,365	3,824,044	4,130,048	4,522,847	4,815,865	5,035,871	5,147,728	4,921,818	5,240,497	5,814,655
Charter Schools	130,528	181,788	218,620	157,496	232,965	124,272	237,866	250,318	186,023	106,406
Capital outlay	719,771	196,685	183,370	149,331	201,140	445,379	3,400	1,353,841	76,917	2,012,554
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	17,889,422	17,716,757	18,252,163	18,103,114	18,650,763	19,924,662	20,001,285	19,784,369	17,054,209	19,801,740
Excess (Deficiency) of revenues over (under) expenditures	(671,395)	(230,267)	(295,648)	601,083	541,944	(414,785)	225,296	383,339	3,276,193	596,533
Other Financing Sources (uses)										
Bond proceeds										
Temporary Note Redemption	-	-	-	-	-	-	-	-	-	-
Transfers in/(out)	-	-	-	-	-	-	-	(50,000)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(50,000)	-	-
Net change in fund balances	\$ (671,395)	\$ (230,267)	\$ (295,648)	\$ 601,083	\$ 541,944	\$ (414,785)	\$ 225,296	\$ 333,339	\$ 3,276,193	\$ 596,533
Debt service as a percentage of noncapital expenditures										
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest</u> <u>Earned</u> <u>on Capital</u> <u>Reserve</u> <u>Funds</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Transportation</u> <u>Fees</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 851	\$ 260	\$ 40,393	\$ 82,829	\$ 1,310	\$ 21,205	\$ 40,454	\$ 187,302
2014	2,880	142	2,590	67,592	2,634	8,706	26,986	111,530
2015	1,893	148	1,019	64,206	-	-	25,189	92,455
2016	3,294	145	450	55,752	-	-	26,501	86,142
2017	10,166	282	11,291	45,788	-	-	3,135	70,662
2018	20,065	749	3,217	13,187	-	-	687	37,905
2019	29,262	-	84,988	4,512	-	61,500	849	181,111
2020	27,652	-	6,372	3,700	-	-	15	37,739
2021	10,339	-	135,445	2,775	-	-	-	148,559
2022	18,458	-	14,636	-	-	-	-	33,094

SOURCE: District Records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less:			Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
									Tax- Exempt Property	Public Utilities a	Net Valuation Taxable		
2013	\$17,560,200	\$552,802,300	\$76,294,600	\$2,133,400	\$61,280,500	\$7,526,200	-	\$815,607,689	\$95,982,717	\$2,027,772	\$719,624,972	\$0.693	\$786,160,323
2014	17,324,800	554,018,900	74,566,200	2,146,300	60,606,200	7,426,000	-	814,057,450	95,984,317	1,984,733	718,073,133	0.703	747,038,890
2015	17,534,500	553,802,200	73,824,500	2,129,800	59,922,200	7,506,300	-	812,711,502	95,881,017	2,110,985	716,830,485	0.755	712,612,284
2016	16,459,000	553,436,700	74,089,900	2,161,200	58,825,700	7,506,300	-	810,249,679	95,338,017	2,432,862	714,911,662	0.778	719,403,395
2017	16,383,200	554,080,200	73,348,600	2,154,600	58,811,400	7,406,800	-	811,128,643	96,664,417	2,279,426	714,464,226	0.769	721,829,604
2018	16,149,900	554,611,400	72,389,300	2,117,000	58,729,300	7,406,800	-	808,683,577	94,990,933	2,288,944	713,692,644	0.757	709,362,651
2019	16,014,700	553,340,800	72,772,000	2,121,500	59,326,400	7,406,800	-	808,696,405	95,364,233	2,349,972	713,332,172	0.837	698,104,592
2020	16,363,100	551,619,900	73,095,300	2,114,400	59,362,200	7,664,000	-	806,090,845	93,528,633	2,343,312	712,562,212	0.873	726,196,562
2021	15,296,300	551,828,700	70,930,500	2,104,000	58,437,100	7,664,000	-	804,777,492	95,922,033	2,594,859	708,855,459	0.873	727,192,468
2022	13,964,700	551,227,100	71,348,400	2,081,000	58,506,100	7,664,000	-	804,574,223	97,266,233	2,516,690	707,307,990	0.878	728,556,641

