

**SCHOOL DISTRICT OF
WARREN HILLS REGIONAL**

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

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

**Annual Comprehensive
Financial Report**

of the

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

Washington, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

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

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INTRODUCTORY SECTION

WARREN HILLS REGIONAL SCHOOL DISTRICT

89 Bowerstown Road
Washington, New Jersey 07882

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



Earl C. Clymer
Superintendent of Schools

Donnamarie Palmiere
Business Administrator

www.warrenhills.org

October 14, 2022

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

Dear Board Members:

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

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

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

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

2) ECONOMIC CONDITION AND OUTLOOK: During the 2021-22 school year, we were able to maintain the economic condition of the District. Taxpayers benefit by the fact that our budget can only increase by the maximum allowable percent permitted by the state. Because these increases are at or below the cost of living and state aid increases are comparable, each year we are in a position whereby we must continue to find ways to make the revenue we currently have go further. Since our major expenditures are fixed costs such as salaries and health benefits, and health benefits increases are beyond the cost of living, we are forced to reach into the budget and cut other items. These cuts typically affect our program negatively.

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

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS: In the 2021-22 school year, we maintained the district focus on Professional Learning Communities (PLC's) implementation, utilized LinkIt and IXL software for Data analysis, provided time for implementation of best instructional practices and strategies and increased collaboration among faculty and administration. We also added career pathways to enhance our Concurrent Enrollment course offerings. We maintained our partnership with Centenary University to provide a second concurrent enrollment course, Social Media Marketing II. Additional courses were awarded dual enrollment status with Warren County Community College. We utilized Google Classroom and multiple technology applications to provide instruction during times of remote learning.

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

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

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

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

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

Our 1:1 laptop initiative was used for virtual learning and students without internet access were provided with internet devices. During the school year, many new software programs were purchased to provide students with additional on-line learning tools. "Lightning PD" sessions have been offered to teachers to integrate the technology standards and activities. Also, we have added a student help desk to address issues related to the Chromebooks.

Multiple facilities projects were completed to enhance the learning environment for our students and provide fiscal savings for the district. A partial roof replacement project was completed at the high school. High school classroom locks were replaced along with a keyscan migration project. The Excel Building renovations are complete and ready for students to attend in September 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Honorable President and Members of
the Board of Education
Warren Hills Regional School District
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9) OTHER INFORMATION:

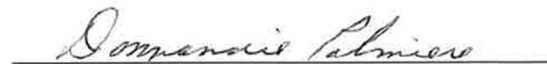
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed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

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

Respectfully submitted,

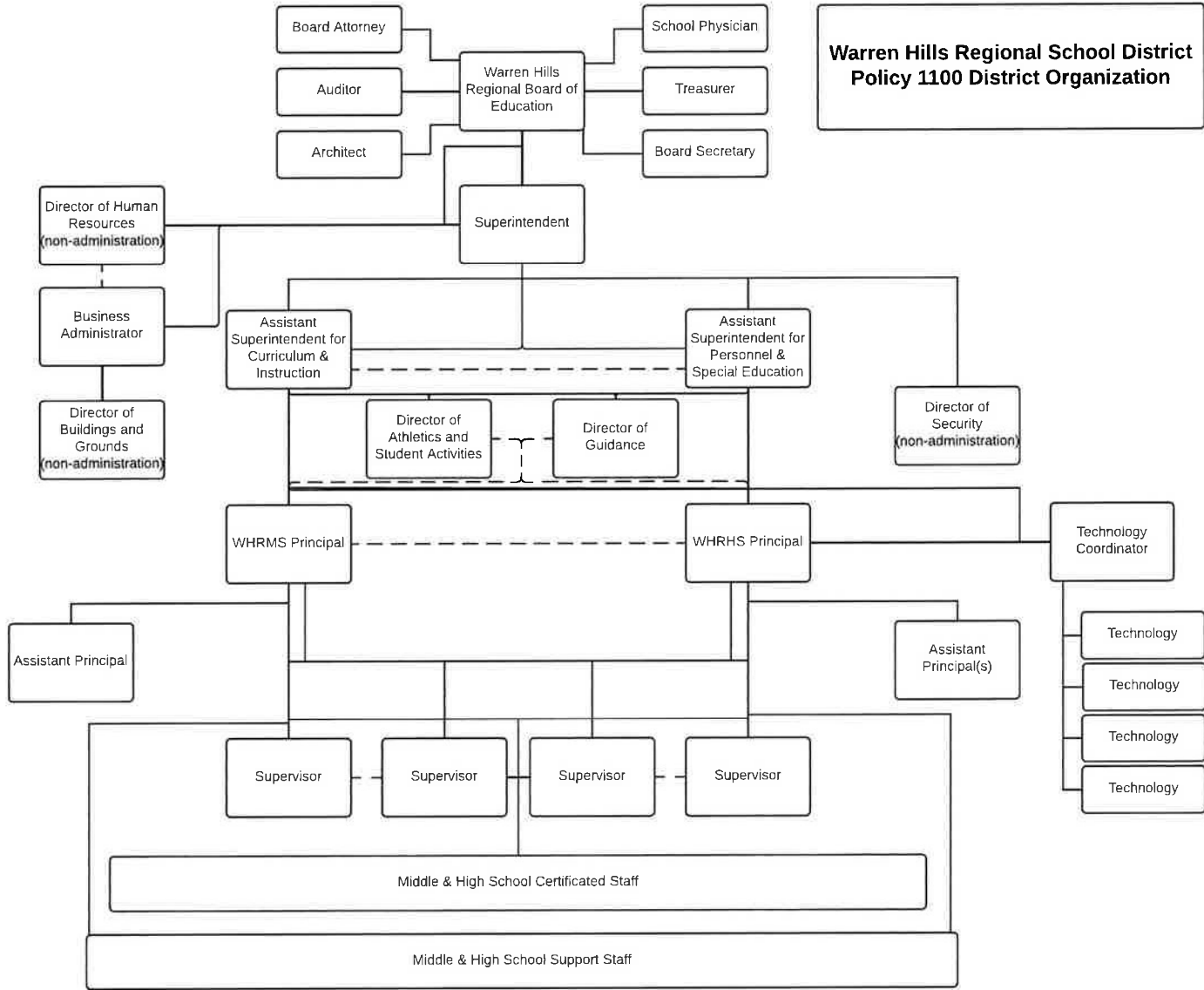


Earl C. Clymer III
Superintendent



Donnamarie Palmiere
Business Administrator/Board Secretary

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



**WARREN HILLS REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2022**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| Corey Piasecki, President | 2023 |
| Christopher Cannavo, Vice President | 2023 |
| Joseph Bodenschatz | 2022 |
| Molly Fraumeni | 2024 |
| Jean Hansen | 2023 |
| Eric Horton | 2022 |
| Sam Knutson | 2024 |
| Lisa Marshall | 2023 |
| Eric Walls | 2022 |

Other Officers

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
Consultants and Advisors
June 30, 2022

Audit Firm

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

Architect

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

Attorneys

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

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

Official Depositories

PNC Bank
25 West Washington Avenue
Washington, NJ 07882

Investors Savings Bank
55 Old Highway 22
Clinton, NJ 08809

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Warren Hills Regional School District (the “District”), in the County of Warren, as of and for the fiscal year ended June 30, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the changes in financial position, and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) 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 District 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 qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District’s note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, 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, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises 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 October 14, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 14, 2022
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

This section of Warren Hills Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of the School District's Financial Report

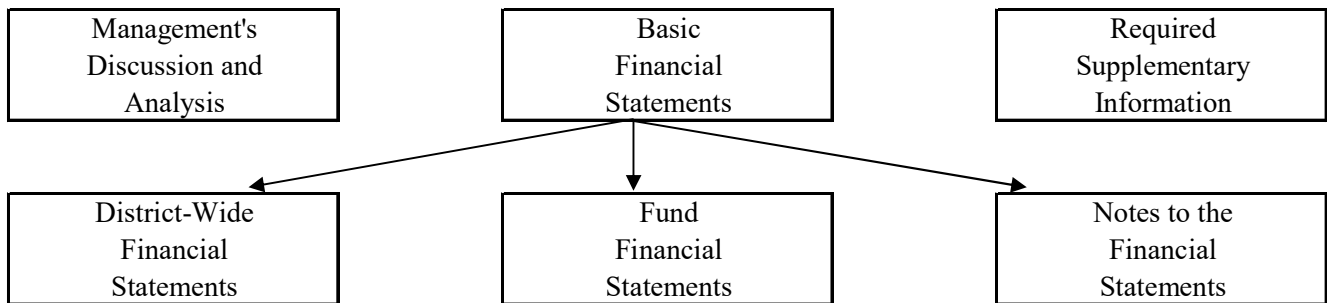


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Financial Analysis of the District as a Whole

Net Position. The net position from governmental activities increased by \$3,693,338 and the net position from business-type activities increased by \$169,607. Total combined net investment in capital assets increased by \$1,034,066, restricted net position increased by \$2,061,571, and unrestricted net position increased by \$767,308.

Figure A-3

Condensed Statement of Net Position

| | Government Activities | | Business-Type Activities | | Total School District | | Percentage Change |
|----------------------------------|-----------------------|----------------------|--------------------------|-------------------|-----------------------|----------------------|-------------------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2021/22 |
| Current and | | | | | | | |
| Other Assets | \$ 10,865,688 | \$ 12,211,891 | \$ 278,674 | \$ 442,588 | \$ 11,144,362 | \$ 12,654,479 | |
| Capital Assets, Net | 45,169,684 | 44,280,901 | 146,474 | 131,830 | 45,316,158 | 44,412,731 | |
| Total Assets | <u>56,035,372</u> | <u>56,492,792</u> | <u>425,148</u> | <u>574,418</u> | <u>56,460,520</u> | <u>57,067,210</u> | 1.07% |
| Deferred Outflows of Resources | <u>1,112,242</u> | <u>754,393</u> | | | <u>1,112,242</u> | <u>754,393</u> | -32.17% |
| Other Liabilities | 1,481,059 | 1,558,418 | 36,044 | 15,707 | 1,517,103 | 1,574,125 | |
| Long-Term Liabilities | 18,681,312 | 14,853,184 | | | 18,681,312 | 14,853,184 | |
| Total Liabilities | <u>20,162,371</u> | <u>16,411,602</u> | <u>36,044</u> | <u>15,707</u> | <u>20,198,415</u> | <u>16,427,309</u> | -18.67% |
| Deferred Inflows of Resources | <u>3,197,544</u> | <u>3,354,546</u> | | | <u>3,197,544</u> | <u>3,354,546</u> | 4.91% |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | 33,931,054 | 34,979,764 | 146,474 | 131,830 | 34,077,528 | 35,111,594 | |
| Restricted | 7,343,615 | 9,405,186 | | | 7,343,615 | 9,405,186 | |
| Unrestricted/(Deficit) | <u>(7,486,970)</u> | <u>(6,903,913)</u> | <u>242,630</u> | <u>426,881</u> | <u>(7,244,340)</u> | <u>(6,477,032)</u> | |
| Total Net Position | <u>\$ 33,787,699</u> | <u>\$ 37,481,037</u> | <u>\$ 389,104</u> | <u>\$ 558,711</u> | <u>\$ 34,176,803</u> | <u>\$ 38,039,748</u> | 11.30% |

Changes in Net Position. The District's *combined* net position was \$38,039,748 on June 30, 2022, \$3,862,945 or 11.30% more than it was the year before (see Figure A-4). The increase in net investment in capital assets is due to the maturity of \$1,890,000 of serial bonds payable, defeasement of serial bonds payable of \$8,160,000, an increase in deferred amount on refunding of \$142,165, a paydown in financed purchases principal of \$130,328 and \$1,414,653 in capital assets additions; offset by issuance of school refunding bonds of \$8,385,000, \$2,302,125 in depreciation expense and \$15,955 in deleted assets net of accumulated depreciation. The increase in restricted net position is due primarily to an increase in the capital reserve, excess surplus and debt service. The increase in unrestricted net position is due primarily to changes in net pension liability and related deferred outflows and inflows and a decrease in unamortized bond issuance premium; offset by a decrease in encumbrances.

Figure A-4

Changes in Net Position from Operating Results

| | Governmental Activities | | Business-Type Activities | | Total School District | | Percentage |
|------------------------------------|-------------------------|---------------------|--------------------------|-------------------|-----------------------|---------------------|-------------------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | Change 2021/22 |
| Revenue: | | | | | | | |
| Program Revenue: | | | | | | | |
| Charges for Services | \$ 2,269,145 | \$ 2,169,956 | \$ 1,021 | \$ 184,273 | \$ 2,270,166 | \$ 2,354,229 | |
| Operating Grants and Contributions | 10,715,813 | 10,245,311 | 243,601 | 853,196 | 10,959,414 | 11,098,507 | |
| General Revenue: | | | | | | | |
| Property Taxes | 25,177,262 | 25,640,988 | | | 25,177,262 | 25,640,988 | |
| Unrestricted State Aid | 9,280,855 | 9,054,206 | | | 9,280,855 | 9,054,206 | |
| Other | 102,853 | 320,173 | 414 | 470 | 103,267 | 320,643 | |
| Total Revenue | <u>47,545,928</u> | <u>47,430,634</u> | <u>245,036</u> | <u>1,037,939</u> | <u>47,790,964</u> | <u>48,468,573</u> | 1.42% |
| Expenses: | | | | | | | |
| Instruction | 24,500,098 | 23,912,225 | | | 24,500,098 | 23,912,225 | |
| Pupil and Instruction Services | 8,254,292 | 7,870,354 | | | 8,254,292 | 7,870,354 | |
| Administrative and Business | 4,172,669 | 3,653,552 | | | 4,172,669 | 3,653,552 | |
| Maintenance and Operations | 3,629,704 | 3,633,204 | | | 3,629,704 | 3,633,204 | |
| Transportation | 1,946,923 | 2,448,410 | | | 1,946,923 | 2,448,410 | |
| Other | 2,399,832 | 2,219,551 | 223,686 | 868,332 | 2,623,518 | 3,087,883 | |
| Total Expenses | <u>44,903,518</u> | <u>43,737,296</u> | <u>223,686</u> | <u>868,332</u> | <u>45,127,204</u> | <u>44,605,628</u> | -1.16% |
| Increase in Net Position | <u>\$ 2,642,410</u> | <u>\$ 3,693,338</u> | <u>\$ 21,350</u> | <u>\$ 169,607</u> | <u>\$ 2,663,760</u> | <u>\$ 3,862,945</u> | 45.02% |

Governmental Activities

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

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

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

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

Figure A-5

Net Cost of Governmental Activities

| Expense Category: | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
|--------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | <u>2020/21</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2021/22</u> |
| Instruction | \$ 24,500,098 | \$ 14,309,699 | \$ 23,912,225 | \$ 14,468,652 |
| Pupil and Instruction Services | 8,254,292 | 6,695,086 | 7,870,354 | 6,122,882 |
| Administrative and Business | 4,172,669 | 3,640,538 | 3,653,552 | 3,182,276 |
| Maintenance and Operations | 3,629,704 | 3,561,393 | 3,633,204 | 3,512,927 |
| Transportation | 1,946,923 | 1,312,012 | 2,448,410 | 1,815,741 |
| Other | 2,399,832 | 2,399,832 | 2,219,551 | 2,219,551 |
| | <u>\$ 44,903,518</u> | <u>\$ 31,918,560</u> | <u>\$ 43,737,296</u> | <u>\$ 31,322,029</u> |

Business-Type Activities

Net position from the District’s business-type activity increased by \$169,607. (Refer to Figure A-4). This was primarily due to an increase in snack sales since free lunches were served to all students. There was also a significant increase in subsidy reimbursements which was offset by a similar increase in service expenses.

Financial Analysis of the District’s Funds

The District’s financial position increased on a fund basis by being fiscally responsible and efficient in what discretionary purchases the District makes.

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

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

General Fund Budgetary Highlights

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

Capital Asset and Long-Term Liabilities

Figure A-6

| | Capital Assets (Net of Depreciation) | | | | | | Percentage Change 2021/22 |
|---|--------------------------------------|----------------------|--------------------------|-------------------|-----------------------|----------------------|---------------------------------|
| | Governmental Activities | | Business-Type Activities | | Total School District | | |
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | |
| Sites | \$ 443,166 | \$ 443,166 | | | \$ 443,166 | \$ 443,166 | |
| Site Improvements | 1,190,361 | 1,093,465 | | | 1,190,361 | 1,093,465 | |
| Buildings and Building Improvements | 42,404,279 | 41,746,815 | \$ 97,260 | \$ 92,004 | 42,501,539 | 41,838,819 | |
| Furniture, Machinery and Equipment | 1,131,878 | 997,455 | 49,214 | 39,826 | 1,181,092 | 1,037,281 | |
| Total Capital Assets (Net of Depreciation) | <u>\$ 45,169,684</u> | <u>\$ 44,280,901</u> | <u>\$ 146,474</u> | <u>\$ 131,830</u> | <u>\$ 45,316,158</u> | <u>\$ 44,412,731</u> | -1.99% |

During the fiscal year, the District acquired or constructed \$1,414,653 in capital additions from its governmental activities (which included capital outlay expenses for equipment upgrades). The District also had \$2,302,125 in depreciation expense (\$2,287,481 from its governmental activities and \$14,644 from its business-type activities) and \$15,955 of capital asset disposals, net of accumulated depreciation, from its governmental activities.

Long-term Liabilities

The District's long-term liabilities decreased \$3,828,128 or 20.49% as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

| | Long-Term Liabilities | | Percentage Change 2021/22 |
|---|-----------------------|----------------------|---------------------------------|
| | Total School District | | |
| | 2020/21 | 2021/22 | |
| Serial Bonds (Financed with Property Taxes) | \$ 10,974,000 | \$ 9,309,000 | |
| Unamortized Bond Issuance Premium | 993,888 | 828,240 | |
| Net Pension Liability | 6,059,531 | 4,230,611 | |
| Other Long Term Liabilities | 653,893 | 485,333 | |
| | <u>\$ 18,681,312</u> | <u>\$ 14,853,184</u> | -20.49% |

- The District issued refunding school bonds of \$8,385,000.
- The District continued to pay down its bonded debt, retiring \$1,890,000 and advance refunded \$8,160,000 of 2012 outstanding bonds.
- The District amortized \$165,648 of bond issuance premium related to its bonded debt.
- Net pension liability decreased by \$1,828,920.
- The District paid down \$130,328 in financed purchases principal during the fiscal year.
- Compensated absences decreased by a net amount of \$38,232.