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2013	\$5,723,800	\$190,139,800	\$74,683,500	\$2,411,900	\$19,532,578	-	-	\$322,262,605	\$29,125,840	\$645,187	\$293,136,765	\$0.729	\$319,671,008
2014	5,515,900	191,028,400	74,521,500	2,385,200	19,708,678	-	-	324,444,214	30,688,540	595,996	293,755,674	0.739	328,448,574
2015	5,309,800	190,137,200	74,509,500	2,359,900	19,695,878	-	-	323,297,669	30,688,540	596,851	292,609,129	0.755	295,544,328
2016	5,725,100	189,281,500	74,232,400	2,348,200	19,375,178	-	-	323,025,633	31,577,140	486,115	291,448,493	0.718	291,646,351
2017	5,132,100	129,084,000	71,205,900	2,319,300	19,375,178	-	-	260,128,524	32,544,540	467,506	290,583,984	0.694	276,619,093
2018	4,860,300	191,901,400	72,260,200	2,306,800	19,375,178	-	-	324,159,163	32,974,040	481,245	291,185,123	0.723	278,427,549
2019	4,335,500	192,630,300	71,003,900	2,305,000	19,616,678	-	-	323,375,740	32,974,040	510,322	290,401,700	0.771	276,716,136
2020	3,893,900	191,930,400	72,006,600	2,264,400	19,581,578	-	-	323,612,559	33,421,440	514,241	290,191,119	0.755	287,386,828
2021	3,814,900	192,315,500	71,001,200	2,375,600	19,515,178	-	-	323,134,359	33,597,740	514,241	289,536,619	0.662	285,112,709
2022	4,191,800	192,518,000	70,809,500	2,351,600	19,415,178	-	-	324,214,359	34,414,040	514,241	289,800,319	0.662	279,243,888

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2013	\$5,660,800	\$110,017,450	\$39,201,100	\$1,050,100	\$705,700	\$627,000	-	\$227,338,257	\$69,620,400	\$455,707	\$157,717,857	\$0.866	\$210,701,695
2014	5,640,900	111,075,050	38,132,600	1,040,900	705,700	627,000	-	227,339,808	69,638,300	479,358	157,701,508	0.911	194,779,597
2015	5,555,700	112,159,350	37,735,800	1,005,600	705,700	627,000	-	227,917,499	69,638,300	490,049	158,279,199	1.019	186,361,299
2016	5,894,900	113,171,150	37,252,000	916,650	705,700	627,000	-	229,741,582	70,571,100	603,082	159,170,482	1.133	187,209,847
2017	5,384,300	112,005,350	37,710,800	1,002,050	705,700	627,000	-	228,536,194	70,571,100	529,894	157,965,094	1.087	185,060,822
2018	4,913,000	110,817,150	38,799,000	990,550	705,700	627,000	-	228,526,211	71,131,700	542,111	157,394,511	1.054	184,578,807
2019	4,790,800	110,631,850	39,888,600	945,350	705,700	627,000	-	229,964,306	71,798,200	576,806	158,166,106	1.000	183,541,516
2020	4,564,200	109,432,850	40,487,600	937,600	705,700	627,000	-	229,793,721	72,485,800	552,971	157,307,921	1.013	190,664,492
2021	4,540,700	109,533,450	40,175,300	968,600	705,700	627,000	-	230,284,542	73,145,300	588,492	157,139,242	1.249	198,644,896
2022	4,198,700	108,901,150	40,604,700	939,000	705,700	627,000	-	230,383,742	73,819,000	588,492	156,564,742	1.249	199,820,243

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2013	\$6,627,600	\$194,646,300	\$33,953,200	\$2,734,840	\$20,642,000	-	\$665,700	\$286,246,017	\$26,280,800	\$695,577	\$259,965,217	\$0.827	\$356,512,227
2014	6,230,100	195,036,500	33,034,500	2,731,740	20,720,500	-	665,700	285,904,453	26,769,700	715,713	259,134,753	0.812	324,354,292
2015	6,051,000	195,127,800	33,526,200	2,756,940	20,654,700	-	665,700	286,246,112	26,683,700	780,072	259,562,412	0.908	306,839,048
2016	5,722,900	194,371,100	34,050,200	2,766,640	20,003,800	-	665,700	285,246,159	26,737,500	928,319	258,508,659	0.945	300,125,043
2017	5,934,500	194,680,700	33,861,300	2,749,640	20,093,900	-	665,700	285,796,298	26,940,600	869,958	304,702,339	1.002	300,125,043
2018	6,303,700	194,568,700	33,981,500	2,715,740	19,541,700	-	665,700	285,781,507	27,150,900	853,567	258,630,607	1.081	312,078,626
2019	6,321,600	194,206,300	33,713,800	2,698,740	19,960,700	-	665,700	285,969,431	27,514,500	888,091	258,454,931	1.096	311,529,335
2020	5,953,100	194,233,800	33,876,500	2,694,940	19,941,900	-	665,700	285,474,591	27,186,000	922,651	258,288,591	1.116	306,987,140
2021	4,533,900	194,887,700	33,206,700	2,704,640	19,941,900	2,189,300	665,700	287,004,282	27,917,300	957,142	259,086,982	1.116	330,579,537
2022	4,465,600	196,924,800	31,809,400	2,648,740	19,670,400	2,189,300	665,700	288,007,911	28,683,200	950,771	259,324,711	1.169	326,838,490

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Blairstown Township School District	Blairstown Township	Warren County	
2013	\$0.672	\$0.000	\$0.672	\$0.714	\$0.035	\$0.738	\$2.159
2014	\$0.693	\$0.000	\$0.693	\$0.720	\$0.015	\$0.739	\$2.167
2015	\$0.703	\$0.000	\$0.703	\$0.742	\$0.020	\$0.766	\$2.231
2016	\$0.755	\$0.000	\$0.755	\$0.720	\$0.020	\$0.781	\$2.276
2017	\$0.755	\$0.000	\$0.778	\$0.747	\$0.020	\$0.770	\$2.315
2018	\$0.769	\$0.000	\$0.769	\$0.760	\$0.020	\$0.758	\$2.307
2019	\$0.757	\$0.000	\$0.757	\$0.808	\$0.020	\$0.714	\$2.299
2020	\$0.837	\$0.000	\$0.837	\$0.774	\$0.075	\$0.730	\$2.416
2021	\$0.873	\$0.000	\$0.873	\$0.792	\$0.085	\$0.721	\$2.471
2022	\$0.878	\$0.000	\$0.878	\$0.839	\$0.123	\$0.720	\$2.560

Source: District Records and Municipal Tax Collector

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

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

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

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Frelinghuysen Township School District	Frelinghuysen Township	Warren County	
2013	\$0.641	\$0.000	\$0.641	\$0.655	\$0.194	\$0.730	\$2.220
2014	\$0.729	\$0.000	\$0.729	\$0.628	\$0.197	\$0.797	\$2.351
2015	\$0.739	\$0.000	\$0.739	\$0.643	\$0.227	\$0.779	\$2.388
2016	\$0.755	\$0.000	\$0.755	\$0.666	\$0.242	\$0.777	\$2.440
2017	\$0.755	\$0.000	\$0.718	\$0.668	\$0.247	\$0.724	\$2.357
2018	\$0.742	\$0.000	\$0.694	\$0.742	\$0.250	\$0.729	\$2.415
2019	\$0.723	\$0.000	\$0.723	\$0.748	\$0.277	\$0.695	\$2.443
2020	\$0.771	\$0.000	\$0.771	\$0.724	\$0.304	\$0.702	\$2.501
2021	\$0.755	\$0.000	\$0.755	\$0.741	\$0.315	\$0.691	\$2.502
2022	\$0.662	\$0.000	\$0.662	\$0.768	\$0.315	\$0.672	\$2.417

Source: District Records and Municipal Tax Collector

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

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

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

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Hardwick Township School District	Hardwick Township	Warren County	
2013	\$0.847	\$0.000	\$0.847	\$0.778	\$0.277	\$0.894	\$2.796
2014	\$0.866	\$0.000	\$0.866	\$0.836	\$0.324	\$0.880	\$2.906
2015	\$0.911	\$0.000	\$0.911	\$0.822	\$0.330	\$0.906	\$2.969
2016	\$1.019	\$0.000	\$1.019	\$0.705	\$0.417	\$0.913	\$3.054
2017	\$1.019	\$0.000	\$1.133	\$0.608	\$0.458	\$0.895	\$3.094
2018	\$1.087	\$0.000	\$1.087	\$0.736	\$0.472	\$0.894	\$3.189
2019	\$1.054	\$0.000	\$1.054	\$0.773	\$0.495	\$0.848	\$3.170
2020	\$1.000	\$0.000	\$1.000	\$0.879	\$0.512	\$0.867	\$3.258
2021	\$1.013	\$0.000	\$1.013	\$0.819	\$0.517	\$0.890	\$3.239
2022	\$1.249	\$0.000	\$1.249	\$0.804	\$0.536	\$0.891	\$3.480