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

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

- Increasing costs of special education students and outside placements.
- Impact of accountability regulations.
- Impact of the fiscal crisis upon the state treasury affected state aid paid to the district.
- Impact of fuel costs and transportation.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 4,029,760 | \$ 410,348 | \$ 4,440,108 |
| Receivables from State Government | 856,612 | 213 | 856,825 |
| Receivables from Federal Government | 315,289 | 14,080 | 329,369 |
| Receivables from Other Governments | 223,788 | | 223,788 |
| Other Receivables | 9,286 | | 9,286 |
| Inventories | | 17,947 | 17,947 |
| Restricted Cash and Cash Equivalents | 6,659,359 | | 6,659,359 |
| Restricted Investments | 117,797 | | 117,797 |
| Capital Assets, Net: | | | |
| Sites (Land) | 443,166 | | 443,166 |
| Depreciable Site Improvements, Buildings and Building Improvements, Furniture and Machinery and Equipment | 43,837,735 | 131,830 | 43,969,565 |
| Total Assets | <u>56,492,792</u> | <u>574,418</u> | <u>57,067,210</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred Amount on Refunding | 142,165 | | 142,165 |
| Deferred Outflows Related to Pensions | 612,228 | | 612,228 |
| Total Deferred Outflows of Resources | <u>754,393</u> | | <u>754,393</u> |
| <u>LIABILITIES</u> | | | |
| Accrued Interest Payable | 43,422 | | 43,422 |
| Accounts Payable | 1,486,044 | 5,016 | 1,491,060 |
| Payable to Federal Government | 192 | | 192 |
| Payable to State Government | 65 | | 65 |
| Unearned Revenue | 28,695 | 10,691 | 39,386 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 2,409,781 | | 2,409,781 |
| Due Beyond One Year | 12,443,403 | | 12,443,403 |
| Total Liabilities | <u>16,411,602</u> | <u>15,707</u> | <u>16,427,309</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Inflows Related to Pensions | 3,354,546 | | 3,354,546 |
| Total Deferred Inflows of Resources | <u>3,354,546</u> | | <u>3,354,546</u> |
| <u>NET POSITION</u> | | | |
| Net Investment in Capital Assets | 34,979,764 | 131,830 | 35,111,594 |
| Restricted for: | | | |
| Capital Projects | 4,903,467 | | 4,903,467 |
| Debt Service | 118,030 | | 118,030 |
| Maintenance | 500,000 | | 500,000 |
| Emergency | 299,431 | | 299,431 |
| Excess Surplus | 2,510,000 | | 2,510,000 |
| Unemployment Compensation | 498,860 | | 498,860 |
| Scholarships | 364,571 | | 364,571 |
| Student Activities | 210,827 | | 210,827 |
| Unrestricted/(Deficit) | (6,903,913) | 426,881 | (6,477,032) |
| Total Net Position | <u>\$ 37,481,037</u> | <u>\$ 558,711</u> | <u>\$ 38,039,748</u> |

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Functions/Programs | Program Revenue | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------|-------------------------|--|--|-----------------------------|-----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 17,659,151 | \$ 1,329,192 | \$ 4,926,479 | \$ (11,403,480) | \$ | \$ (11,403,480) |
| Special Education | 4,618,852 | 301,600 | 2,886,302 | (1,430,950) | | (1,430,950) |
| Other Special Instruction | 140 | | | (140) | | (140) |
| Other Instruction | 1,634,082 | | | (1,634,082) | | (1,634,082) |
| Support Services: | | | | | | |
| Tuition | 2,040,842 | | 489,197 | (1,551,645) | | (1,551,645) |
| Student & Instruction Related Services | 5,829,512 | 295,661 | 962,614 | (4,571,237) | | (4,571,237) |
| General Administrative Services | 749,284 | | 81,905 | (667,379) | | (667,379) |
| School Administrative Services | 1,653,673 | | 320,545 | (1,333,128) | | (1,333,128) |
| Central Services | 649,906 | | 68,826 | (581,080) | | (581,080) |
| Administrative Information Technology | 600,689 | | | (600,689) | | (600,689) |
| Plant Operations and Maintenance | 3,633,204 | | 120,277 | (3,512,927) | | (3,512,927) |
| Pupil Transportation | 2,448,410 | 243,503 | 389,166 | (1,815,741) | | (1,815,741) |
| Interest on Long-Term Debt | 172,807 | | | (172,807) | | (172,807) |
| Transfer of Funds to Charter School | 19,798 | | | (19,798) | | (19,798) |
| Unallocated Depreciation | 2,026,946 | | | (2,026,946) | | (2,026,946) |
| Total Governmental Activities | 43,737,296 | 2,169,956 | 10,245,311 | (31,322,029) | | (31,322,029) |
| Business-Type Activities: | | | | | | |
| Food Service | 868,332 | 184,273 | 853,196 | | \$ 169,137 | 169,137 |
| Total Business-Type Activities | 868,332 | 184,273 | 853,196 | | 169,137 | 169,137 |
| Total Primary Government | \$ 44,605,628 | \$ 2,354,229 | \$ 11,098,507 | (31,322,029) | 169,137 | (31,152,892) |

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

| | Net (Expense) Revenue and Changes in Net Position | | |
|--|--|-----------------------------|---------------|
| | Governmental Activities | Business-type Activities | Total |
| General Revenue: | | | |
| Taxes: | | | |
| Property Taxes, Levied for General Purposes, Net | \$ 23,334,779 | \$ | 23,334,779 |
| Taxes Levied for Debt Service | 2,306,209 | | 2,306,209 |
| Federal and State Aid not Restricted | 9,054,206 | | 9,054,206 |
| Investment Earnings | 18,221 | \$ 470 | 18,691 |
| Miscellaneous Income | 301,952 | | 301,952 |
| Total General Revenue | 35,015,367 | 470 | 35,015,837 |
| Change in Net Position | 3,693,338 | 169,607 | 3,862,945 |
| Net Position - Beginning | 33,787,699 | 389,104 | 34,176,803 |
| Net Position - Ending | \$ 37,481,037 | \$ 558,711 | \$ 38,039,748 |

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

FUND FINANCIAL STATEMENTS

WARREN HILLS REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
|--|----------------------|----------------------------|-------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 3,911,730 | | \$ 118,030 | \$ 4,029,760 |
| Interfund Receivable | 222,221 | | | 222,221 |
| Receivables From State Government | 856,612 | | | 856,612 |
| Receivables From Federal Government | 3,244 | \$ 312,045 | | 315,289 |
| Receivables From Other Governments | 223,788 | | | 223,788 |
| Other Receivables | 9,286 | | | 9,286 |
| Restricted Cash and Cash Equivalents | 6,201,758 | 457,601 | | 6,659,359 |
| Restricted Investments | | 117,797 | | 117,797 |
| Total Assets | \$ 11,428,639 | \$ 887,443 | \$ 118,030 | \$ 12,434,112 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Interfund Payable | | \$ 222,221 | | \$ 222,221 |
| Accounts Payable | \$ 976,172 | 60,872 | | 1,037,044 |
| Payable to Federal Government | | 192 | | 192 |
| Payable to State Government | | 65 | | 65 |
| Unearned Revenue | | 28,695 | | 28,695 |
| Total Liabilities | 976,172 | 312,045 | | 1,288,217 |
| Fund Balances: | | | | |
| Restricted: | | | | |
| Capital Reserve | 4,903,467 | | | 4,903,467 |
| Maintenance Reserve | 500,000 | | | 500,000 |
| Emergency Reserve | 299,431 | | | 299,431 |
| Excess Surplus for 2023-2024 | 1,500,000 | | | 1,500,000 |
| Excess Surplus for 2022-2023 | 1,010,000 | | | 1,010,000 |
| Unemployment Compensation | 498,860 | | | 498,860 |
| Scholarships | | 364,571 | | 364,571 |
| Student Activities | | 210,827 | | 210,827 |
| Debt Service | | | \$ 118,030 | 118,030 |
| Assigned: | | | | |
| Other Purposes | 940,091 | | | 940,091 |
| Unassigned | 800,618 | | | 800,618 |
| Total Fund Balances | 10,452,467 | 575,398 | 118,030 | 11,145,895 |
| Total Liabilities and Fund Balances | \$ 11,428,639 | \$ 887,443 | \$ 118,030 | \$ 12,434,112 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

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

| | |
|---|-----------------------------|
| Total Fund Balances from previous page | \$ 11,145,895 |
| Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. | 44,280,901 |
| Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. | (828,240) |
| Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure | 142,165 |
| Interest on Long-Term Debt is not Accrued in the Governmental Funds but Rather is Recognized as an Expenditure When Due. | (43,422) |
| Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds | (9,794,333) |
| The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds. | (4,230,611) |
| Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds | <u>(3,191,318)</u> |
| Net Position of Governmental Activities | <u><u>\$ 37,481,037</u></u> |

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
|---|-----------------|----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | |
| Local Sources: | | | | |
| Local Tax Levy | \$ 23,334,779 | | \$ 2,306,209 | \$ 25,640,988 |
| Tuition from Other LEAs | 1,630,792 | | | 1,630,792 |
| Transportation Fees from Other LEAs | 243,503 | | | 243,503 |
| Interest Earned on Capital Reserve Funds | 4,577 | | | 4,577 |
| Other Restricted Miscellaneous Revenue | 55,113 | \$ 299,823 | | 354,936 |
| Unrestricted Miscellaneous Revenue | 260,483 | 27,265 | | 287,748 |
| Total - Local Sources | 25,529,247 | 327,088 | 2,306,209 | 28,162,544 |
| State Sources | 19,415,985 | 34,276 | 17,212 | 19,467,473 |
| Federal Sources | 54,671 | 1,048,850 | | 1,103,521 |
| Total Revenues | 44,999,903 | 1,410,214 | 2,323,421 | 48,733,538 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Regular Instruction | 10,750,752 | 328,545 | | 11,079,297 |
| Special Education Instruction | 2,903,433 | | | 2,903,433 |
| Other Special Instruction | 140 | | | 140 |
| School-Sponsored/Other Instruction | 1,409,834 | | | 1,409,834 |
| Support Services and Undistributed Costs: | | | | |
| Tuition | 1,551,645 | 489,197 | | 2,040,842 |
| Student and Other Instruction Related Services | 3,935,840 | 571,888 | | 4,507,728 |
| General Administration Services | 599,008 | | | 599,008 |
| School Administration Services | 1,036,813 | | | 1,036,813 |
| Central Services | 466,241 | | | 466,241 |
| Administrative Information Technology | 551,660 | | | 551,660 |
| Plant Operations and Maintenance | 3,178,886 | | | 3,178,886 |
| Student Transportation | 2,381,691 | | | 2,381,691 |
| Unallocated Benefits | 13,506,301 | | | 13,506,301 |
| Debt Service: | | | | |
| Principal | | | 1,890,000 | 1,890,000 |
| Interest and Other Charges | | | 315,392 | 315,392 |
| Capital Outlay | 1,548,412 | 15,590 | | 1,564,002 |
| Transfer of Funds to Charter School | 19,798 | | | 19,798 |
| Total Expenditures | 43,840,454 | 1,405,220 | 2,205,392 | 47,451,066 |
| Excess/(Deficit) of Revenue Over/(Under) Expenditures | 1,159,449 | 4,994 | 118,029 | 1,282,472 |
| OTHER FINANCING SOURCES/(USES): | | | | |
| Refunding Bonds Issued | | | 8,385,000 | 8,385,000 |
| Serial Bonds Defeased | | | (8,160,000) | (8,160,000) |
| Bond Issuance Costs | | | (54,400) | (54,400) |
| Deferred Amount on Refunding | | | (170,600) | (170,600) |
| Total Other Financing Sources/(Uses) | | | -0- | -0- |
| Net Change in Fund Balances | 1,159,449 | 4,994 | 118,029 | 1,282,472 |
| Fund Balance - July 1 | 9,293,018 | 570,404 | 1 | 9,863,423 |
| Fund Balance - June 30 | \$ 10,452,467 | \$ 575,398 | \$ 118,030 | \$ 11,145,895 |

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | | |
|---|----------------|--------------|
| Total Net Change in Fund Balances - Governmental Funds (from B-2) | | \$ 1,282,472 |
| Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because: | | |
| Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation and deleted assets in the period. | | |
| Depreciation expense | \$ (2,287,481) | |
| Deleted Assets, net of accumulated depreciation | (15,955) | |
| Capital Asset Additions | 1,414,653 | (888,783) |
| In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). | | |
| | | 38,232 |
| The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+) | | |
| | | 165,648 |
| The governmental funds report the effect of deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities. | | |
| | | (28,435) |
| Proceeds from debt issued for an advanced refunding less the amount of bonds defeased are not recorded in the governmental funds. | | |
| Refunding Bonds Issued | (8,385,000) | |
| Deferred Amount on Refunding | 170,600 | |
| School Bonds Defeased | 8,160,000 | (54,400) |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). | | |
| | | 5,372 |
| Repayment of serial bonds payable is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. | | |
| | | 1,890,000 |
| Repayment of financed purchases 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. | | |
| | | 130,328 |
| The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds: | | |
| Change in Net Pension Liability | 1,828,920 | |
| Changes in Deferred Outflows and Inflows Related to Pensions | (676,016) | |
| Change in Net Position of Governmental Activities (A-2) | | \$ 3,693,338 |

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

| | Business-type Activities - Enterprise Funds |
|--|---|
| | Food Service |
| <u>ASSETS:</u> | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 410,348 |
| Intergovernmental Accounts Receivable: | |
| State | 213 |
| Federal | 14,080 |
| Inventories | 17,947 |
| Total Current Assets | 442,588 |
| Non-Current Assets: | |
| Capital Assets | 485,414 |
| Less: Accumulated Depreciation | (353,584) |
| Total Non-Current Assets | 131,830 |
| Total Assets | 574,418 |
| <u>LIABILITIES:</u> | |
| Current Liabilities: | |
| Accounts Payable | 5,016 |
| Unearned Revenue: | |
| Prepaid Meals | 6,397 |
| Donated Commodities | 4,294 |
| Total Liabilities | 15,707 |
| <u>NET POSITION:</u> | |
| Investment in Capital Assets | 131,830 |
| Unrestricted | 426,881 |
| Total Net Position | \$ 558,711 |

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Business-type Activities - Enterprise Funds <u>Food Service</u> |
|------------------------------------|--|
| Operating Revenue: | |
| Local Sources: | |
| Daily Sales: | |
| Non-Reimbursable Programs | \$ 184,273 |
| Total Operating Revenue | <u>184,273</u> |
| Operating Expenses: | |
| Cost of Sales: | |
| Reimbursable Programs | 387,339 |
| Non-Reimbursable Programs | 102,963 |
| Salaries | 249,901 |
| Benefits and Payroll Taxes | 36,397 |
| Supplies, Insurance & Other Costs | 61,688 |
| Management Fee | 15,400 |
| Depreciation Expense | <u>14,644</u> |
| Total Operating Expenses | <u>868,332</u> |
| Operating Loss | (684,059) |
| Non-Operating Income: | |
| Local Sources: | |
| Interest Income | 470 |
| State Sources: | |
| COVID - Seamless Summer Option | 16,584 |
| Federal Sources: | |
| COVID - Seamless Summer Option | 788,338 |
| P-EBT Reimbursement | 1,242 |
| Emergency Operational Cost Program | 17,458 |
| Food Distribution Program | <u>29,574</u> |
| Total Non-Operating Income | <u>853,666</u> |
| Change in Net Position | 169,607 |
| Net Position - Beginning of Year | <u>389,104</u> |
| Net Position - End of Year | <u><u>\$ 558,711</u></u> |

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Business-type Activities - Enterprise Funds |
|---|---|
| | Food Service |
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 175,887 |
| Payments to Food Service Contractor | (769,209) |
| Payment of Salaries - District Employees | (46,935) |
| Payments to Suppliers | (17,870) |
| | (658,127) |
| Net Cash Used for Operating Activities | (658,127) |
| Cash Flows from Investing Activities: | |
| Interest Income | 470 |
| | 470 |
| Net Cash Provided by Investing Activities | 470 |
| Cash Flows from Noncapital Financing Activities: | |
| State Sources | 18,237 |
| Federal Sources | 808,410 |
| | 826,647 |
| Net Cash Provided by Noncapital Financing Activities | 826,647 |
| Net Increase in Cash and Cash Equivalents | 168,990 |
| Cash and Cash Equivalents, July 1 | 241,358 |
| Cash and Cash Equivalents, June 30 | \$ 410,348 |
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities: | |
| Operating Loss | \$ (684,059) |
| Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities: | |
| Depreciation | 14,644 |
| Food Distribution Program | 29,574 |
| Changes in Assets and Liabilities: | |
| (Decrease) in Unearned Revenue | (9,560) |
| (Decrease) in Accounts Payable | (10,777) |
| Decrease in Inventory | 2,051 |
| | (658,127) |
| Net Cash Used for Operating Activities | \$ (658,127) |

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$26,131 and utilized U.S.D.A. Commodities valued at \$29,574.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

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

| | General Fund | Special Revenue Fund |
|--|-----------------|----------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 44,983,802 | \$ 1,506,408 |
| Differences - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis Does Not: | | |
| Prior Year Encumbrances | | 42,350 |
| Cancellation of Prior Year Encumbrances | | (3,788) |
| Current Year Encumbrances | | (134,756) |
| Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes | 1,024,543 | |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements | (1,008,442) | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | \$ 44,999,903 | \$ 1,410,214 |
| | General Fund | Special Revenue Fund |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 43,840,454 | \$ 1,501,414 |
| Differences - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | |
| Prior Year Encumbrances | | 42,350 |
| Cancellation of Prior Year Encumbrances | | (3,788) |
| Current Year Encumbrances | | (134,756) |
| Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds | \$ 43,840,454 | \$ 1,405,220 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenue. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenue/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

K. Capital Assets:

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

K. Capital Assets: (Cont'd)

| | <u>Estimated Useful Life</u> |
|-------------------------------------|------------------------------|
| Site Improvements | 20 years |
| Buildings and Building Improvements | 50 years |
| Furniture, Machinery and Equipment | 10 to 15 years |

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

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

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

N. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2022, the amount earned by these employees but not disbursed was \$525,214.