Source: District Records and Municipal Tax Collector

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

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

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

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Knowlton Township School District	Knowlton Township	Warren County	
2013	\$0.793	\$0.000	\$0.793	\$1.013	\$0.420	\$0.925	\$3.151
2014	\$0.827	\$0.000	\$0.827	\$1.028	\$0.430	\$0.892	\$3.177
2015	\$0.812	\$0.000	\$0.812	\$1.035	\$0.429	\$0.911	\$3.187
2016	\$0.908	\$0.000	\$0.908	\$1.060	\$0.431	\$0.901	\$3.300
2017	\$0.908	\$0.000	\$0.945	\$1.079	\$0.418	\$0.899	\$3.341
2018	\$1.080	\$0.000	\$1.002	\$1.080	\$0.418	\$0.915	\$3.415
2019	\$1.081	\$0.000	\$1.081	\$1.067	\$0.423	\$0.881	\$3.452
2020	\$1.096	\$0.000	\$1.096	\$1.081	\$0.443	\$0.851	\$3.471
2021	\$1.116	\$0.000	\$1.116	\$1.143	\$0.441	\$0.898	\$3.598
2022	\$1.169	\$0.000	\$1.169	\$1.191	\$0.440	\$0.881	\$3.681

Source: District Records and Municipal Tax Collector

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

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

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

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

Exhibit J-8

Taxpayer	2021			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Public Service Gas & Electric	\$ 9,195,500	1	1.30%			
Blairstown Realty Associates, LLC	8,826,700	2	1.25%	\$ 2,078,500	2	0.71%
First National Bank of Hope	2,707,100	3	0.38%	1,360,600	6	0.46%
JD Air, Inc.	2,683,400	4	0.38%			
Rite Aid	2,486,200	5	0.35%			
Embarq	2,432,688	6	0.34%			
Blair Academy	2,045,400	7	0.29%			
Grater, LLC	1,963,500	8	0.28%	1,392,400	5	0.47%
Individual Taxpayer #1	1,705,000	9	0.24%	1,265,446	7	0.43%
Lane Enterprises	1,692,000	10	0.24%			
Individual Taxpayer				789,900	10	0.27%
Great Atlantic & Pacific Co.				6,592,000	1	2.24%
Jersey Central Power & Light				2,078,500	3	0.71%
Blair Air				1,613,000	4	0.55%
Woodborne Lane				1,070,000	8	0.36%
JMS Associates				800,000	9	0.27%
Total	<u>\$ 35,737,488</u>		<u>5.05%</u>	<u>\$ 19,040,346</u>		<u>6.47%</u>

Embarq

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-8

Taxpayer	2021			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TI Properties I LLC	\$ 11,482,000	1	3.96%			
845 Frelinghuysen LLC	1,783,800	2	0.62%			
Individual Taxpayer #1	1,412,100	3	0.49%	\$ 859,400	2	0.65%
Individual Taxpayer #2	1,306,100	4	0.45%	612,500	6	0.46%
Individual Taxpayer #3	1,116,300	5	0.39%	519,000	7	0.39%
Individual Taxpayer #4	988,800	6	0.34%			
Weidner Family Partnership LP	928,800	7	0.32%			
Individual Taxpayer #5	856,300	8	0.30%	802,700	3	0.60%
Individual Taxpayer #6	813,300	9	0.28%	462,900	9	0.35%
Individual Taxpayer #7	811,300	10	0.28%	424,600	10	0.32%
Westbrook Realty				969,000	1	0.73%
Terra Co., LLC				735,300	4	0.55%
Homestead Farm Assoc., LLC				671,900	5	0.51%
United Telephone Co. of NJ., Inc.				502,692	8	0.38%
Total	<u>\$ 21,498,800</u>		<u>7.42%</u>	<u>\$ 6,559,992</u>		<u>4.94%</u>

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-8

Taxpayer	2021			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jersey Central Power and Light Co.	\$ 996,100	1	0.64%			
Public Service Gas and Electric	996,100	2	0.64%			
Individual Taxpayer #1	706,300	3	0.45%	\$ 834,000	2	0.86%
Individual Taxpayer #2	690,700	4	0.44%	740,300	3	0.77%
Jerome Goodman Revocable Trust	687,700	5	0.44%	643,900	4	0.67%
Individual Taxpayer #3	654,700	6	0.42%	604,400	6	0.63%
Individual Taxpayer #4	627,000	7	0.40%	585,900	7	0.61%
Individual Taxpayer #5	608,300	8	0.39%	536,500	8	0.56%
Individual Taxpayer #6	596,400	9	0.38%	524,800	9	0.54%
United Telephone Co. of NJ, Inc.	587,794	10	0.38%	608,310	10	0.54%
Little Hill Foundation				2,406,100	1	2.49%
Total	<u>\$ 7,151,094</u>		<u>4.57%</u>	<u>\$ 7,484,210</u>		<u>7.67%</u>

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-8

Taxpayer	2021			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TA Operating Corporation	\$ 3,752,200	1	1.45%	\$ 3,562,300	1	2.19%
Gary Gray	1,620,500	2	0.62%			
Taylor Family Limited Partnership	1,450,000	3	0.56%	601,900	6	0.37%
Columbia Associates	1,124,500	4	0.43%			
Triple Brook RV & Camping Resort, LLC	986,800	5	0.38%			
Embarq	925,021	6	0.36%			
Delaware River Family Campground	794,700	7	0.31%	775,000	3	0.61%
Individual Taxpayer #1	787,000	8	0.30%	1,000,000	2	0.61%
Individual Taxpayer #2	774,400	9	0.30%	719,000	4	0.44%
Individual Taxpayer #2	680,300	10	0.26%			
Northwest Farming, Inc.				481,600	7	0.30%
Individual Taxpayer #4				451,100	8	0.28%
Individual Taxpayer #5				442,500	9	0.27%
K.A.K.S.				437,700	10	0.27%
Total	<u>\$ 12,895,421</u>		<u>4.97%</u>	<u>\$ 8,471,100</u>		<u>5.34%</u>

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$10,117,743	\$10,117,743	100.00%	-
2014	\$10,623,032	\$10,623,032	100.00%	-
2015	\$10,755,574	\$10,755,574	100.00%	-
2016	\$11,317,236	\$11,317,236	100.00%	-
2017	\$11,654,305	\$11,654,305	100.00%	-
2018	\$11,887,390	\$11,887,390	100.00%	-
2019	\$12,361,101	\$12,361,101	100.00%	-
2020	\$12,608,323	\$12,608,323	100.00%	-
2021	\$12,860,489	\$12,860,489	100.00%	-
2022	\$13,117,699	\$13,117,699	100.00%	-

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

Note:

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	-	-	\$ 584,106	-	-0-	\$ 584,106	0.09%	\$46.15	
2014	-	-	426,925	-	-0-	426,925	0.07%	33.73	
2015	-	-	280,360	-	-0-	280,360	0.05%	22.15	
2016	-	-	143,646	-	-0-	143,646	0.02%	2.82	
2017	-	-	7,111	-	-0-	7,111	0.00%	0.14	
2018	-	-	3,602	-	-0-	3,602	0.00%	0.07	
2019	-	-	67,720	-	-0-	67,720	0.01%	1.27	
2020	-	-	47,954	-	-0-	47,954	0.01%	0.86	
2021	-	-	27,258	-	-0-	27,258	0.00%	0.47	
2022	-	-	5,579	-	-0-	5,579	0.00%	0.09	*

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

* Current data unavailable

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

Exhibit J-11

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2011	-0-	-0-	-0-	N/A	N/A
2012	-0-	-0-	-0-	N/A	N/A
2013	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A

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

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

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

R Revised

* Current data unavailable

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	-0-	-0-	-0-	N/A	N/A
2012	-0-	-0-	-0-	N/A	N/A
2013	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A

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

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

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

R Revised

* Current data unavailable

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	-0-	-0-	-0-	N/A	N/A
2012	-0-	-0-	-0-	N/A	N/A
2013	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A

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

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

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

R Revised

* Current data unavailable

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A

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

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

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

R Revised

* Current data unavailable

**North Warren Regional School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2022**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Constituent Townships	\$ 6,571,482	100%	\$ 6,571,482
Other debt			
Warren County	1,305,000	13.51%	<u>176,347</u>
Subtotal, overlapping debt			6,747,829
North Warren Regional School District Direct Debt	-	100%	<u>-</u>
Total direct and overlapping debt			<u><u>\$ 6,747,829</u></u>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2019 \$ 1,541,323,958
	2020 1,532,029,975
	2021 1,638,252,800
	[A] <u>\$ 4,711,606,733</u>
Average equalized valuation of taxable property	[A/3] \$ 1,570,535,578
Debt limit (3 % of average equalization value)	[B] 47,116,067
Net bonded school debt	[C] -
Legal debt margin	[B-C] <u>\$ 47,116,067</u>