O. Compensated Absences

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

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

R. Fund Balance Appropriated:

General Fund: Of the \$10,452,467 General Fund fund balance at June 30, 2022, \$4,903,467 is restricted in the capital reserve account; \$500,000 is restricted in the maintenance reserve account; \$299,431 is restricted in the emergency reserve account; \$498,860 is restricted in the unemployment compensation reserve account; \$2,510,000 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (the \$1,010,000 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023 and the current year excess surplus of \$1,500,000 will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024); \$940,091 is assigned for year end encumbrances; and \$800,618 is unassigned, which is \$1,008,442 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2023.

Special Revenue Fund: Of the \$575,398 Special Revenue Fund fund balance at June 30, 2022, \$364,571 is restricted for scholarships and \$210,827 is restricted for student activities.

Debt Service Fund: The \$118,030 fund balance in the Debt Service Fund at June 30, 2022 is restricted.

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

S. Deficit Net Position:

The District had a deficit in unrestricted net position from governmental activities in the amount of \$6,903,913. This is primarily a result of unamortized bond premium, net pension liability and related deferred inflows and outflows of resources; offset by encumbrances and unassigned fund balance. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and deferred inflows for pensions at June 30, 2022. The District also had a deferred outflow for the deferred amount on refunding.

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

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

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

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, emergency reserve, debt service, student activities, scholarships and unemployment compensation.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2022.

V. Revenue - Exchange and Nonexchange Transactions:

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

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

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

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

W. Operating Revenue and Expenses:

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

X. Management Estimates:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Y. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

Deposits: (Cont'd)

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

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

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

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

Investments:

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository

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

| | Cash and Cash Equivalents | <u>Restricted</u> Cash and Cash Equivalents | <u>Investments</u> | <u>Total</u> |
|-------------------------------|---------------------------------|--|--------------------|----------------------|
| Checking and Savings Accounts | \$4,440,108 | \$6,659,359 | | \$11,099,467 |
| Certificates of Deposit | | | \$ 117,797 | 117,797 |
| | <u>\$4,440,108</u> | <u>\$6,659,359</u> | <u>\$ 117,797</u> | <u>\$ 11,217,264</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

During the period ended June 30, 2022, the District did not hold any investments other than certificate of deposits. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2022, was \$11,217,264 and the bank balance was \$12,091,271.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$500,000 in the original 1999-2000 annual budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amount or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

| | |
|--|--------------|
| Beginning Balance, July 1, 2021 | \$ 3,660,321 |
| Add: | |
| Interest Earnings | 4,577 |
| Transfer from Unassigned Fund Balance per Board Resolution | 1,842,148 |
| Unexpended Project Balance Returned from Capital Outlay | 282,145 |
| Less: | |
| Withdrawal as per Board Resolutions | (210,724) |
| Budgeted Withdrawal | (675,000) |
| | (675,000) |
| Ending Balance, June 30, 2022 | \$ 4,903,467 |

The June 30, 2022 balance of local support costs of uncompleted capital projects in the District's LRFP exceeds the balance in the capital reserve account at June 30, 2022. Withdrawals from the capital reserve were for use in DOE approved facilities projects consistent with the District's LRFP.

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2022, the District transferred \$359,970 to the capital outlay accounts. \$138,796 was transferred to equipment which did not require County Superintendent approval. The \$210,724 transferred to facilities and construction services was a Board approved withdrawal from Capital Reserve.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

| | Beginning Balance | Increases | Adjustments/ Decreases | Ending Balance |
|---|----------------------|---------------------|---------------------------|----------------------|
| Governmental Activities: | | | | |
| Capital Assets not Being Depreciated: | | | | |
| Sites (Land) | \$ 443,166 | | | \$ 443,166 |
| Total Capital Assets Not Being Depreciated | <u>443,166</u> | | | <u>443,166</u> |
| Capital Assets Being Depreciated: | | | | |
| Site Improvements | 2,287,582 | | | 2,287,582 |
| Buildings and Building Improvements | 63,644,927 | \$ 1,259,559 | | 64,904,486 |
| Machinery and Equipment | 3,594,991 | 155,094 | \$ (62,025) | 3,688,060 |
| Total Capital Assets Being Depreciated | <u>69,527,500</u> | <u>1,414,653</u> | <u>(62,025)</u> | <u>70,880,128</u> |
| Governmental Activities Capital Assets | <u>69,970,666</u> | <u>1,414,653</u> | <u>(62,025)</u> | <u>71,323,294</u> |
| Less Accumulated Depreciation for: | | | | |
| Site Improvements | (1,097,221) | (96,896) | | (1,194,117) |
| Buildings and Building Improvements | (21,240,648) | (1,917,023) | | (23,157,671) |
| Machinery and Equipment | (2,463,113) | (273,562) | 46,070 | (2,690,605) |
| | <u>(24,800,982)</u> | <u>(2,287,481)</u> | <u>46,070</u> | <u>(27,042,393)</u> |
| Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 45,169,684</u> | <u>\$ (872,828)</u> | <u>\$ (15,955)</u> | <u>\$ 44,280,901</u> |
| | Beginning Balance | Increases | Adjustments/ Decreases | Ending Balance |
| Business Type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Furniture and Equipment | \$ 353,982 | | | \$ 353,982 |
| Buildings and Building Improvements | 131,432 | | | 131,432 |
| | <u>485,414</u> | | | <u>485,414</u> |
| Less Accumulated Depreciation for: | | | | |
| Furniture and Equipment | (304,768) | \$ (9,388) | | (314,156) |
| Buildings and Building Improvements | (34,172) | (5,256) | | (39,428) |
| | <u>(338,940)</u> | <u>(14,644)</u> | | <u>(353,584)</u> |
| Business Type Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 146,474</u> | <u>\$ (14,644)</u> | <u>\$ -0-</u> | <u>\$ 131,830</u> |

As of June 30, 2022, the District expended \$1,414,653 from its current year capital budget, and depreciated \$2,287,481 from its governmental activities. The District expended \$-0- and depreciated \$14,644 from its business-type activities during the fiscal year. The District disposed of assets with a net carrying value of \$15,955 from its governmental activities.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

| | |
|--|---------------------|
| Regular Instruction | \$ 94,209 |
| Special Education Instruction | 20,680 |
| Student & Instruction Related Services | 3,869 |
| General Administration | 7,737 |
| School Administrative | 54,162 |
| Central Services | 7,737 |
| Administrative Information Technology | 3,869 |
| Operations and Maintenance of Plant | 33,756 |
| Pupil Transportation | 34,516 |
| Unallocated | 2,026,946 |
| | <u>\$ 2,287,481</u> |

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the District-wide financial statements:

| | Balance 6/30/2021 | Accrued | Retired | Balance 6/30/2022 | Due Within One Year |
|-----------------------------------|----------------------|---------------------|----------------------|----------------------|------------------------|
| Serial Bonds Payable | \$ 10,974,000 | \$ 8,385,000 | \$ 10,050,000 | \$ 9,309,000 | \$ 2,095,000 |
| Unamortized Bond Issuance Premium | 993,888 | | 165,648 | 828,240 | 165,648 |
| Compensated Absences Payable | 389,263 | 49,414 | 87,646 | 351,031 | 14,831 |
| Financed Purchases Payable | 264,630 | | 130,328 | 134,302 | 134,302 |
| Net Pension Liability | 6,059,531 | | 1,828,920 | 4,230,611 | |
| | <u>\$ 18,681,312</u> | <u>\$ 8,434,414</u> | <u>\$ 12,262,542</u> | <u>\$ 14,853,184</u> | <u>\$ 2,409,781</u> |

A. Bonds Payable:

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

A. Bonds Payable: (Cont'd)

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

On November 23, 2021, the District issued refunding bonds of \$8,385,000 with an interest rate of 0.92% to refund \$8,160,000 school bonds with interest rate of 0.92%. The refunding bonds mature on February 15, 2022 through 2027 and are non-callable. The net proceeds from the issuance of the refunding bonds were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2012 refunding bonds were called on February 15, 2022. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

As a result of the refunding, the District will realize a total of \$718,837 in cash savings over the life of the 2021 refunding bond issue. On a present value basis, the savings equate to \$703,236, or 8.618% of the June 2012 refunding bonds refunded.

The District had bonds outstanding as of June 30, 2022 as follows:

| <u>Purpose</u> | <u>Final Maturity Date</u> | <u>Serial Bonds Interest Rates</u> | <u>Amount</u> |
|----------------------|----------------------------|------------------------------------|---------------|
| 2009 School Bonds | 02/15/24 | 4.00%-4.13% | \$ 959,000 |
| 2021 Refunding Bonds | 02/15/27 | 0.92% | 8,350,000 |
| | | | \$ 9,309,000 |

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

| <u>Fiscal Year Ending June 30,</u> | <u>Bonds</u> | | |
|------------------------------------|------------------|-----------------|--------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2023 | \$ 2,095,000 | \$ 115,792 | \$ 2,210,792 |
| 2024 | 2,139,000 | 82,041 | 2,221,041 |
| 2025 | 1,675,000 | 46,690 | 1,721,690 |
| 2026 | 1,690,000 | 31,280 | 1,721,280 |
| 2027 | 1,710,000 | 15,732 | 1,725,732 |
| | \$ 9,309,000 | \$ 291,535 | \$ 9,600,535 |

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board had no bonds authorized but not issued.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

C. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$14,831 and the long-term liability balance of compensated absences is \$336,200.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the Food Service Fund.

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

D. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$165,648 and is separated from the long-term liability balance of \$662,592.

E. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$0- and the long-term portion is \$4,230,611. See Note 8 for further information on the PERS.

F. Financed Purchases Payable

The District has a finance purchase agreement for technology equipment, a school bus and a laser engraver valued at \$648,932, of which \$514,630 has matured and been repaid. The financed purchases agreement is for a term of five years. The following is a schedule of the future minimum financed purchases payments under the financed purchases agreement, and the present value of the net minimum financed purchases payments at June 30, 2022.

| <u>Year Ending</u> | <u>Amount</u> |
|---|--------------------------|
| June 30, 2023 | \$ 138,396 |
| Less: Amount Representing Interest | <u>(4,094)</u> |
| Present Value Net of Minimum Financed Purchase Payments | <u><u>\$ 134,302</u></u> |

The current portion of the financed purchases payable at June 30, 2022 is \$134,302 and the long-term portion is \$0-. The General Fund will be used to liquidate the financed purchases payable.

NOTE 8. PENSION PLANS

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$418,228 for fiscal year 2022.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2022, the District's liability was \$4,230,611 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 used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was .036%, which was a decrease of .001% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$734,676. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferral Year</u> | <u>Amortization Period in Years</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--------------------------|---|---|--|
| Changes in Assumptions | 2017 | 5.48 | | \$ 178,787 |
| | 2018 | 5.63 | | 335,187 |
| | 2019 | 5.21 | | 295,693 |
| | 2020 | 5.16 | | 696,458 |
| | 2021 | 5.13 | \$ 22,033 | |
| | | | <u>22,033</u> | <u>1,506,125</u> |
| Difference Between Expected and Actual Experience | 2017 | 5.48 | 5,317 | |
| | 2018 | 5.63 | | 12,764 |
| | 2019 | 5.21 | 22,603 | |
| | 2020 | 5.16 | 38,802 | |
| | 2021 | 5.13 | | 17,522 |
| | | | <u>66,722</u> | <u>30,286</u> |
| Changes in Proportion | 2017 | 5.48 | | 24,470 |
| | 2018 | 5.63 | 74,473 | |
| | 2019 | 5.21 | | 26,746 |
| | 2020 | 5.16 | | 398,520 |
| | 2021 | 5.13 | | 253,945 |
| | | | <u>74,473</u> | <u>703,681</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

| | Deferral Year | Amortization Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Net Difference Between Projected and Actual | 2018 | 5.00 | | \$ 33,047 |
| Investment Earnings on Pension Plan Investments | 2019 | 5.00 | | (10,663) |
| | 2020 | 5.00 | | (240,316) |
| | 2021 | 5.00 | | 1,332,386 |
| | | | | 1,114,454 |
| Contribution Made Subsequent to the Measurement Date | 2021 | 1.00 | \$ 449,000 | |
| | | | \$ 612,228 | \$ 3,354,546 |

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

| Fiscal Year Ending June 30, | Total |
|--------------------------------|----------------|
| 2022 | \$ (998,240) |
| 2023 | (712,741) |
| 2024 | (485,968) |
| 2025 | (365,303) |
| 2026 | 142 |
| | \$ (2,562,110) |

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:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| U.S. Equity | 27.00% | 8.09% |
| Non-U.S. Developed Market Equity | 13.50% | 8.71% |
| Emerging Markets Equity | 5.50% | 10.96% |
| Private Equity | 13.00% | 11.30% |
| Real Assets | 3.00% | 7.40% |
| Real Estate | 8.00% | 9.15% |
| High Yield | 2.00% | 3.75% |
| Private Credit | 8.00% | 7.60% |
| Investment Grade Credit | 8.00% | 1.68% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Risk Management Strategies | 3.00% | 3.35% |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 upon 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 in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

| | June 30, 2021 | | |
|---|---------------------------|-------------------------------------|---------------------------|
| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| District's proportionate share of the Net Pension Liability | \$ 5,764,423 | \$ 4,230,611 | \$ 2,933,283 |

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$5,536,207 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,497,565.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$63,643,743. The net pension liability was measured as of June 30, 2021, and the total pension liability used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.132%, which was a decrease of 0.001% from its proportion measured as of June 30, 2020.

| | |
|---|----------------------|
| District's Proportionate Share of the Net Pension Liability | \$ -0- |
| State's Proportionate Share of the Net Pension Liability Associated with the District | 63,643,743 |
| Total | <u>\$ 63,643,743</u> |

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$1,497,565 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

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

| | Year of Deferral | Amortization Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|------------------------|---------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | 2014 | 8.50 | \$ 153,774,925 | |
| | 2015 | 8.30 | 926,219,611 | |
| | 2016 | 8.30 | 3,000,278,784 | |
| | 2017 | 8.30 | | \$ 5,282,196,290 |
| | 2018 | 8.29 | | 3,527,661,165 |
| | 2019 | 8.04 | | 2,510,940,613 |
| | 2020 | 7.99 | 1,209,286,241 | |
| | 2021 | 7.93 | | 12,903,483,645 |
| | | | <u>5,289,559,561</u> | <u>24,224,281,713</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

| | Year of Deferral | Amortization Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | 2014 | 8.30 | | \$ 1,464,605 |
| | 2015 | 8.50 | \$ 57,204,429 | |
| | 2016 | 8.30 | | 37,311,034 |
| | 2017 | 8.30 | 93,981,436 | |
| | 2018 | 8.29 | 618,845,893 | |
| | 2019 | 8.04 | | 97,553,990 |
| | 2020 | 7.99 | | 6,444,940 |
| | 2021 | 7.93 | <u>171,234,070</u> | |
| | | | <u>941,265,828</u> | <u>142,774,569</u> |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 2018 | 5.00 | | 96,030,373 |
| | 2019 | 5.00 | | (72,441,385) |
| | 2020 | 5.00 | | (724,186,621) |
| | 2021 | 5.00 | | <u>3,554,633,811</u> |
| | | | | <u>2,854,036,178</u> |
| | | | <u>\$ 6,230,825,389</u> | <u>\$ 27,221,092,460</u> |

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

| Fiscal Year Ending June 30, | Total |
|--------------------------------|----------------------------|
| 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> |
| | <u>\$ (20,990,267,071)</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF target asset allocation as of June 30, 2021 are summarized in the following table:

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------|----------------------|--|
| U.S. Equity | 27.00% | 8.09% |
| Non-U.S. Developed Market Equity | 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 Yield | 2.00% | 3.75% |
| Private Credit | 8.00% | 7.60% |
| Investment Grade Credit | 8.00% | 1.68% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Risk Management Strategies | 3.00% | 3.35% |

Discount Rate – TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

| | June 30, 2021 | | |
|---|---------------------------|-------------------------------------|---------------------------|
| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| State's Proportionate Share of Net Pension Liability Associated with the District | \$ 75,301,179 | \$ 63,643,743 | \$ 53,852,230 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$34,819 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$51,503 for the fiscal year ended June 30, 2022.