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$50,239,027	\$47,543,833	\$45,748,349	\$44,689,114	\$44,521,045	\$44,207,655	\$44,440,349	\$45,082,052	\$45,783,160	\$47,116,067
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$50,239,027</u>	<u>\$47,543,833</u>	<u>\$45,748,349</u>	<u>\$44,689,114</u>	<u>\$44,521,045</u>	<u>\$44,207,655</u>	<u>\$44,440,349</u>	<u>\$45,082,052</u>	<u>\$45,783,160</u>	<u>\$47,116,067</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	12,775	\$ 603,797,600	\$47,223 R	6.6%
2014	12,658	\$ 615,153,484	\$48,887 R	5.9%
2015	12,657	\$ 637,609,032	\$50,741 R	5.1%
2016	12,658	\$ 651,304,732	\$51,503 R	4.5%
2017	12,618	\$ 649,246,572	\$53,149 R	4.1%
2018	12,623	\$ 649,503,842	\$54,973 R	3.8%
2019	12,482	\$ 668,173,942	\$56,956 R	3.5%
2020	12,411	\$ 695,735,838	\$60,525 R	8.7%
2021	12,425	\$ 718,835,950	\$60,525 *	5.6%
2022	12,471	\$ 754,807,275	\$60,525 *	*

Source:

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

^b Personal income provided by US Dept Commerce

^c Per Capita provided by NJ Dept of Labor

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

R Revised

P Projected

* Current data unavailable

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

Exhibit J-15

Employer	2022			2013		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Blair Academy	150	1	N/A	-	N/A	
Gary W/ Gray Trucking	150	2		-		
A & P Food Store-Blairstown	100	3		-		
		4		-		
		5		-		
		6		-		
		7		-		
		8		-		
		9		-		
		10		-		
	<hr/>		<hr/>	<hr/>		<hr/>
	<u>400</u>		<u></u>	<u>-</u>		<u></u>

Source: Warren County Chamber of Commerce

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

Exhibit J-16

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	73.0	71.0	70.2	60.0	60.2	60.2	55.2	49.2	43.2	45.2
Special education	15.0	17.0	15.0	13.0	13.0	14.0	15.0	15.0	16.0	16.0
Other special education	10.0	10.0	10.0	8.0	8.0	9.0	10.0	8.0	7.0	7.0
Support Services:										
Student & instruction related services	22.0	22.0	21.0	20.4	20.8	20.8	20.8	19.7	18.8	18.6
General administrative services	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	2.7
School administrative services	7.0	7.0	7.0	7.0	6.8	6.8	6.8	6.6	6.5	6.5
Business administrative services	3.0	3.0	3.0	2.5	2.5	2.5	2.5	3.0	3.0	3.0
Plant operations and maintenance	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	6.0	6.0
Pupil transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	141.0	141.0	137.2	120.4	120.8	122.8	119.8	111.0	102.0	105.0

Source: District Personnel Records

North Warren Regional School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2013	1,029	\$ 17,169,651	\$ 16,686	2.98%	106	9.7:1	993.9	938.4	-0.13%	94.4%
2014	992	17,520,072	17,661	5.85%	106	9.4:1	963.8	911.3	-3.03%	94.6%
2015	946	18,068,793	19,100	8.15%	107	8.8:1	916.8	873.8	-4.87%	95.3%
2016	925	17,953,783	19,409	1.62%	101	9.1:1	884.1	839.6	-3.57%	95.0%
2017	911	18,449,623	20,252	4.34%	102	8.9:1	873.7	825.3	-1.18%	94.5%
2018	848	19,479,283	22,971	13.42%	104.0	8.2:1	858.0	797.3	-1.80%	92.9%
2019	826	19,997,885	24,211	5.40%	101.0	8.2:1	789.0	749.0	-8.04%	94.9%
2020	767	18,430,528	24,029	-0.75%	95.0	8.1:1	751.0	715.0	-4.82%	95.2%
2021	709	16,977,292	23,945	-0.35%	85.0	8.3:1	729.0	676.0	-2.93%	92.7%
2022	665	17,789,186	26,751	11.72%	80.0	8.3:1	658.0	604.8	-9.74%	91.9%

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

Note: Enrollment based on annual October district count.

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

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

Exhibit J-18

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Building</u>										
<u>High School</u>										
Square Feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity (Students)	960	960	960	960	960	960	960	960	960	960
Enrollment	1,029	992	946	925	911	848	826	767	709	665

Number of Schools at June 30, 2022
 High School = 1

Source: District records, ASSA

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2022

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
North Warren Regional School		\$ 225,397	\$ 471,136	\$ 317,468	\$ 241,595	\$ 310,157	\$ 297,053	\$ 344,525	\$ 299,120	\$ 194,820	\$ 202,612	\$ 2,903,883
Total School Facilities		225,397	471,136	317,468	241,595	310,157	297,053	344,525	299,120	194,820	202,612	2,903,883
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Grand Total		<u>\$ 225,397</u>	<u>\$ 471,136</u>	<u>\$ 317,468</u>	<u>\$ 241,595</u>	<u>\$ 310,157</u>	<u>\$ 297,053</u>	<u>\$ 344,525</u>	<u>\$ 299,120</u>	<u>\$ 194,820</u>	<u>\$ 202,612</u>	<u>\$ 2,903,883</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2022

UNAUDITED

Exhibit J-20

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

SOURCE: District Records

Single Audit Section

ARDITO & COMPANY LLC



1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the North Warren Regional School District Board of Education's basic financial statements, and have issued our report thereon dated January 20, 2023.