NOTE 9. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

The June 30, 2022 audit report for the Fund and NJSIG are not available as of the date of this report. Selected, summarized financial information for the Fund and NJSIG as of June 30, 2021 is on the following page.

| | <u>School Alliance Insurance Fund</u> | <u>New Jersey Schools Insurance Group</u> |
|------------------------|---|---|
| Total Assets | \$ 52,863,732 | \$ 409,725,069 |
| Total Net Position | \$ 20,991,515 | \$ 171,872,738 |
| Total Revenue | \$ 43,288,013 | \$ 136,646,172 |
| Total Expenses | \$ 42,836,407 | \$ 104,006,539 |
| Change in Net Position | \$ 451,606 | \$ 32,639,633 |
| Members Dividends | \$ -0- | \$ -0- |

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

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

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

New Jersey Unemployment Compensation Insurance

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

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Interest Earned</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-----------------------------------|----------------------------|-----------------------------------|------------------------------|---------------------------|
| 2021-2022 | \$ -0- | \$ -0- | \$ 91,328 | \$ 45,926 | \$ 498,860 |
| 2020-2021 | 250,000 | -0- | 90,680 | 66,665 | 453,458 |
| 2019-2020 | 75,000 | -0- | 64,661 | 44,642 | 179,443 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

| | Interfund Receivable | Interfund Payable |
|----------------------|-------------------------|----------------------|
| General Fund | \$ 222,221 | |
| Special Revenue Fund | | \$ 222,221 |
| | \$ 222,221 | \$ 222,221 |

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

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2022 were as follows:

| | Governmental Fund | | District Contri- bution Subsequent to the Measure- ment Date | Total Governmental Activities | Business - Type Activites |
|--|-------------------|----------------------------|---|-------------------------------------|---------------------------------|
| | General Fund | Special Revenue Fund | | | |
| Due to State of New Jersey | | \$ 54,756 | \$ 449,000 | \$ 503,756 | |
| Vendors | \$ 153,843 | 6,116 | | 159,959 | \$ 5,016 |
| Payroll Deductions and Withholdings | 275,323 | | | 275,323 | |
| Summer Pay | 525,214 | | | 525,214 | |
| Accrued Salaries and Wages | 21,792 | | | 21,792 | |
| | \$ 976,172 | \$ 60,872 | \$ 449,000 | \$ 1,486,044 | \$ 5,016 |

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 14. TAX CALENDAR

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

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

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

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

| General Fund | Special Revenue Fund | Total Governmental Funds |
|-----------------|----------------------------|--------------------------------|
| \$ 940,091 | \$ 134,756 | \$ 1,074,847 |

\$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$134,756 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 16. EMERGENCY RESERVE ACCOUNT

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

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

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

| | |
|---------------------------------|-------------------|
| Beginning Balance, July 1, 2021 | \$ 299,431 |
| Ending Balance, June 30, 2022 | <u>\$ 299,431</u> |

NOTE 17. MAINTENANCE RESERVE ACCOUNT

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

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

| | |
|---------------------------------|-------------------|
| Beginning Balance, July 1, 2021 | \$ 500,000 |
| Ending Balance, June 30, 2022 | <u>\$ 500,000</u> |

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

| | |
|---|---------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments | 149,304 |
| Active Plan Members | 216,804 |
| Total | 366,108 |

Total Nonemployer OPEB Liability

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

Actuarial Assumptions and Other Inputs

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

| | | | |
|-------------------|-------|---|---|
| Inflation Rate | 2.50% | | |
| | | TPAF/ABP | PERS |
| Salary Increases: | | | |
| Through 2026 | | 1.55 - 4.45% based on service years | 2.00 - 6.00% based on service years |
| Thereafter | | 1.55 - 4.45% based on service years | 3.00 - 7.00% based on service years |

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| Balance at June 30, 2019 | \$ 60,028,271 |
| Changes for Year: | |
| Service Cost | 2,166,942 |
| Interest on the Total OPEB Liability | 2,148,763 |
| Difference between Actual and Expected Experience | 15,604,315 |
| Changes of Assumptions | 17,506,027 |
| Contributions from Members | 50,570 |
| Gross Benefit Payments by the State | (1,668,434) |
| Net Changes | 35,808,183 |
| Balance at June 30, 2020 | \$ 95,836,454 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | June 30, 2020 | | |
|---|------------------------------|--------------------------------|------------------------------|
| | At 1% Decrease (1.21%) | At Discount Rate (2.21%) | At 1% Increase (3.21%) |
| Total OPEB Liability Attributable to the District | \$ 115,535,792 | \$ 95,836,454 | \$ 80,433,469 |

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | June 30, 2020 | | |
|---|----------------|-------------------------------|----------------|
| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
| Total OPEB Liability Attributable to the District | \$ 77,362,418 | \$ 95,836,454 | \$ 117,834,925 |

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$4,047,469 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

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

| | Deferral Year | Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|------------------|--------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | 2017 | 9.54 | | \$ 5,816,162 |
| | 2018 | 9.51 | | 5,119,320 |
| | 2019 | 9.29 | \$ 690,030 | |
| | 2020 | 9.24 | 15,611,435 | |
| | | | <u>16,301,465</u> | <u>10,935,482</u> |
| Differences between Expected and Actual Experience | 2018 | 9.51 | | 4,839,351 |
| | 2019 | 9.29 | | 8,121,690 |
| | 2020 | 9.24 | 14,550,470 | |
| | | | <u>14,550,470</u> | <u>12,961,041</u> |
| Changes in Proportion | N/A | N/A | <u>549,227</u> | <u>2,894,779</u> |
| | | | <u>\$ 31,401,162</u> | <u>\$ 26,791,302</u> |

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

| Fiscal Year Ending June 30, | Total |
|--------------------------------|-----------------------|
| 2021 | \$ (61,394) |
| 2022 | (61,395) |
| 2023 | (61,395) |
| 2024 | (61,395) |
| 2025 | (61,395) |
| Thereafter | <u>(6,648,438)</u> |
| | <u>\$ (6,955,412)</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 19. TAX ABATEMENTS

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

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

Washington Township recognized revenue in the amount of \$183,921 for 2021 from this annual service charge or payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2021 without the abatement would have been \$222,494 of which \$72,715 would have been for the regional school tax.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

| | Fiscal Year Ending June 30, | | | | | | | |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| District's proportion of the net pension liability | 0.0390962687% | 0.0381039760% | 0.0404678952% | 0.0391864923% | 0.0403269637% | 0.0400486093% | 0.0371582031% | 0.0357119124% |
| District's proportionate share of the net pension liability | \$ 7,319,891 | \$ 8,553,579 | \$ 11,985,430 | \$ 9,121,989 | \$ 7,940,178 | \$ 7,216,152 | \$ 6,059,531 | \$ 4,230,611 |
| District's covered employee payroll | \$ 2,566,399 | \$ 2,648,044 | \$ 2,538,487 | \$ 2,689,836 | \$ 2,755,294 | \$ 2,605,410 | \$ 2,604,486 | \$ 2,674,393 |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 285.22% | 323.01% | 472.15% | 339.13% | 288.18% | 276.97% | 232.66% | 158.19% |
| Plan fiduciary net position as a percentage of the total pension liability | 52.08% | 47.93% | 40.14% | 48.10% | 53.60% | 56.27% | 58.32% | 70.33% |

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

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

| | Fiscal Year Ending June 30, | | | | | | | |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Contractually required contribution | \$ 322,304 | \$ 327,592 | \$ 362,047 | \$ 367,521 | \$ 402,749 | \$ 391,073 | \$ 415,880 | \$ 418,228 |
| Contributions in relation to the contractually required contribution | (322,304) | (327,592) | (362,047) | (367,521) | (402,749) | (391,073) | (415,880) | (418,228) |
| Contribution deficiency/(excess) | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| District's covered employee payroll | \$ 2,648,044 | \$ 2,538,487 | \$ 2,689,836 | \$ 2,755,294 | \$ 2,605,410 | \$ 2,604,486 | \$ 2,674,393 | \$ 2,381,600 |
| Contributions as a percentage of covered employee payroll | 12.17% | 12.91% | 13.46% | 13.34% | 15.46% | 15.02% | 15.55% | 17.56% |

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

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

| | Fiscal Year Ending June 30, | | | | | | | |
|---|-----------------------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| State's proportion of the net pension liability attributable to the District | 0.1271980757% | 0.1294218702% | 0.1324016385% | 0.1321958190% | 0.1326931529% | 0.1355117971% | 0.1335426704% | 0.1323837622% |
| State's proportionate share of the net pension liability attributable to the District | \$ 67,983,232 | \$ 81,800,149 | \$ 104,155,559 | \$ 89,131,188 | \$ 84,416,534 | \$ 83,164,869 | \$ 87,936,243 | \$ 63,643,743 |
| District's covered employee payroll | \$ 12,961,842 | \$ 13,384,154 | \$ 13,359,708 | \$ 14,267,535 | \$ 14,319,443 | \$ 14,415,760 | \$ 15,047,265 | \$ 14,873,208 |
| State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll | 524.49% | 611.17% | 779.62% | 624.71% | 589.52% | 576.90% | 584.40% | 427.91% |
| Plan fiduciary net position as a percentage of the total pension liability | 33.64% | 28.71% | 22.33% | 25.41% | 26.49% | 26.95% | 24.60% | 35.52% |

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

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

| | Fiscal Year Ending June 30, | | | | | |
|--|-----------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Contractually required contribution | \$ 3,658,136 | \$ 4,994,636 | \$ 7,825,841 | \$ 6,174,557 | \$ 4,921,189 | \$ 4,905,286 |
| Contributions in relation to the contractually required contribution | (699,702) | (1,060,059) | (1,434,951) | (1,954,102) | (2,665,190) | (2,929,102) |
| Contribution deficiency/(excess) | <u>\$ 2,958,434</u> | <u>\$ 3,934,577</u> | <u>\$ 6,390,890</u> | <u>\$ 4,220,455</u> | <u>\$ 2,255,999</u> | <u>\$ 1,976,184</u> |
| District's covered employee payroll | \$ 13,384,154 | \$ 13,359,708 | \$ 14,267,535 | \$ 14,319,443 | \$ 14,415,760 | \$ 15,047,265 |
| Contributions as a percentage of covered employee payroll | 5.23% | 7.93% | 10.06% | 13.65% | 18.49% | 19.47% |
| | | | | | 25.87% | 37.46% |
| | | | | | <u>\$ 5,468,251</u> | <u>\$ 14,780,184</u> |
| | | | | | <u>(3,848,235)</u> | <u>(5,536,207)</u> |
| | | | | | <u>\$ 1,620,016</u> | <u>\$ (4,038,642)</u> |

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

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

| | Fiscal Year Ending | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Total OPEB Liability | | | | |
| Service Cost | \$ 2,784,977 | \$ 2,306,309 | \$ 2,087,910 | \$ 2,166,942 |
| Interest Cost | 2,464,001 | 2,835,505 | 2,657,348 | 2,148,763 |
| Difference between Actual and Expected Experience | | (5,956,438) | (11,286,898) | 15,604,315 |
| Changes in Assumptions | (10,285,824) | (7,741,711) | 895,026 | 17,506,027 |
| Member Contributions | 66,321 | 62,347 | 54,622 | 50,570 |
| Gross Benefit Payments | (1,801,107) | (1,803,935) | (1,842,689) | (1,668,434) |
| Net Change in Total OPEB Liability | (6,771,632) | (10,297,923) | (7,434,681) | 35,808,183 |
| Total OPEB Liability - Beginning | 84,532,507 | 77,760,875 | 67,462,952 | 60,028,271 |
| Total OPEB Liability - Ending | <u>\$ 77,760,875</u> | <u>\$ 67,462,952</u> | <u>\$ 60,028,271</u> | <u>\$ 95,836,454</u> |
| District's Covered Employee Payroll * | \$ 15,898,195 | \$ 16,957,371 | \$ 17,074,737 | \$ 17,021,170 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 489% | 398% | 352% | 563% |

* Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, and 2020 are based on the payroll on the June 30, 2016, 2017, 2018, and 2019 census data.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

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

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-------------------|------------------|-------------------|-------------------|--------------------------|
| Revenues from Local Sources: | | | | | |
| Local Tax Levy | \$ 23,334,779 | | \$ 23,334,779 | \$ 23,334,779 | |
| Tuition From Other LEAs Within the State | 1,630,792 | | 1,630,792 | 1,630,792 | |
| Transportation Fees From Other LEAs | 254,132 | | 254,132 | 243,503 | \$ (10,629) |
| Unrestricted Miscellaneous Revenues | 110,000 | | 110,000 | 260,483 | 150,483 |
| Interest Earned on Capital Reserve Funds | 10,000 | | 10,000 | 4,577 | (5,423) |
| Other Restricted Miscellaneous Revenues | 19,200 | | 19,200 | 55,113 | 35,913 |
| Total Revenues from Local Sources | 25,358,903 | | 25,358,903 | 25,529,247 | 170,344 |
| Revenues from State Sources: | | | | | |
| Categorical Transportation Aid | 380,381 | | 380,381 | 380,381 | |
| Extraordinary Aid | 400,000 | | 400,000 | 768,101 | 368,101 |
| Categorical Special Education Aid | 1,041,953 | | 1,041,953 | 1,041,953 | |
| Equalization Aid | 8,930,272 | | 8,930,272 | 8,930,272 | |
| Categorical Security Aid | 46,884 | | 46,884 | 46,884 | |
| Excess Nonpublic School Transportation Costs | | | | 8,990 | 8,990 |
| K-12 School COVID-19 Screening Testing Program | | | | 73,500 | 73,500 |
| Securing Our Children's Future Bond Act (Alyssa's Law) | | | | 108,576 | 58,229 |
| TPAF Post Retirement Contributions (Non-Budgeted) | | \$ 50,347 | 50,347 | 1,311,731 | 1,311,731 |
| TPAF Pension Contributions (Non-Budgeted) | | | | 5,536,207 | 5,536,207 |
| TPAF Non-Contributory Insurance (Non-Budgeted) | | | | 78,108 | 78,108 |
| TPAF Long-Term Disability Insurance (Non-Budgeted) | | | | 1,723 | 1,723 |
| Reimbursed TPAF Social Security Contributions | | | | 1,113,458 | 1,113,458 |
| Total Revenues from State Sources | 10,799,490 | 50,347 | 10,849,837 | 19,399,884 | 8,550,047 |
| Revenues from Federal Sources: | | | | | |
| Medicaid Reimbursement | 23,978 | | 23,978 | 42,970 | 18,992 |
| FEMA Reimbursements | | | | 11,701 | 11,701 |
| Total Revenues from Federal Sources | 23,978 | | 23,978 | 54,671 | 30,693 |
| TOTAL REVENUE | 36,182,371 | 50,347 | 36,232,718 | 44,983,802 | 8,751,084 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-------------------|------------------|-------------------|-------------------|--------------------------|
| GENERAL CURRENT EXPENSE | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 6-8 - Salaries of Teachers | \$ 3,206,245 | \$ 41,036 | \$ 3,247,281 | \$ 3,222,825 | \$ 24,456 |
| Grades 9-12 - Salaries of Teachers | 6,796,749 | (3,088) | 6,793,661 | 6,765,120 | 28,541 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 77,000 | (26,068) | 50,932 | 46,047 | 4,885 |
| Other Purchased Services (400-500 series) | 25,000 | | 25,000 | 16,559 | 8,441 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 52,600 | 8,123 | 60,723 | 50,930 | 9,793 |
| Purchased Professional-Educational Services | 14,900 | (5,500) | 9,400 | 6,275 | 3,125 |
| Purchased Technical Services | 28,800 | | 28,800 | 26,420 | 2,380 |
| Other Purchased Services (400-500 series) | 247,298 | (100,696) | 146,602 | 137,386 | 9,216 |
| General Supplies | 355,025 | (23,626) | 331,399 | 270,390 | 61,009 |
| Textbooks | 166,097 | 46,739 | 212,836 | 203,848 | 8,988 |
| Other Objects | 6,620 | 84 | 6,704 | 4,952 | 1,752 |
| Total Regular Programs - Instruction | 10,976,334 | (62,996) | 10,913,338 | 10,750,752 | 162,586 |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 337,520 | 7,420 | 344,940 | 344,940 | |
| Other Salaries for Instruction | 5,502 | 40,163 | 45,665 | 45,664 | 1 |
| Other Purchased Services (400-500 series) | 150 | | 150 | | 150 |
| General Supplies | 500 | | 500 | 500 | |
| Textbooks | 1,500 | | 1,500 | 1,500 | |
| Other Objects | 100 | | 100 | 100 | |
| Total Learning and/or Language Disabilities | 345,272 | 47,583 | 392,855 | 392,704 | 151 |
| Behavioral Disabilities: | | | | | |
| Salaries of Teachers | 260,110 | (24,642) | 235,468 | 235,467 | 1 |
| Other Salaries for Instruction | 20,384 | 8,962 | 29,346 | 28,147 | 1,199 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|------------------|--------------------|------------------|------------------|--------------------------|
| Behavioral Disabilities: (Cont'd) | | | | | |
| Other Purchased Services (400-500 series) | \$ 100 | | \$ 100 | | \$ 100 |
| General Supplies | 500 | | 500 | 500 | |
| Textbooks | 1,200 | | 1,200 | 1,200 | |
| Other Objects | 100 | | 100 | 100 | |
| Total Behavioral Disabilities | 282,394 | \$ (15,680) | 266,714 | 265,414 | 1,300 |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 414,825 | 64 | 414,889 | 414,888 | 1 |
| Other Salaries for Instruction | 114,442 | 58,614 | 173,056 | 172,765 | 291 |
| Purchased Professional-Educational Services | 24,000 | (23,525) | 475 | 475 | |
| Purchased Technical Services | 500 | | 500 | | 500 |
| Other Purchased Services (400-500 series) | 700 | | 700 | | 700 |
| General Supplies | 7,030 | (475) | 6,555 | 4,615 | 1,940 |
| Textbooks | 1,000 | | 1,000 | 17 | 983 |
| Other Objects | 200 | | 200 | | 200 |
| Total Multiple Disabilities | 562,697 | 34,678 | 597,375 | 592,760 | 4,615 |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 1,362,630 | 26,015 | 1,388,645 | 1,388,644 | 1 |
| Other Salaries for Instruction | 234,838 | 22,818 | 257,656 | 256,455 | 1,201 |
| Other Purchased Services (400-500 series) | 100 | | 100 | | 100 |
| General Supplies | 750 | | 750 | 625 | 125 |
| Textbooks | 1,000 | | 1,000 | 915 | 85 |
| Other Objects | 500 | | 500 | | 500 |
| Total Resource Room/Resource Center | 1,599,818 | 48,833 | 1,648,651 | 1,646,639 | 2,012 |
| Autism: | | | | | |
| Other Purchased Services (400-500 series) | 100 | | 100 | | 100 |
| General Supplies | 2,000 | | 2,000 | 1,566 | 434 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-----------------|------------------|--------------|-----------|--------------------------|
| Autism: (Cont'd) | | | | | |
| Textbooks | \$ 500 | | \$ 500 | \$ 210 | \$ 290 |
| Other Objects | 200 | | 200 | | 200 |
| Total Autism | 2,800 | | 2,800 | 1,776 | 1,024 |
| Home Instruction: | | | | | |
| Salaries of Teachers | 26,000 | \$ (20,000) | 6,000 | 4,140 | 1,860 |
| Total Home Instruction | 26,000 | (20,000) | 6,000 | 4,140 | 1,860 |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | 2,818,981 | 95,414 | 2,914,395 | 2,903,433 | 10,962 |
| Bilingual Education - Instruction: | | | | | |
| Other Purchased Services (400-500 series) | 250 | | 250 | | 250 |
| General Supplies | 2,000 | | 2,000 | 140 | 1,860 |
| Total Bilingual Education - Instruction | 2,250 | | 2,250 | 140 | 2,110 |
| School-Spon. Cocurricular & Extracurricular Actvts. - Inst.: | | | | | |
| Salaries | 219,834 | 1,701 | 221,535 | 206,469 | 15,066 |
| Purchased Services (300-500 series) | 19,010 | (2,600) | 16,410 | 8,699 | 7,711 |
| Supplies and Materials | 34,906 | (3,515) | 31,391 | 30,997 | 394 |
| Other Objects | 16,454 | (5,204) | 11,250 | 10,084 | 1,166 |
| Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst. | 290,204 | (9,618) | 280,586 | 256,249 | 24,337 |
| School-Sponsored Athletics - Instruction: | | | | | |
| Salaries | 942,661 | (45,739) | 896,922 | 877,450 | 19,472 |
| Purchased Services (300-500 series) | 203,700 | (5,920) | 197,780 | 169,576 | 28,204 |
| Supplies and Materials | 84,210 | 17,313 | 101,523 | 84,170 | 17,353 |
| Other Objects | 55,840 | (13,313) | 42,527 | 22,389 | 20,138 |
| Total School-Sponsored Athletics - Instruction | 1,286,411 | (47,659) | 1,238,752 | 1,153,585 | 85,167 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-----------------|------------------|---------------|---------------|--------------------------|
| TOTAL INSTRUCTION | \$ 15,374,180 | \$ (24,859) | \$ 15,349,321 | \$ 15,064,159 | \$ 285,162 |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition to Other LEAs Within the State-Special | 418,187 | | 418,187 | 397,175 | 21,012 |
| Tuition to County Voc. School Dist.-Regular | 266,218 | (59,288) | 206,930 | 206,930 | |
| Tuition to County Voc. School Dist.-Special | 76,050 | 90,672 | 90,672 | 80,552 | 10,120 |
| Tuition to CSSD & Reg. Day Schools | 1,365,509 | 3,277 | 79,327 | 76,050 | 3,277 |
| Tuition to Priv. Sch. for the Handicap. Within State | 39,872 | (184,084) | 1,181,425 | 751,066 | 430,359 |
| Tuition - State Facilities | | | 39,872 | 39,872 | |
| Total Undistributed Expenditures - Instruction | 2,165,836 | (149,423) | 2,016,413 | 1,551,645 | 464,768 |
| Undistributed Expenditures - Health Services: | | | | | |
| Salaries | 292,815 | 8,715 | 301,530 | 301,530 | |
| Purchased Professional and Technical Services | 18,940 | (2,652) | 16,288 | 9,756 | 6,532 |
| Other Purchased Services (400-500 series) | 2,634 | (10) | 2,624 | 1,980 | 644 |
| Supplies and Materials | 8,700 | 175 | 8,875 | 7,346 | 1,529 |
| Other Objects | 125 | (125) | | | |
| Total Undist. Expenditures - Health Services | 323,214 | 6,103 | 329,317 | 320,612 | 8,705 |
| Undist. Expend. - Speech, OT, PT, Related Svcs: | | | | | |
| Salaries | 90,445 | 51,941 | 142,386 | 140,786 | 1,600 |
| Purchased Professional - Educational Services | 455,560 | (55,002) | 400,558 | 346,364 | 54,194 |
| Supplies and Materials | 250 | | 250 | 250 | |
| Total Undist. Expend. - Speech, OT, PT, Related Svcs | 546,255 | (3,061) | 543,194 | 487,400 | 55,794 |
| Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.: | | | | | |
| Salaries | 533,470 | (49,711) | 483,759 | 479,958 | 3,801 |
| Purchased Professional - Educational Services | 371,984 | 5,002 | 376,986 | 366,530 | 10,456 |
| Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv. | 905,454 | (44,709) | 860,745 | 846,488 | 14,257 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-----------------|------------------|--------------|------------|--------------------------|
| Undist. Expend. - Guidance: | | | | | |
| Salaries of Other Professional Staff | \$ 685,885 | \$ (21,226) | \$ 664,659 | \$ 664,657 | \$ 2 |
| Salaries of Secretarial and Clerical Assistants | 155,455 | 1,193 | 156,648 | 156,648 | |
| Other Salaries | 26,602 | (15,680) | 10,922 | 10,920 | 2 |
| Purchased Professional - Educational Services | 6,600 | 4,875 | 11,475 | 11,475 | |
| Other Purchased Services (400-500 series) | 40,105 | (5,875) | 34,230 | 23,241 | 10,989 |
| Supplies and Materials | 2,790 | 1,000 | 3,790 | 1,080 | 2,710 |
| Other Objects | 675 | | 675 | 30 | 645 |
| Total Undist Expend. - Guidance | 918,112 | (35,713) | 882,399 | 868,051 | 14,348 |
| Undist. Expend. - Child Study Team: | | | | | |
| Salaries of Other Professional Staff | 504,115 | 7,146 | 511,261 | 511,260 | 1 |
| Salaries of Secretarial and Clerical Assistants | 146,697 | (8,715) | 137,982 | 137,981 | 1 |
| Other Salaries | 14,970 | (4,027) | 10,943 | 9,213 | 1,730 |
| Purchased Professional - Educational Services | 4,100 | | 4,100 | 2,454 | 1,646 |
| Other Purchased Services (400-500 series) | 5,350 | | 5,350 | 2,973 | 2,377 |
| Supplies and Materials | 5,500 | (550) | 4,950 | 3,984 | 966 |
| Other Objects | 1,750 | | 1,750 | 1,215 | 535 |
| Total Undist Expend. - Child Study Team | 682,482 | (6,146) | 676,336 | 669,080 | 7,256 |
| Undist. Expend. - Improv. of Inst. Serv.: | | | | | |
| Salaries of Supervisors of Instruction | 398,910 | 1,368 | 400,278 | 329,580 | 70,698 |
| Salaries of Secretarial and Clerical Assistants | 56,076 | 548 | 56,624 | 56,624 | |
| Purchased Professional - Educational Services | 2,000 | (800) | 1,200 | | 1,200 |
| Other Purchased Services (400-500 series) | 3,300 | 477 | 3,777 | 3,529 | 248 |
| Supplies and Materials | 1,634 | (476) | 1,158 | 713 | 445 |
| Other Objects | 3,000 | | 3,000 | 2,535 | 465 |
| Total Undist. Expend. - Improv. of Inst. Serv. | 464,920 | 1,117 | 466,037 | 392,981 | 73,056 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-----------------|------------------|--------------|------------|--------------------------|
| Undist. Expend. - Edu. Media Serv./Sch. Library: | | | | | |
| Salaries | \$ 195,470 | \$ 29,944 | \$ 225,414 | \$ 224,722 | \$ 692 |
| Salaries of Technology Coordinators | 116,600 | (33,853) | 82,747 | 81,724 | 1,023 |
| Purchased Professional and Technical Services | 3,352 | | 3,352 | 3,352 | |
| Other Purchased Services (400-500 series) | 4,080 | | 4,080 | 3,307 | 773 |
| Supplies and Materials | 28,434 | | 28,434 | 22,068 | 6,366 |
| Other Objects | 690 | | 690 | 324 | 366 |
| Total Undist Expend - Edu. Media Serv./Sch. Library | 348,626 | (3,909) | 344,717 | 335,497 | 9,220 |
| Undist.Expend. - Instructional Staff Training Services: | | | | | |
| Other Salaries | 3,960 | 15,975 | 19,935 | 15,731 | 4,204 |
| Purchased Professional - Educational Service | 3,500 | (3,500) | | | |
| Other Purchased Services (400-500 series) | 700 | (700) | | | |
| Supplies and Materials | 500 | (500) | | | |
| Total Undist.Expend. - Instructional Staff Training Services | 8,660 | 11,275 | 19,935 | 15,731 | 4,204 |
| Undist. Expend. - Support Serv. - Gen. Admin.: | | | | | |
| Salaries | 256,987 | 625 | 257,612 | 257,608 | 4 |
| Legal Services | 232,500 | (7,559) | 224,941 | 139,997 | 84,944 |
| Audit Fees | 91,700 | 615 | 92,315 | 45,700 | 46,615 |
| Architectural/Engineering Services | 25,000 | (11,452) | 13,548 | 10,450 | 3,098 |
| Other Purchased Professional Services | 50,100 | 1,452 | 51,552 | 49,852 | 1,700 |
| Purchased Technical Services | 350 | | 350 | 261 | 89 |
| Communications / Telephone | 37,830 | 1,222 | 39,052 | 37,010 | 2,042 |
| BOE Other Purchased Services | 9,250 | | 9,250 | 917 | 8,333 |
| Other Purch. Serv. (400-500 series other than 530 & 585) | 19,984 | 10,000 | 29,984 | 24,239 | 5,745 |
| General Supplies | 10,286 | (1,222) | 9,064 | 5,839 | 3,225 |
| BOE In-house training/ Meeting Supplies | 1,500 | | 1,500 | 875 | 625 |
| Judgments Against The School District | | 7,559 | 7,559 | 7,209 | 350 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-----------------|------------------|--------------|-----------|--------------------------|
| Undist. Expend. - Support Serv. - Gen. Admin.: (Cont'd) | | | | | |
| Miscellaneous Expenditures | \$ 2,225 | \$ 355 | \$ 2,580 | \$ 2,580 | |
| BOE Membership Dues and Fees | 18,900 | (355) | 18,545 | 16,471 | \$ 2,074 |
| Total Undist. Expend. - Support Serv. - Gen. Admin. | 756,612 | 1,240 | 757,852 | 599,008 | 158,844 |
| Undist. Expend. - Support Serv. - School Admin.: | | | | | |
| Salaries of Principals/Assistant Principals/Prog Director | 699,109 | 11,779 | 710,888 | 710,885 | 3 |
| Salaries of Secretarial and Clerical Assistants | 246,389 | 6,185 | 252,574 | 246,280 | 6,294 |
| Other Salaries | | 5,601 | 5,601 | 5,601 | |
| Purchased Professional and Technical Services | 4,590 | | 4,590 | 1,797 | 2,793 |
| Other Purchased Services (400-500 series) | 60,513 | | 60,513 | 47,768 | 12,745 |
| Supplies and Materials | 24,895 | | 24,895 | 20,168 | 4,727 |
| Other Objects | 4,750 | | 4,750 | 4,314 | 436 |
| Total Undist. Expend. - Support Serv. - School Adm. | 1,040,246 | 23,565 | 1,063,811 | 1,036,813 | 26,998 |
| Undist. Expend. - Central Services: | | | | | |
| Salaries | 493,638 | (32,409) | 461,229 | 448,652 | 12,577 |
| Purchased Professional Services | 17,800 | | 17,800 | 12,184 | 5,616 |
| Miscellaneous Purchased Services (400-500 series other than 594) | 3,950 | (615) | 3,335 | 1,720 | 1,615 |
| Supplies and Materials | 2,500 | | 2,500 | 2,500 | |
| Other Objects | 1,335 | | 1,335 | 1,185 | 150 |
| Total Undist. Expend. - Central Services | 519,223 | (33,024) | 486,199 | 466,241 | 19,958 |
| Undist. Expend. - Admin. Info. Technology: | | | | | |
| Salaries | 204,974 | 10,361 | 215,335 | 215,335 | |
| Purchased Technical Services | 46,950 | (2,217) | 44,733 | 32,724 | 12,009 |
| Other Purchased Services (400-500 series) | 284,824 | (335) | 284,489 | 248,198 | 36,291 |
| Supplies and Materials | 85,949 | 1 | 85,950 | 54,068 | 31,882 |
| Other Objects | 1,000 | 335 | 1,335 | 1,335 | |
| Total Undist. Expend. - Admin. Info. Technology | 623,697 | 8,145 | 631,842 | 551,660 | 80,182 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|------------------|------------------|------------------|------------------|--------------------------|
| Undist. Expend. - Required Maintenance for School Facilities: | | | | | |
| Salaries | \$ 378,997 | \$ (37,446) | \$ 341,551 | \$ 337,528 | \$ 4,023 |
| Cleaning, Repair, and Maintenance Services | 231,534 | 44,627 | 276,161 | 221,881 | 54,280 |
| General Supplies | 60,364 | 17,013 | 77,377 | 67,383 | 9,994 |
| Other Objects | 3,000 | | 3,000 | 1,315 | 1,685 |
| Total Undist. Expend.- Required Maint. for School Facilities | <u>673,895</u> | <u>24,194</u> | <u>698,089</u> | <u>628,107</u> | <u>69,982</u> |
| Undist. Expend. - Custodial Services: | | | | | |
| Salaries | 661,282 | 61,567 | 722,849 | 694,846 | 28,003 |
| Purchased Professional and Technical Services | 19,000 | 327 | 19,327 | 13,377 | 5,950 |
| Cleaning, Repair, and Maintenance Services | 57,920 | 6,500 | 64,420 | 47,894 | 16,526 |
| Other Purchased Property Services | 69,500 | 175 | 69,675 | 58,980 | 10,695 |
| Insurance | 278,796 | 4,958 | 283,754 | 279,750 | 4,004 |
| Miscellaneous Purchased Services | 1,600 | (327) | 1,273 | 996 | 277 |
| General Supplies | 105,238 | (2,313) | 102,925 | 89,792 | 13,133 |
| Energy (Natural Gas) | 158,000 | 35,972 | 193,972 | 185,807 | 8,165 |
| Energy (Electricity) | 548,475 | (48,224) | 500,251 | 285,124 | 215,127 |
| Energy (Oil) | 10,000 | 7,294 | 17,294 | 17,294 | |
| Other Objects | 350 | | 350 | 273 | 77 |
| Total Undist. Expend. - Custodial Services | <u>1,910,161</u> | <u>65,929</u> | <u>1,976,090</u> | <u>1,674,133</u> | <u>301,957</u> |
| Care and Upkeep of Grounds: | | | | | |
| Salaries | 145,811 | 3,831 | 149,642 | 141,728 | 7,914 |
| Cleaning, Repair, and Maintenance Services | 129,793 | | 129,793 | 77,719 | 52,074 |
| General Supplies | 63,800 | (2,000) | 61,800 | 39,497 | 22,303 |
| Total Care And Upkeep Of Grounds | <u>339,404</u> | <u>1,831</u> | <u>341,235</u> | <u>258,944</u> | <u>82,291</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-----------------|------------------|--------------|------------|--------------------------|
| Security: | | | | | |
| Salaries | \$ 405,164 | \$ 83,536 | \$ 488,700 | \$ 424,348 | \$ 64,352 |
| Purchased Professional and Technical Services | 132,600 | 1,791 | 134,391 | 134,391 | |
| Cleaning, Repair, and Maintenance Services | 70,036 | (2,237) | 67,799 | 58,963 | 8,836 |
| General Supplies | 3,994 | 2,238 | 6,232 | | 6,232 |
| Total Security | 611,794 | 85,328 | 697,122 | 617,702 | 79,420 |
| Total Undist. Expend. - Oper. And Maint. Of Plant Serv. | 3,535,254 | 177,282 | 3,712,536 | 3,178,886 | 533,650 |
| Undist. Expend. - Student Transportation Serv.: | | | | | |
| Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed. | 75,000 | (19,999) | 55,001 | 45,912 | 9,089 |
| Management Fee - ESC&CTSA Transportation Program | 30,000 | 1,512 | 31,512 | 31,512 | |
| Cleaning, Repair, and Maint. Services | 22,000 | 6,000 | 28,000 | 25,592 | 2,408 |
| Lease Purchase Payments - School Buses | 19,376 | | 19,376 | 19,375 | 1 |
| Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts | 25,000 | 3,000 | 28,000 | 27,509 | 491 |
| Contr Serv.-Aid in Lieu of Payments-Charter Sch Stud. | 3,000 | (2,000) | 1,000 | 1,000 | |
| Contract. Serv.(Bet. Home & Sch.)-Vendors | 8,000 | (1,000) | 7,000 | 6,267 | 733 |
| Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend. | 591,536 | 33,845 | 625,381 | 602,912 | 22,469 |
| Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts. | 53,751 | 37,583 | 91,334 | 83,415 | 7,919 |
| Contract. Serv.(Bet. Home & Sch.)-Vendors | 417,910 | 46,507 | 464,417 | 462,216 | 2,201 |
| Contract. Serv.(Spl. Ed. Students)-Vendors | 185,600 | (10,639) | 174,961 | 173,575 | 1,386 |
| Contract. Serv.(Reg. Students)-ESCs & CTSA | 101,700 | (26,160) | 75,540 | 73,361 | 2,179 |
| Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA | 574,000 | 177,353 | 751,353 | 712,428 | 38,925 |
| Misc. Purchased Serv. - Transportation | 118,652 | (6,000) | 112,652 | 109,275 | 3,377 |
| General Supplies | 1,000 | | 1,000 | 341 | 659 |
| Transportation Supplies | 20,000 | | 20,000 | 6,401 | 13,599 |
| Other Objects | 1,400 | | 1,400 | 600 | 800 |
| Total Undist. Expend. - Student Trans. Serv. | 2,247,925 | 240,002 | 2,487,927 | 2,381,691 | 106,236 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-------------------|------------------|-------------------|-------------------|--------------------------|
| UNALLOCATED BENEFITS | | | | | |
| Social Security Contributions | \$ 470,000 | | \$ 470,000 | \$ 464,714 | \$ 5,286 |
| Other Retirement Contributions - PERS | 430,000 | | 430,000 | 418,228 | 11,772 |
| Other Retirement Contributions - Regular | 44,000 | | 44,000 | 34,819 | 9,181 |
| Unemployment Compensation | 150,000 | | 150,000 | | 150,000 |
| Workers Compensation | 278,424 | | 278,424 | 253,707 | 24,717 |
| Health Benefits | 5,154,352 | \$ (260,000) | 4,894,352 | 3,920,389 | 973,963 |
| Tuition Reimbursement | 135,000 | | 135,000 | 63,008 | 71,992 |
| Other Employee Benefits | 382,525 | 3,666 | 386,191 | 305,809 | 80,382 |
| Unused Sick Payment to Terminated/Retired Staff | 21,636 | | 21,636 | 4,400 | 17,236 |
| TOTAL UNALLOCATED BENEFITS | 7,065,937 | (256,334) | 6,809,603 | 5,465,074 | 1,344,529 |
| ON-BEHALF CONTRIBUTIONS (NON-BUDGETED) | | | | | |
| TPAF Post Retirement Contributions (Non-Budgeted) | | | | 1,311,731 | (1,311,731) |
| TPAF Pension Contributions (Non-Budgeted) | | | | 5,536,207 | (5,536,207) |
| TPAF Non-Contributory Insurance (Non-Budgeted) | | | | 78,108 | (78,108) |
| TPAF Long-Term Disability Insurance (Non-Budgeted) | | | | 1,723 | (1,723) |
| Reimbursed TPAF Social Security Contributions | | | | 1,113,458 | (1,113,458) |
| TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED) | | | | 8,041,227 | (8,041,227) |
| TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS | 7,065,937 | (256,334) | 6,809,603 | 13,506,301 | (6,696,698) |
| TOTAL UNDISTRIBUTED EXPENDITURES | 22,152,453 | (63,590) | 22,088,863 | 27,208,085 | (5,119,222) |
| TOTAL GENERAL CURRENT EXPENSE | 37,526,633 | (88,449) | 37,438,184 | 42,272,244 | (4,834,060) |
| CAPITAL OUTLAY | | | | | |
| Equipment: | | | | | |
| Grades 9-12 | | 49,378 | 49,378 | 10,125 | 39,253 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|---------------------|---------------------|---------------------|----------------------|--------------------------|
| CAPITAL OUTLAY | | | | | |
| Equipment: | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction | \$ 5,523 | | \$ 5,523 | \$ 5,523 | |
| Admin. Info. Tech. | 50,002 | \$ 11,553 | 61,555 | 52,219 | \$ 9,336 |
| Required Maint for School Fac. | | 25,518 | 25,518 | 25,518 | |
| Custodial Services | 8,650 | | 8,650 | 8,650 | |
| Care and Upkeep of Grounds | | 2,000 | 2,000 | 2,000 | |
| Security | | 50,347 | 50,347 | | 50,347 |
| Total Equipment | <u>64,175</u> | <u>138,796</u> | <u>202,971</u> | <u>104,035</u> | <u>98,936</u> |
| | | | | | |
| Facilities Acquisition and Construction Serv.: | | | | | |
| Architectural/Engineering Services | 25,638 | | 25,638 | 24,482 | 1,156 |
| Construction Services | 1,637,000 | 210,724 | 1,847,724 | 1,234,040 | 613,684 |
| Assessment for Debt Service on SDA Funding | 185,855 | | 185,855 | 185,855 | |
| Total Facilities Acquisition and Construction Serv. | <u>1,848,493</u> | <u>210,724</u> | <u>2,059,217</u> | <u>1,444,377</u> | <u>614,840</u> |
| | | | | | |
| TOTAL CAPITAL OUTLAY | <u>1,912,668</u> | <u>349,520</u> | <u>2,262,188</u> | <u>1,548,412</u> | <u>713,776</u> |
| | | | | | |
| Transfer of Funds to Charter Schools | 19,798 | | 19,798 | 19,798 | |
| | | | | | |
| TOTAL EXPENDITURES | <u>39,459,099</u> | <u>261,071</u> | <u>39,720,170</u> | <u>43,840,454</u> | <u>(4,120,284)</u> |
| | | | | | |
| Excess/(Deficit) of Revenues Over/(Under) Expenditures | <u>(3,276,728)</u> | <u>(210,724)</u> | <u>(3,487,452)</u> | <u>1,143,348</u> | <u>4,630,800</u> |
| | | | | | |
| Fund Balance, July 1 | <u>10,317,561</u> | | <u>10,317,561</u> | <u>10,317,561</u> | |
| | | | | | |
| Fund Balance, June 30 | <u>\$ 7,040,833</u> | <u>\$ (210,724)</u> | <u>\$ 6,830,109</u> | <u>\$ 11,460,909</u> | <u>\$ 4,630,800</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-----------------|---------------------|---------------|--------|-----------------------------|
| <u>Recapitulation:</u> | | | | | |
| <u>Restricted Fund Balance:</u> | | | | | |
| Excess Surplus - Restricted For 2023-2024 | \$ 1,500,000 | | | | |
| Excess Surplus - Restricted For 2022-2023 | 1,010,000 | | | | |
| Capital Reserve | 4,903,467 | | | | |
| Maintenance Reserve | 500,000 | | | | |
| Emergency Reserve | 299,431 | | | | |
| Unemployment Compensation | 498,860 | | | | |
| <u>Assigned Fund Balance:</u> | | | | | |
| Year End Encumbrances | 940,091 | | | | |
| Unassigned Fund Balance | 1,809,060 | | | | |
| | 11,460,909 | | | | |
| <u>Reconciliation to Governmental Funds Statement (GAAP):</u> | | | | | |
| Last two State Aid Payments not Recognized on GAAP basis | | | (1,008,442) | | |
| Fund Balance per Governmental Funds (GAAP) | | | \$ 10,452,467 | | |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-------------------|---------------------|---------------------|---------------------|--------------------------|
| REVENUES: | | | | | |
| Local Sources | | \$ 316,603 | \$ 316,603 | \$ 309,749 | \$ (6,854) |
| State Sources | | 47,201 | 47,201 | 47,136 | (65) |
| Federal Sources | \$ 475,152 | 2,162,335 | 2,637,487 | 1,149,523 | (1,487,964) |
| Total Revenues | 475,152 | 2,526,139 | 3,001,291 | 1,506,408 | (1,494,883) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 109,773 | (16,478) | 93,295 | 72,683 | 20,612 |
| Other Salaries for Instruction | | 332,400 | 332,400 | | 332,400 |
| Purchased Professional and Educational Services | | 12,666 | 12,666 | 2,666 | 10,000 |
| Other Purchased Services | 22,798 | (22,798) | | | |
| Tuition | 334,506 | 154,691 | 489,197 | 489,197 | |
| General Supplies | | 476,718 | 476,718 | 362,624 | 114,094 |
| Textbooks | | 420 | 420 | 381 | 39 |
| Other Objects | | 2,000 | 2,000 | 388 | 1,612 |
| Total Instruction | 467,077 | 939,619 | 1,406,696 | 927,939 | 478,757 |
| Support Services: | | | | | |
| Other Salaries | | 694,025 | 694,025 | 113,448 | 580,577 |
| Personal Services - Employee Benefits | | 324,359 | 324,359 | 54,756 | 269,603 |
| Purchased Professional and Technical Services | | 104,135 | 104,135 | 1,475 | 102,660 |
| Purchased Professional and Educational Services | 8,075 | 11,255 | 19,330 | 14,803 | 4,527 |
| Cleaning, Repair and Maintenance Services | | 46,487 | 46,487 | 46,487 | |
| Other Purchased Services | | 14,278 | 14,278 | 8,278 | 6,000 |
| Travel | | 35,032 | 35,032 | 19,651 | 15,381 |
| Supplies and Materials | | 50,126 | 50,126 | 19,748 | 30,378 |
| Other Objects | | 7,000 | 7,000 | | 7,000 |
| Scholarships Awarded | | 8,750 | 8,750 | 8,750 | |
| Student Activities | | 286,079 | 286,079 | 286,079 | |
| Total Support Services | 8,075 | 1,581,526 | 1,589,601 | 573,475 | 1,016,126 |
| Total Expenditures | \$ 475,152 | \$ 2,521,145 | \$ 2,996,297 | \$ 1,501,414 | \$ 1,494,883 |
| Excess/(Deficit) of Revenue Over/(Under) Expenditures | \$ -0- | \$ 4,994 | \$ 4,994 | \$ 4,994 | \$ -0- |