Internal Control Over Financial Reporting

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

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

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

January 20, 2023

Anthony Ardito

Anthony Ardito

Licensed Public School Accountant No. 2369



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB circular 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the North Warren Regional School District Board of Education's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The North Warren Regional School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the North Warren Regional School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; and 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); the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

-Continued-

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 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.

-Continued-

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

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

NORTH WARREN REGIONAL SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Program or Award Amount	Grant Period		Balance At June 30, 2021	Carryover/ Walkover/ Amount	Cash Received	Budgetary Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2022			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)															
Passed-through State Office of Emergency Management (NJOEM):															
Disaster Grants-Public Assistance	97.036	Not Available	\$ 21,475	7/1/21	6/30/22			\$ 21,475	\$ (21,475)						\$ 21,475
Total General Fund						-	-	21,475	(21,475)	-	-	-	-	-	21,475
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
IDEA Part B, Basic Regular	84.027	H027A210100	167,029	7/1/21	6/30/22				(167,029)		\$ (167,029)				167,029
American Rescue Plan-IDEA Basic Special Education Cluster	84.027X	H027X210100	31,096	3/13/20	9/30/24	-	-		(31,096)		(31,096)				31,096
						-	-	-	(198,125)	-	(198,125)	-	-	-	198,125
Title I	84.010	S010A210030	27,984	7/1/21	6/30/22	\$ (300)		300	(28,949)		(28,949)				28,949
Title II Part A	84.367	S367B210027	13,781	7/1/21	6/30/22	(1,700)		1,700	(18,886)		(24,801)	\$ 5,915			18,886
Title IV	84.424A	S424B210027	10,000	7/1/21	6/30/22	-			(12,800)		(12,800)				12,800
Total ESEA						(2,000)	-	2,000	(60,635)	-	(66,550)	5,915	-	-	60,635
American Rescue Plan-ESSER III	84.425U	S425U210027	419,928	3/13/20	9/30/24				(71,358)		(419,928)	348,570			71,358
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U210027	53,737	3/13/20	9/30/24				(1,794)		(53,737)	51,943			1,794
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U210027	40,000	3/13/20	9/30/24				(21,000)		(40,000)	19,000			21,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U210027	40,000	3/13/20	9/30/24				-		(40,000)	40,000			-
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	3/13/20	9/30/24				(44,484)		(45,000)	516			44,484
American Rescue Plan-Additional or Comp. Sp Ed and Rel Svcs (ACSERS)	84.425U	S425U210027	43,259	3/13/20	9/30/24				-		(43,259)	43,259			-
CRRSA ESSER II	84.425D	S425D210027	186,847	3/13/20	9/30/23				(63,155)		(186,847)	123,692			63,155
CRRSA Learning	84.425D	S425D210027	25,000	3/13/20	9/30/23				(6,615)		(25,000)	18,385			6,615
CRRSA Mental Health	84.425D	S425D210027	45,000	3/13/20	9/30/23				(36,553)		(45,000)	8,447			36,553
Total Education Stabilization Fund						-	-	-	(244,959)	-	(898,771)	653,812	-	-	244,959
Total Special Revenue Fund						(2,000)	-	2,000	(503,719)	-	(1,163,446)	659,727	-	-	514,210
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Child Nutrition Cluster:															
National School Lunch Program (Food Distribution)	10.555	211NJ304N1099	7,800	7/1/21	6/30/22	7,239			(7,239)						7,800
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	5,887	7/1/20	6/30/21			5,887	(3,158)			2,729			3,158
National School Lunch Program	10.555	211NJ304N1099	39,117	7/1/21	6/30/22	(2,233)		2,233							39,117
National School Lunch Program	10.555	221NJ304N1099	303,207	7/1/20	6/30/21			247,408	(303,207)		(55,799)				303,207
P-EBT Administrative Cost	10.649	2022225900941	1,242	7/1/21	6/30/22			1,242	(1,242)		-				1,242
Total Enterprise Fund						5,006	-	256,770	(314,846)	-	(55,799)	2,729	-	-	354,524
Total Federal Financial Awards						\$ 3,006	-	\$ 280,245	\$ (840,040)	-	\$ (1,219,245)	\$ 662,456	-	-	\$ 890,209