WARREN HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
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 |
|--|-----------------|----------------------------|
| Sources/Inflows of Resources | | |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 44,983,802 | \$ 1,506,408 |
| Difference - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not: | | |
| Prior Year Encumbrances | | 42,350 |
| Cancellation of Prior Year Encumbrances | | (3,788) |
| Current Year Encumbrances | | (134,756) |
| Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements | 1,024,543 | |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements | (1,008,442) | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | \$ 44,999,903 | \$ 1,410,214 |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 43,840,454 | \$ 1,501,414 |
| Differences - Budget to GAAP | | |
| Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes: | | |
| Prior Year Encumbrances | | 42,350 |
| Cancellation of Prior Year Encumbrances | | (3,788) |
| Current Year Encumbrances | | (134,756) |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | \$ 43,840,454 | \$ 1,405,220 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WARREN HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | CARES Emergency Relief | ESSER II | CRRSA | | Mental Health | ARP | | Local Donations |
|---|------------------------------|-------------------|--------------------------|-----------------|------------------|-----------------|-------------|--------------------|
| | | | Learning Acceleration | | | ESSER III | Homeless II | |
| REVENUES: | | | | | | | | |
| Local Sources | \$ 32,549 | \$ 343,432 | \$ 27,079 | \$ 1,475 | \$ 60,289 | \$ 8,278 | | \$ 9,926 |
| State Sources | | | | | | | | |
| Federal Sources | | | | | | | | |
| Total Revenues | <u>32,549</u> | <u>343,432</u> | <u>27,079</u> | <u>1,475</u> | <u>60,289</u> | <u>8,278</u> | | <u>9,926</u> |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | | | | | | | | |
| Purchased Professional and Educational Services | | | | | | | | |
| Tuition | 18,708 | 303,566 | 7,504 | | | | | 9,538 |
| General Supplies | | | | | | | | |
| Textbooks | | | | | | | | 388 |
| Other Objects | | | | | | | | |
| Total Instruction | <u>18,708</u> | <u>303,566</u> | <u>7,504</u> | | | | | <u>9,926</u> |
| Support Services: | | | | | | | | |
| Other Salaries | | 39,866 | 19,575 | | 44,142 | 16,147 | | |
| Personal Services - Employee Benefits | | | | | | | | |
| Purchased Professional and Technical Services | | | | 1,475 | | | | |
| Purchased Professional and Educational Services | | | | | | | | |
| Cleaning, Repair and Maintenance Services | | | | | | | 8,278 | |
| Other Purchased Services | | | | | | | | |
| Travel | 13,841 | | | | | | | |
| Supplies and Materials | | | | | | | | |
| Scholarships Awarded | | | | | | | | |
| Student Activities | | | | | | | | |
| Total Support Services | <u>13,841</u> | <u>39,866</u> | <u>19,575</u> | <u>1,475</u> | <u>60,289</u> | <u>8,278</u> | | |
| Total Expenditures | <u>\$ 32,549</u> | <u>\$ 343,432</u> | <u>\$ 27,079</u> | <u>\$ 1,475</u> | <u>\$ 60,289</u> | <u>\$ 8,278</u> | | <u>\$ 9,926</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | SDA Emergent and Capital Needs | Nonpublic | | Student Activities | Scholarship | Totals |
|---|--------------------------------------|-----------|--------------------------|-----------------------|-------------|--------------|
| | | Textbooks | Technology Initiative | | | |
| REVENUES: | | | | | | |
| Local Sources | | | | | | |
| State Sources | \$ 46,487 | \$ 381 | \$ 268 | \$ 295,661 | \$ 4,162 | \$ 309,749 |
| Federal Sources | | | | | | 47,136 |
| Total Revenues | 46,487 | 381 | 268 | 295,661 | 4,162 | 1,149,523 |
| | | | | | | 1,506,408 |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | | | | | | 72,683 |
| Purchased Professional and Educational Services | | | | | | 2,666 |
| Tuition | | | | | | 489,197 |
| General Supplies | | | 268 | | | 362,624 |
| Textbooks | | 381 | | | | 381 |
| Other Objects | | | | | | 388 |
| Total Instruction | | 381 | 268 | | | 927,939 |
| Support Services: | | | | | | |
| Other Salaries | | | | | | 113,448 |
| Personal Services - Employee Benefits | | | | | | 54,756 |
| Purchased Professional and Technical Services | | | | | | 1,475 |
| Purchased Professional and Educational Services | | | | | | 14,803 |
| Cleaning, Repair and Maintenance Services | 46,487 | | | | | 46,487 |
| Other Purchased Services | | | | | | 8,278 |
| Travel | | | | | | 19,651 |
| Supplies and Materials | | | | | | 19,748 |
| Scholarships Awarded | | | | | 8,750 | 8,750 |
| Student Activities | | | | 286,079 | | 286,079 |
| Total Support Services | 46,487 | | | 286,079 | 8,750 | 573,475 |
| Total Expenditures | \$ 46,487 | \$ 381 | \$ 268 | \$ 286,079 | \$ 8,750 | \$ 1,501,414 |

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

| | |
|--|------------|
| Cash and Cash Equivalents | \$ 410,348 |
| Intergovernmental Accounts Receivable: | |
| State | 213 |
| Federal | 14,080 |
| Inventories | 17,947 |

| | |
|----------------------|----------------|
| Total Current Assets | <u>442,588</u> |
|----------------------|----------------|

Non-Current Assets:

| | |
|--------------------------------|------------------|
| Capital Assets | 485,414 |
| Less: Accumulated Depreciation | <u>(353,584)</u> |

| | |
|--------------------------|----------------|
| Total Non-Current Assets | <u>131,830</u> |
|--------------------------|----------------|

| | |
|--------------|----------------|
| Total Assets | <u>574,418</u> |
|--------------|----------------|

LIABILITIES:

Current Liabilities:

| | |
|---------------------|-------|
| Accounts Payable | 5,016 |
| Unearned Revenue: | |
| Prepaid Meals | 6,397 |
| Donated Commodities | 4,294 |

| | |
|-------------------|---------------|
| Total Liabilities | <u>15,707</u> |
|-------------------|---------------|

NET POSITION:

| | |
|------------------------------|----------------|
| Investment in Capital Assets | 131,830 |
| Unrestricted | <u>426,881</u> |

| | |
|--------------------|-------------------|
| Total Net Position | <u>\$ 558,711</u> |
|--------------------|-------------------|

WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | |
|-------------------------------------|-------------------|
| Operating Revenue: | |
| Local Sources: | |
| Daily Sales: | |
| Non-Reimbursable Programs | \$ 184,273 |
| Total Operating Revenue | <u>184,273</u> |
| Operating Expenses: | |
| Cost of Sales: | |
| Reimbursable Programs | 387,339 |
| Non-Reimbursable Programs | 102,963 |
| Salaries | 249,901 |
| Benefits and Payroll Taxes | 36,397 |
| Supplies, Insurance and Other Costs | 61,688 |
| Management Fee | 15,400 |
| Depreciation Expense | 14,644 |
| Total Operating Expenses | <u>868,332</u> |
| Operating Loss | (684,059) |
| Non-Operating Income: | |
| Local Sources: | |
| Interest Income | 470 |
| State Sources: | |
| COVID - Seamless Summer Option | 16,584 |
| Federal Sources: | |
| COVID - Seamless Summer Option | 788,338 |
| P-EBT Reimbursement | 1,242 |
| Emergency Operational Cost Program | 17,458 |
| Food Distribution Program | 29,574 |
| Total Non-Operating Income | <u>853,666</u> |
| Change in Net Position | 169,607 |
| Net Position - Beginning of Year | <u>389,104</u> |
| Net Position - End of Year | <u>\$ 558,711</u> |

WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | |
|---|--------------|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 175,887 |
| Payments to Food Service Contractor | (769,209) |
| Payment of Salaries - District Employees | (46,935) |
| Payments to Suppliers | (17,870) |
| | <hr/> |
| Net Cash Used for Operating Activities | (658,127) |
| | <hr/> |
| Cash Flows from Investing Activities: | |
| Interest Income | 470 |
| | <hr/> |
| Net Cash Provided by Investing Activities | 470 |
| | <hr/> |
| Cash Flows from Noncapital Financing Activities: | |
| State Sources | 18,237 |
| Federal Sources | 808,410 |
| | <hr/> |
| Net Cash Provided by Noncapital Financing Activities | 826,647 |
| | <hr/> |
| Net Increase in Cash and Cash Equivalents | 168,990 |
| Cash and Cash Equivalents, July 1 | 241,358 |
| | <hr/> |
| Cash and Cash Equivalents, June 30 | \$ 410,348 |
| | <hr/> <hr/> |
| Reconciliation of Operating Loss to Net Cash | |
| Used for Operating Activities: | |
| Operating Loss | \$ (684,059) |
| Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities: | |
| Depreciation | 14,644 |
| Food Distribution Program | 29,574 |
| Changes in Assets and Liabilities: | |
| (Decrease) in Unearned Revenue | (9,560) |
| (Decrease) in Accounts Payable | (10,777) |
| Decrease in Inventory | 2,051 |
| | <hr/> |
| Net Cash Used for Operating Activities | \$ (658,127) |
| | <hr/> <hr/> |

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$26,131 and utilized U.S.D.A. Commodities valued at \$29,574.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

WARREN HILLS REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding June 30, 2022 | | Interest Rate | Balance July 1, 2021 | Issued | Matured | Balance June 30, 2022 |
|----------------------|---------------|----------------|---|------------|---------------|----------------------|----------------------|----------------------|-----------------------|
| | | | Date | Amount | | | | | |
| 2009 School Bonds | 03/19/09 | \$ 5,494,000 | 2/15/23 | \$ 470,000 | 4.00% | \$ 1,409,000 | \$ 450,000 | \$ 959,000 | |
| | | | 2/15/24 | 489,000 | 4.13% | | | | |
| 2012 Refunding Bonds | 06/06/12 | 17,335,000 | | | | 9,565,000 | | | |
| 2021 Refunding Bonds | 11/23/21 | 8,385,000 | 2/15/23 | 1,625,000 | 0.92% | | | | |
| | | | 2/15/24 | 1,650,000 | 0.92% | | | | |
| | | | 2/15/25 | 1,675,000 | 0.92% | | | | |
| | | | 2/15/26 | 1,690,000 | 0.92% | | | | |
| | | | 2/15/27 | 1,710,000 | 0.92% | | | | |
| | | | | | | \$ 8,385,000 | 35,000 | 8,350,000 | |
| | | | | | | <u>\$ 10,974,000</u> | <u>\$ 8,385,000</u> | <u>\$ 10,050,000</u> | <u>\$ 9,309,000</u> |
| | | | | | | Refunded | \$ 8,160,000 | | |
| | | | | | | Matured | 1,890,000 | | |
| | | | | | | | <u>\$ 10,050,000</u> | | |

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE 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</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|-------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 2,306,209 | | \$ 2,306,209 | \$ 2,306,209 | |
| State Sources: | | | | | |
| Debt Service Aid - Type II | 17,212 | | 17,212 | 17,212 | |
| Total Revenues | <u>2,323,421</u> | | <u>2,323,421</u> | <u>2,323,421</u> | |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest on Bonds | 468,421 | \$ (35,000) | 433,421 | 315,392 | \$ 118,029 |
| Redemption of Principal | 1,855,000 | 35,000 | 1,890,000 | 1,890,000 | |
| Total Regular Debt Service | <u>2,323,421</u> | | <u>2,323,421</u> | <u>2,205,392</u> | <u>118,029</u> |
| Total Expenditures | <u>2,323,421</u> | | <u>2,323,421</u> | <u>2,205,392</u> | <u>118,029</u> |
| Excess of Revenues Over Expenditures | | | | 118,029 | 118,029 |
| Other Financing Sources/(Uses): | | | | | |
| Refunding Bonds Issued | | | | 8,385,000 | 8,385,000 |
| Serial Bonds Defeased | | | | (8,160,000) | (8,160,000) |
| Bond Issuance Costs | | | | (54,400) | (54,400) |
| Deferred Amount on Refunding | | | | (170,600) | (170,600) |
| Total Other Financing Sources/(Uses) | | | | <u>-0-</u> | <u>-0-</u> |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | | | | 118,029 | 118,029 |
| Fund Balance, July 1 | <u>1</u> | | <u>1</u> | <u>1</u> | |
| Fund Balance, June 30 | <u>\$ 1</u> | <u>\$ -0-</u> | <u>\$ 1</u> | <u>\$ 118,030</u> | <u>\$ 118,029</u> |
| <u>Recapitulation:</u> | | | | | |
| Restricted | | | | <u>\$ 118,030</u> | |
| | | | | <u>\$ 118,030</u> | |

WARREN HILLS REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

| <u>Purpose</u> | <u>Interest Rate</u> | <u>Original Issue</u> | <u>Balance July 1, 2021</u> | <u>Matured</u> | <u>Balance June 30, 2022</u> |
|--|--------------------------|---------------------------|---------------------------------|-------------------|----------------------------------|
| Technology Equipment, School Bus and Laser Engraver | 3.049% | \$ 648,932 | <u>\$ 264,630</u> | <u>\$ 130,328</u> | <u>\$ 134,302</u> |
| | | | <u>\$ 264,630</u> | <u>\$ 130,328</u> | <u>\$ 134,302</u> |

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

June 30,

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 26,501,040 | \$ 27,224,466 | \$ 28,561,105 | \$ 28,369,778 | \$ 29,912,495 | \$ 32,722,525 | \$ 32,516,063 | \$ 33,915,031 | \$ 33,931,054 | \$ 34,979,764 |
| Restricted | 10,473,542 | 10,315,660 | 10,278,076 | 9,918,463 | 5,983,676 | 6,316,779 | 7,092,172 | 6,107,372 | 7,343,615 | 9,405,186 |
| Unrestricted/(Deficit) | (1,301,587) | (7,707,076) | (8,735,277) | (8,976,705) | (7,220,439) | (10,142,604) | (9,435,383) | (8,877,114) | (7,486,970) | (6,903,913) |
| Total Governmental Activities Net Position | \$ 35,672,995 | \$ 29,833,050 | \$ 30,103,904 | \$ 29,311,536 | \$ 28,675,732 | \$ 28,896,700 | \$ 30,172,852 | \$ 31,145,289 | \$ 33,787,699 | \$ 37,481,037 |
| Business-Type Activities | | | | | | | | | | |
| Investment in Capital Assets | \$ 102,625 | \$ 97,892 | \$ 210,733 | \$ 207,992 | \$ 188,880 | \$ 179,572 | \$ 156,203 | \$ 151,198 | \$ 146,474 | \$ 131,830 |
| Unrestricted | 316,274 | 296,984 | 150,661 | 150,056 | 165,435 | 195,512 | 228,674 | 216,556 | 242,630 | 426,881 |
| Total Business-Type Activities Net Position | \$ 418,899 | \$ 394,876 | \$ 361,394 | \$ 358,048 | \$ 354,315 | \$ 375,084 | \$ 384,877 | \$ 367,754 | \$ 389,104 | \$ 558,711 |
| District-Wide | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 26,603,665 | \$ 27,322,358 | \$ 28,771,838 | \$ 28,577,770 | \$ 30,101,375 | \$ 32,902,097 | \$ 32,672,266 | \$ 34,066,229 | \$ 34,077,528 | \$ 35,111,594 |
| Restricted | 10,473,542 | 10,315,660 | 10,278,076 | 9,918,463 | 5,983,676 | 6,316,779 | 7,092,172 | 6,107,372 | 7,343,615 | 9,405,186 |
| Unrestricted/(Deficit) | (985,313) | (7,410,092) | (8,584,616) | (8,826,649) | (7,055,004) | (9,947,092) | (9,206,709) | (8,660,558) | (7,244,340) | (6,477,032) |
| Total District Net Position | \$ 36,091,894 | \$ 30,227,926 | \$ 30,465,298 | \$ 29,669,584 | \$ 29,030,047 | \$ 29,271,784 | \$ 30,557,729 | \$ 31,513,043 | \$ 34,176,803 | \$ 38,039,748 |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 13,498,437 | \$ 13,729,532 | \$ 16,281,883 | \$ 17,809,990 | \$ 19,221,023 | \$ 20,142,991 | \$ 18,100,336 | \$ 19,336,881 | \$ 17,970,847 | \$ 17,659,151 |
| Special Education | 3,746,454 | 3,915,065 | 4,160,158 | 4,929,289 | 6,295,881 | 6,303,643 | 5,257,584 | 4,871,984 | 4,995,440 | 4,618,852 |
| Other Special Education | 26,765 | 33,356 | 41,319 | 3,096 | 1,394 | 543 | 4,451 | | | 140 |
| Other Instruction | 1,327,175 | 1,382,796 | 1,488,898 | 1,383,084 | 1,494,982 | 1,547,884 | 1,665,498 | 1,734,227 | 1,533,811 | 1,634,082 |
| Support Services: | | | | | | | | | | |
| Tuition | 1,801,733 | 1,908,152 | 2,237,895 | 2,008,981 | 1,980,295 | 1,865,297 | 2,271,794 | 2,599,919 | 2,260,739 | 2,040,842 |
| Student & Instruction Related Services | 4,477,321 | 4,659,362 | 5,446,900 | 5,400,837 | 5,840,622 | 5,978,620 | 6,083,930 | 6,451,512 | 5,993,553 | 5,829,512 |
| General Administrative Services | 617,809 | 760,728 | 663,082 | 997,805 | 936,556 | 738,475 | 878,842 | 848,863 | 1,065,870 | 749,284 |
| School Administrative Services | 1,619,953 | 1,751,868 | 2,007,473 | 2,215,171 | 2,366,439 | 2,159,265 | 1,978,273 | 1,881,828 | 1,811,557 | 1,653,673 |
| Central Services | 551,688 | 550,739 | 658,195 | 563,814 | 612,895 | 752,855 | 680,797 | 766,767 | 701,182 | 649,906 |
| Administrative Information Technology | 469,787 | 312,120 | 356,401 | 362,002 | 368,677 | 413,741 | 471,743 | 533,762 | 594,060 | 600,689 |
| Plant Operations And Maintenance | 2,784,501 | 3,177,264 | 3,209,050 | 3,583,254 | 3,831,444 | 3,969,045 | 3,807,849 | 3,667,671 | 3,629,704 | 3,633,204 |
| Pupil Transportation | 1,557,321 | 1,661,141 | 1,792,485 | 2,416,108 | 2,134,332 | 2,098,835 | 2,308,667 | 2,238,320 | 1,946,923 | 2,448,410 |
| Capital Outlay | 138,098 | 193,019 | 196,063 | | | | | | | |
| Interest On Long-Term Debt | 648,107 | 1,004,164 | 724,466 | | 634,505 | 580,298 | 520,140 | 446,894 | 375,714 | 172,807 |
| Transfer of Funds to Charter School | | | | | | | | 71,554 | 26,721 | 19,798 |
| Unallocated Depreciation | 240,521 | 774,735 | 1,009,753 | 1,021,673 | 1,896,407 | 1,896,407 | 1,897,399 | 1,972,799 | 1,997,397 | 2,026,946 |
| Total Governmental Activities Expenses | 33,505,670 | 35,814,041 | 40,274,021 | 43,380,436 | 47,615,452 | 48,447,899 | 45,927,303 | 47,422,981 | 44,903,518 | 43,737,296 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 501,943 | 495,675 | 505,094 | 507,071 | 511,090 | 535,831 | 584,899 | 507,561 | 223,686 | 868,332 |
| Total Business-Type Activities Expense | 501,943 | 495,675 | 505,094 | 507,071 | 511,090 | 535,831 | 584,899 | 507,561 | 223,686 | 868,332 |
| Total District Expenses | \$ 34,007,613 | \$ 36,309,716 | \$ 40,779,115 | \$ 43,887,507 | \$ 48,126,542 | \$ 48,983,730 | \$ 46,512,202 | \$ 47,930,542 | \$ 45,127,204 | \$ 44,605,628 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges For Services: | | | | | | | | | | |
| Instruction | \$ 1,423,477 | \$ 1,499,897 | \$ 1,617,275 | \$ 1,584,567 | \$ 1,474,957 | \$ 1,478,606 | \$ 1,865,869 | \$ 1,967,004 | \$ 1,810,517 | \$ 1,630,792 |
| Student & Instruction Related Services | 259,628 | 266,536 | 257,971 | 261,360 | 277,700 | 278,531 | 282,737 | 279,270 | 208,719 | 295,661 |
| Pupil Transportation | 4,788,921 | 4,452,207 | 7,832,917 | 9,461,362 | 12,349,618 | 13,778,495 | 11,065,769 | 11,094,200 | 249,909 | 243,503 |
| Operating Grants and Contributions | 75,616 | | | | 470,444 | | | | 10,715,813 | 10,245,311 |
| Capital Grants and Contributions | | | | | | | | | | |
| Total Governmental Activities Program Revenues | 6,547,642 | 6,218,640 | 9,708,163 | 11,307,289 | 14,572,719 | 15,535,632 | 13,214,375 | 13,340,474 | 12,984,958 | 12,415,267 |

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

UNAUDITED
(Continued)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Program Revenues | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | \$ 317,409 | \$ 322,227 | \$ 314,224 | \$ 333,333 | \$ 337,333 | \$ 390,697 | \$ 422,737 | \$ 337,620 | \$ 1,021 | \$ 184,273 |
| Operating Grants and Contributions | 137,015 | 148,608 | 156,602 | 169,880 | 169,184 | 163,613 | 168,910 | 150,190 | 243,601 | 853,196 |
| Total Business Type Activities Program Revenues | 454,424 | 470,835 | 470,826 | 503,213 | 506,517 | 554,310 | 591,647 | 487,810 | 244,622 | 1,037,469 |
| Total District Program Revenues | \$ 7,002,066 | \$ 6,689,475 | \$ 10,178,989 | \$ 11,810,502 | \$ 15,079,236 | \$ 16,089,942 | \$ 13,806,022 | \$ 13,828,284 | \$ 13,229,580 | \$ 13,452,736 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (26,958,028) | \$ (29,595,401) | \$ (30,565,858) | \$ (32,073,147) | \$ (33,042,733) | \$ (32,912,267) | \$ (32,712,928) | \$ (34,082,507) | \$ (31,918,560) | \$ (31,322,029) |
| Business-Type Activities | (47,519) | (24,840) | (34,268) | (3,858) | (4,573) | 18,479 | 6,748 | (19,751) | 20,936 | 169,137 |
| Total District-Wide Net Expense | \$ (27,005,547) | \$ (29,620,241) | \$ (30,600,126) | \$ (32,077,005) | \$ (33,047,306) | \$ (32,893,788) | \$ (32,706,180) | \$ (34,102,258) | \$ (31,897,624) | \$ (31,152,892) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 19,031,621 | \$ 19,031,621 | \$ 19,412,253 | \$ 19,800,498 | \$ 20,646,591 | \$ 21,298,059 | \$ 21,988,883 | \$ 22,428,661 | \$ 22,877,234 | \$ 23,334,779 |
| Taxes Levied for Debt Service | 2,086,385 | 2,105,862 | 1,964,506 | 2,011,364 | 2,155,917 | 2,189,882 | 2,243,148 | 2,294,727 | 2,300,028 | 2,306,209 |
| Federal and State Aid not Restricted | 9,272,508 | 9,384,348 | 9,387,427 | 9,380,077 | 9,461,106 | 9,464,714 | 9,454,395 | 9,368,456 | 9,280,855 | 9,054,206 |
| Investment Earnings | 55,177 | 45,826 | 44,819 | 39,444 | 48,474 | 83,483 | 105,415 | 77,716 | 17,974 | 18,221 |
| Miscellaneous Income | 53,336 | 138,920 | 27,650 | 49,216 | 94,773 | 95,579 | 195,027 | 92,922 | 84,879 | 301,952 |
| Transfers | | 251 | 57 | 180 | 68 | 1,518 | 2,212 | 2,723 | | |
| Total Governmental Activities | 30,499,027 | 30,706,828 | 30,836,712 | 31,280,779 | 32,406,929 | 33,133,235 | 33,989,080 | 34,265,205 | 34,560,970 | 35,015,367 |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | 1,828 | 817 | 786 | 512 | 840 | 2,290 | 3,045 | 2,628 | 414 | 470 |
| Total Business-Type Activities | 1,828 | 817 | 786 | 512 | 840 | 2,290 | 3,045 | 2,628 | 414 | 470 |
| Total District-Wide | \$ 30,500,855 | \$ 30,707,645 | \$ 30,837,498 | \$ 31,281,291 | \$ 32,407,769 | \$ 33,135,525 | \$ 33,992,125 | \$ 34,267,833 | \$ 34,561,384 | \$ 35,015,837 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 3,540,999 | \$ 1,111,427 | \$ 270,854 | \$ (792,368) | \$ (635,804) | \$ 220,968 | \$ 1,276,152 | \$ 182,698 | \$ 2,642,410 | \$ 3,693,338 |
| Business-Type Activities | (45,691) | (24,023) | (33,482) | (3,346) | (3,733) | 20,769 | 9,793 | (17,123) | 21,350 | 169,607 |
| Total District | \$ 3,495,308 | \$ 1,087,404 | \$ 237,372 | \$ (795,714) | \$ (639,537) | \$ 241,737 | \$ 1,285,945 | \$ 165,575 | \$ 2,663,760 | \$ 3,862,945 |

Source: School District Financial Reports

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

| | June 30, | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 10,193,678 | \$ 10,035,904 | \$ 10,128,625 | \$ 9,871,141 | \$ 5,936,354 | \$ 6,316,778 | \$ 7,092,171 | \$ 5,497,075 | \$ 6,773,210 | \$ 8,711,758 |
| Assigned | 1,415,017 | 824,020 | 685,570 | 622,613 | 3,072,549 | 355,105 | 1,007,425 | 1,458,527 | 1,761,728 | 940,091 |
| Unassigned | | 21,407 | | | | | | | 758,080 | 800,618 |
| Total General Fund | \$ 11,608,695 | \$ 10,881,331 | \$ 10,814,195 | \$ 10,493,754 | \$ 9,008,903 | \$ 6,671,883 | \$ 8,099,596 | \$ 6,955,602 | \$ 9,293,018 | \$ 10,452,467 |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | \$ 279,864 | \$ 279,756 | \$ 179,756 | \$ 47,322 | \$ 47,322 | \$ 1 | \$ 1 | \$ 610,297 | \$ 570,405 | \$ 693,428 |
| Committed | | 933,263 | | | | | | | | |
| Unassigned, Reported In: | | | | | | | | | | |
| Capital Projects Fund (Deficit) | | | (30,305) | (57,834) | | | | | | |
| Total All Other Governmental Funds/(Deficit) | \$ 279,864 | \$ 1,213,019 | \$ 149,451 | \$ (10,512) | \$ 47,322 | \$ 1 | \$ 1 | \$ 610,297 | \$ 570,405 | \$ 693,428 |
| Total All Funds: | | | | | | | | | | |
| Restricted | \$ 10,473,542 | \$ 10,315,660 | \$ 10,308,381 | \$ 9,918,463 | \$ 5,983,676 | \$ 6,316,779 | \$ 7,092,172 | \$ 6,107,372 | \$ 7,343,615 | \$ 9,405,186 |
| Committed | | 933,263 | | | | | | | | |
| Assigned | 1,415,017 | 824,020 | 685,570 | 622,613 | 3,072,549 | 355,105 | 1,007,425 | 1,458,527 | 1,761,728 | 940,091 |
| Unassigned/(Deficit) | | 21,407 | (30,305) | (57,834) | | | | | 758,080 | 800,618 |
| Total All Governmental Funds | \$ 11,888,559 | \$ 12,094,350 | \$ 10,963,646 | \$ 10,483,242 | \$ 9,056,225 | \$ 6,671,884 | \$ 8,099,597 | \$ 7,565,899 | \$ 9,863,423 | \$ 11,145,895 |