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2021	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2022			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education:															
General Fund:															
Equalization Aid	22-495-034-5122-078	7/1/21-6/30/22	\$ 2,016,473			\$ 2,016,473	\$ (2,016,473)							\$ 200,587	\$ 2,016,473
School Choice Aid	22-495-034-5122-068	7/1/21-6/30/22	11,504			11,504	(11,504)							1,144	11,504
Transportation Aid	22-495-034-5122-014	7/1/21-6/30/22	24,106			24,106	(24,106)							2,398	24,106
Special Education Aid	22-495-034-5122-089	7/1/21-6/30/22	607,635			607,635	(607,635)							60,444	607,635
Security Aid	22-495-034-5122-084	7/1/21-6/30/22	79,019			79,019	(79,019)							7,860	79,019
Extra-Ordinary Aid	22-495-034-5122-044	7/1/21-6/30/22	230,393				(230,393)			\$ (230,393)					230,393
Extra-Ordinary Aid	21-495-034-5122-044	7/1/20-6/30/21	243,471	\$ (243,471)		243,471	-								243,471
Non-Public Transportation Aid	22-100-034-5122-068	7/1/21-6/30/22	7,800				(7,800)			(7,800)					7,800
Non-Public Transportation Aid	21-100-034-5122-068	7/1/20-6/30/21	10,199	(10,199)		10,199									10,199
On-behalf TPAF Pension	22-495-034-5094-002	7/1/21-6/30/22	2,518,183			2,518,183	(2,518,183)								2,518,183
On-behalf TPAF Pension PMR	22-495-034-5094-001	7/1/21-6/30/22	588,349			588,349	(588,349)								588,349
On-behalf TPAF Pension LTD Ins	22-495-034-5094-004	7/1/21-6/30/22	609			609	(609)								609
Reimb.TPAF Soc.Sec.Contrib.	22-495-034-5094-003	7/1/21-6/30/22	410,225	-		313,276	(410,225)			(96,949)					410,225
Total General Fund				(253,670)		6,412,824	(6,494,296)			(335,142)				272,433	6,747,966
Special Revenue Fund:															
SDA Grant - Emergent and Capital Aid	Not Available	7/1/21-6/30/22	21,216							(21,216)	\$ 21,216				0
Total Special Revenue Fund				-	-	-	-	-	-	(21,216)	21,216	-		-	-
State Department of Agriculture:															
Enterprise Fund:															
Nat. School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22	6,999			5,715	(6,999)			(1,284)					6,999
Nat. School Lunch Prog. (State Share)	21-100-010-3350-023	7/1/20-6/30/21	1,531	(29)		29									1,531
Total Enterprise Fund				(29)		5,744	(6,999)			(1,284)					8,530
Total State Financial Assistance				\$ (253,699)		\$ 6,418,568	\$ (6,501,295)			\$ (357,642)	\$ 21,216			\$ 272,433	\$ 6,756,496
Less On-behalf TPAF Pension Amounts:															
On-behalf TPAF Pension	22-495-034-5094-002						2,518,183								
On-behalf TPAF Pension PMR	22-495-034-5094-001						588,349								
On-behalf TPAF Pension LTD Ins	22-495-034-5094-004						609								
Total State Expenditures Subject to Major Program Determination							\$ (3,394,154)								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$72,146 for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 21,475	\$ 6,566,442	\$ 6,587,917
Special Revenue Fund	503,719	-	503,719
Food Service Fund	<u>314,846</u>	<u>6,999</u>	<u>321,845</u>
Total Financial Assistance	<u>\$ 840,040</u>	<u>\$ 6,573,441</u>	<u>\$ 7,413,481</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

NORTH WARREN REGIONAL
SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Special Education Cluster:</u>		
84.027	H027A210100	IDEA Part B, Basic Regular
84.027X	H027X210100	American Rescue Plan-IDEA Basic
<u>Education Stabilization Fund:</u>		
84.425D	S425D210027	Coronavirus Response and Relief - CRRSA
84.425U	S425U210027	American Rescue Plan - ESSER

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

Auditee qualified as low-risk auditee? ___ Yes x No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x yes no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

22-495-034-5122-078	Equalization Aid (State Aid Cluster)
22-495-034-5122-089	Special Education Aid (State Aid Cluster)
22-495-034-5122-084	Security Aid (State Aid Cluster)
22-495-034-5122-068	School Choice Aid (State Aid Cluster)
22-495-034-5094-003	Reimbursed TPAF Soc. Security Contrib.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

STATUS OF PRIOR YEAR FINDINGS

N/A

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