Source: School District Financial Reports

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Revenues | | | | | | | | | | |
| Tax Levy | \$ 21,118,006 | \$ 21,137,483 | \$ 21,376,759 | \$ 21,811,862 | \$ 22,802,508 | \$ 23,487,941 | \$ 24,232,031 | \$ 24,723,388 | \$ 25,177,262 | \$ 25,640,988 |
| Tuition Charges | 1,423,477 | 1,499,897 | 1,617,275 | 1,584,567 | 1,474,957 | 1,478,606 | 1,865,869 | 1,967,004 | 1,810,517 | 1,630,792 |
| Transportation Fees from Other LEAs | 259,628 | 266,536 | 257,971 | 261,360 | 277,700 | 278,531 | 282,737 | 279,270 | 249,909 | 243,503 |
| Interest Earnings | 18,582 | 18,173 | 18,003 | 18,854 | 14,737 | 33,043 | 19,300 | 26,636 | 2,245 | 4,577 |
| Other Restricted Miscellaneous Revenue | 16,725 | 11,131 | 3,149 | 12,063 | 10,931 | 35,320 | 15,551 | 16,095 | 238,280 | 354,936 |
| Unrestricted Miscellaneous Revenue | 75,140 | 156,217 | 54,322 | 66,603 | 118,352 | 116,504 | 278,118 | 180,704 | 75,831 | 287,748 |
| State Sources | 13,568,276 | 13,290,259 | 13,685,984 | 14,265,030 | 15,238,346 | 15,593,047 | 16,317,191 | 16,374,341 | 17,689,521 | 19,467,473 |
| Federal Sources | 566,835 | 545,521 | 572,921 | 632,972 | 651,159 | 609,153 | 630,105 | 626,881 | 998,101 | 1,103,521 |
| Total Revenue | 37,046,669 | 36,925,217 | 37,586,384 | 38,653,311 | 40,588,690 | 41,632,145 | 43,640,902 | 44,194,319 | 46,241,666 | 48,733,538 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 9,384,673 | 9,929,359 | 10,209,236 | 10,445,191 | 10,439,908 | 10,407,091 | 9,955,182 | 10,839,689 | 10,291,458 | 11,079,297 |
| Special Education Instruction | 2,713,408 | 2,959,441 | 2,831,246 | 2,983,944 | 3,558,648 | 3,380,550 | 2,858,119 | 2,621,035 | 2,825,203 | 2,903,433 |
| Other Special Instruction | 20,297 | 26,480 | 34,344 | 3,096 | 1,394 | 543 | 4,451 | | | 140 |
| Other Instruction | 1,097,750 | 1,148,890 | 1,229,904 | 1,151,253 | 1,223,820 | 1,277,220 | 1,359,368 | 1,404,200 | 1,231,365 | 1,409,834 |
| Support Services: | | | | | | | | | | |
| Tuition | 1,801,733 | 1,908,152 | 2,237,895 | 2,008,981 | 1,980,295 | 1,865,297 | 2,271,794 | 2,599,919 | 2,260,739 | 2,040,842 |
| Student & Instruction Related Services | 3,406,965 | 3,584,677 | 3,762,933 | 4,040,591 | 4,072,879 | 4,213,092 | 4,258,134 | 4,453,773 | 4,298,452 | 4,507,728 |
| General Administration Services | 506,808 | 636,191 | 532,428 | 717,249 | 715,768 | 524,448 | 673,745 | 634,905 | 857,220 | 599,008 |
| School Administration Services | 1,145,971 | 1,275,743 | 1,288,241 | 1,211,865 | 1,264,949 | 1,147,085 | 1,086,741 | 1,031,984 | 1,054,641 | 1,036,813 |
| Central Services | 396,222 | 415,757 | 468,591 | 379,234 | 384,207 | 485,248 | 462,785 | 514,012 | 459,360 | 466,241 |
| Administrative Information Technology | 426,105 | 303,709 | 347,210 | 319,849 | 381,695 | 357,788 | 505,436 | 463,953 | 519,694 | 551,660 |
| Plant Operations And Maintenance | 2,414,745 | 2,794,520 | 2,818,202 | 2,934,826 | 3,343,597 | 3,942,572 | 3,239,572 | 3,109,037 | 3,118,884 | 3,178,886 |
| Pupil Transportation | 1,516,258 | 1,580,793 | 1,711,448 | 1,807,548 | 1,895,355 | 1,929,470 | 1,985,154 | 1,963,553 | 1,782,937 | 2,381,691 |
| Unallocated Benefits | 7,581,264 | 7,174,221 | 7,668,082 | 8,065,335 | 8,761,017 | 9,837,218 | 10,807,248 | 11,169,096 | 12,419,749 | 13,506,301 |
| Capital Outlay | 1,305,813 | 858,723 | 1,495,739 | 2,408,979 | 3,139,680 | 2,395,867 | 1,136,307 | 2,331,723 | 480,398 | 1,564,002 |
| Transfer of Funds to Charter School | | | | | | | | 71,554 | 26,721 | 19,798 |
| Debt Service: | | | | | | | | | | |
| Principal | 1,250,000 | 1,180,000 | 1,185,000 | 1,285,000 | 1,365,000 | 1,500,000 | 1,565,000 | 1,690,000 | 1,765,000 | 1,890,000 |
| Interest And Other Charges | 761,746 | 943,021 | 896,646 | 858,509 | 808,009 | 754,333 | 695,297 | 622,046 | 552,321 | 315,392 |
| Total Expenditures | 35,729,758 | 36,719,677 | 38,717,145 | 40,621,450 | 43,336,221 | 44,018,004 | 42,864,333 | 45,520,479 | 43,944,142 | 47,451,066 |
| Excess (Deficiency) Of Revenues | | | | | | | | | | |
| Over (Under) Expenditures | 1,316,911 | 205,540 | (1,130,761) | (1,968,139) | (2,747,531) | (2,385,859) | 776,569 | (1,326,160) | 2,297,524 | 1,282,472 |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--------------------------------------|-----------------------------|--------------|----------------|--------------|----------------|----------------|--------------|----------------|--------------|--------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2020 | 2022 |
| Other Financing Sources/(Uses) | | | | | | | | | | |
| Refunding Bonds Issued | | | | | | | | | | \$ 8,385,000 |
| Serial Bonds Defeased | | | | | | | | | | (8,160,000) |
| Bond Issuance Costs | | | | | | | | | | (54,400) |
| Deferred Amount on Refunding | | | | | | | \$ 648,932 | | | (170,600) |
| Financed Purchases (Non-Budgeted) | | | | | | | | | | |
| Transfers In | \$ 92,604 | \$ 1,084,766 | \$ 57 | \$ 1,487,555 | \$ 1,320,446 | \$ 1,518 | \$ 2,212 | \$ 2,723 | | |
| Transfers Out | (92,604) | (1,084,515) | | 180 | 68 | | | | | |
| Total Other Financing Sources/(Uses) | | 251 | 57 | 1,487,735 | 1,320,514 | 1,518 | 651,144 | 2,723 | | |
| Net Change in Fund Balances | \$ 1,316,911 | \$ 205,791 | \$ (1,130,704) | \$ (480,404) | \$ (1,427,017) | \$ (2,384,341) | \$ 1,427,713 | \$ (1,323,437) | \$ 2,297,524 | \$ 1,282,472 |
| Debt Service As A Percentage Of | | | | | | | | | | |
| Non-capital Expenditures | 5.84% | 5.92% | 5.59% | 5.35% | 5.35% | 5.46% | 5.35% | 5.27% | 5.30% | 4.79% |

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

| Fiscal Year Ending June 30 | Tuition | Transportation Fees | Interest on Investments | Use of Facilities/ Rentals | Miscellaneous | Total |
|----------------------------------|--------------|------------------------|----------------------------|----------------------------------|---------------|--------------|
| | | | | | | |
| 2013 | \$ 1,423,477 | \$ 259,628 | \$ 55,177 | \$ 16,725 | \$ 36,611 | \$ 1,791,618 |
| 2014 | 1,499,897 | 266,536 | 45,826 | 11,131 | 127,789 | 1,951,179 |
| 2015 | 1,617,275 | 257,971 | 44,819 | 3,149 | 24,501 | 1,947,715 |
| 2016 | 1,584,567 | 261,360 | 39,444 | 12,063 | 37,153 | 1,934,587 |
| 2017 | 1,474,957 | 277,700 | 48,474 | 10,931 | 83,842 | 1,895,904 |
| 2018 | 1,478,606 | 278,531 | 83,483 | 35,320 | 60,259 | 1,936,199 |
| 2019 | 1,865,869 | 282,737 | 105,415 | 15,551 | 179,476 | 2,449,048 |
| 2020 | 1,967,004 | 279,270 | 77,716 | 16,095 | 76,827 | 2,416,912 |
| 2021 | 1,810,517 | 249,909 | 17,974 | 4,469 | 80,410 | 2,163,279 |
| 2022 | 1,630,792 | 243,503 | 18,221 | 9,711 | 292,241 | 2,194,468 |

Source: Warren Hills Regional School District records

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

| Year Ended Dec. 31, | Vacant Land | | | Farm | | Farm Qualified | Commercial | Industrial | Apartment | Total Assessed Value | Tax-Exempt Property | | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|------------------------|---------------------------|----------------|---------------|--------------|---------------|-------------------|---------------|----------------|---------------|----------------------------|------------------------|---------|----------------------------------|--------------------------|---|---|
| | Residential | Regular | Farm | Residential | Property | | | | | | Utilities ^a | | | | | |
| | <u>Franklin Township</u> | | | | | | | | | | | | | | | |
| 2012 | \$ 4,438,400 | \$ 292,209,000 | \$ 53,550,700 | \$ 5,053,215 | \$ 32,503,800 | \$ 30,969,000 | \$ 306,300 | \$ 419,030,415 | \$ 38,663,220 | \$ 978,714 | \$ 420,009,129 | \$ 0.92 | \$ 423,287,926 | | | |
| 2013 | 4,130,400 | 286,559,100 | 53,823,900 | 5,102,815 | 32,526,600 | 30,969,000 | 306,300 | 413,418,115 | 39,090,620 | 914,996 | 414,333,111 | 0.94 | 398,392,069 | | | |
| 2014 | 4,128,700 | 287,884,400 | 52,492,300 | 5,039,395 | 32,514,600 | 30,829,000 | 306,300 | 413,194,695 | 39,090,620 | 692,328 | 413,887,023 | 0.94 | 413,887,023 | | | |
| 2015 | 4,181,700 | 289,296,400 | 51,344,000 | 4,894,295 | 32,364,200 | 30,829,000 | 306,300 | 413,215,895 | 39,428,320 | 463,886 | 413,679,781 | 0.99 | 389,508,561 | | | |
| 2016 | 4,403,700 | 288,535,000 | 52,484,600 | 5,050,195 | 32,273,800 | 30,829,000 | 306,300 | 413,882,595 | 39,306,220 | 440,526 | 414,323,121 | 0.97 | 385,027,582 | | | |
| 2017 | 4,217,600 | 288,396,600 | 52,274,300 | 5,065,195 | 32,611,100 | 30,837,300 | 306,300 | 413,708,395 | 39,462,320 | 434,313 | 414,142,708 | 1.04 | 410,504,041 | | | |
| 2018 | 3,934,500 | 287,479,100 | 53,345,700 | 5,078,095 | 32,380,700 | 30,837,300 | 306,300 | 413,361,695 | 39,814,020 | 815,456 | 414,177,151 | 1.02 | 407,562,602 | | | |
| 2019 | 3,936,700 | 287,178,600 | 53,290,100 | 5,059,695 | 32,276,700 | 30,837,300 | 306,300 | 412,885,395 | 39,950,720 | 819,631 | 413,705,026 | 1.06 | 404,895,366 | | | |
| 2020 | 3,848,300 | 286,851,817 | 53,593,700 | 5,066,095 | 32,276,700 | 30,837,300 | 306,300 | 412,780,212 | 39,582,820 | 822,139 | 413,602,351 | 1.04 | 403,686,458 | | | |
| 2021 | 4,888,700 | 286,866,217 | 53,618,900 | 5,043,995 | 32,216,200 | 30,837,300 | 306,300 | 413,777,612 | 40,030,820 | 830,444 | 414,608,056 | 1.08 | 416,170,130 | | | |
| | <u>Mansfield Township</u> | | | | | | | | | | | | | | | |
| 2012 | \$ 11,755,100 | \$ 425,685,800 | \$ 55,172,200 | \$ 2,943,150 | \$ 95,234,500 | \$ 16,099,500 | \$ 40,656,000 | \$ 647,546,250 | \$ 67,624,380 | \$ 1,346,173 | \$ 648,892,423 | \$ 0.90 | \$ 765,722,084 | | | |
| 2013 | 11,751,900 | 424,374,700 | 54,693,000 | 2,782,050 | 90,238,000 | 16,099,500 | 40,656,000 | 640,595,150 | 67,675,180 | 1,315,776 | 641,910,926 | 0.92 | 725,936,357 | | | |
| 2014 | 10,220,500 | 404,138,600 | 54,345,900 | 3,544,000 | 108,831,100 | 17,129,400 | 66,001,000 | 664,210,500 | 72,990,900 | 1,017,159 | 665,227,659 | 0.87 | 684,976,372 | | | |
| 2015 | 10,653,600 | 404,308,500 | 54,221,800 | 3,476,790 | 108,509,200 | 17,493,500 | 66,001,000 | 664,664,390 | 72,720,600 | 954,436 | 665,618,826 | 0.90 | 693,428,255 | | | |
| 2016 | 9,501,000 | 408,991,800 | 52,751,300 | 4,246,265 | 116,176,000 | 17,323,500 | 66,001,000 | 674,990,865 | 68,900,700 | 862,441 | 675,853,306 | 0.96 | 715,449,372 | | | |
| 2017 | 16,515,150 | 409,053,900 | 52,604,700 | 3,342,165 | 115,894,250 | 17,323,500 | 60,062,400 | 674,796,065 | 68,448,400 | 804,295 | 675,600,360 | 1.01 | 719,190,103 | | | |
| 2018 | 13,782,200 | 410,640,200 | 51,939,900 | 3,345,415 | 115,863,850 | 17,323,500 | 60,062,400 | 672,957,465 | 68,442,100 | 291,360 | 673,248,825 | 1.08 | 728,428,211 | | | |
| 2019 | 15,066,700 | 413,661,400 | 49,904,500 | 3,214,625 | 114,656,750 | 17,323,500 | 59,623,400 | 673,450,875 | 70,398,700 | | 673,450,875 | 1.11 | 747,260,207 | | | |
| 2020 | 14,091,700 | 418,485,800 | 52,498,400 | 3,103,225 | 113,307,150 | 17,323,500 | 59,623,400 | 678,433,175 | 71,098,300 | | 678,433,175 | 1.16 | 756,719,409 | | | |
| 2021 | 13,159,600 | 427,702,900 | 50,547,600 | 2,892,200 | 113,333,150 | 17,323,500 | 59,623,400 | 684,582,350 | 71,609,700 | | 684,582,350 | 1.18 | 762,024,119 | | | |
| | <u>Washington Borough</u> | | | | | | | | | | | | | | | |
| 2012 | \$ 5,303,400 | \$ 278,655,460 | \$ 437,600 | \$ 5,300 | \$ 46,893,500 | \$ 16,323,400 | \$ 21,890,900 | \$ 369,509,560 | \$ 31,331,625 | \$ 2,259,339 | \$ 371,768,899 | \$ 1.10 | \$ 521,268,396 | | | |
| 2013 | 3,861,800 | 283,660,960 | 437,600 | 5,300 | 45,295,800 | 16,323,400 | 19,350,900 | 368,935,760 | 30,736,425 | 1,973,565 | 370,909,325 | 1.09 | 475,996,770 | | | |
| 2014 | 3,519,500 | 285,790,960 | 437,600 | 5,300 | 45,255,400 | 16,323,400 | 19,350,900 | 370,683,060 | 31,893,625 | 1,807,822 | 372,490,882 | 1.12 | 463,639,899 | | | |
| 2015 | 2,340,900 | 290,037,560 | 437,600 | 10,100 | 43,632,300 | 14,766,600 | 18,450,900 | 369,675,960 | 33,944,425 | 1,968,788 | 371,644,748 | 1.08 | 443,330,536 | | | |
| 2016 | 1,792,100 | 287,893,160 | 437,600 | 10,100 | 44,069,600 | 13,894,600 | 18,389,700 | 366,486,860 | 33,266,625 | 1,948,907 | 368,435,767 | 1.15 | 441,651,116 | | | |
| 2017 | 1,338,300 | 288,717,900 | 437,600 | 10,100 | 43,451,500 | 13,714,300 | 18,773,700 | 366,444,400 | 33,421,225 | 1,876,471 | 368,319,871 | 1.25 | 457,795,613 | | | |
| 2018 | 1,773,000 | 288,213,500 | 437,600 | 10,100 | 42,956,700 | 12,327,300 | 19,077,700 | 364,795,900 | 32,402,625 | 1,854,447 | 366,650,347 | 1.36 | 463,852,200 | | | |
| 2019 | 1,493,000 | 288,856,300 | 437,600 | 10,100 | 43,863,300 | 12,327,300 | 19,461,700 | 366,449,300 | 31,933,325 | | 366,449,300 | 1.33 | 456,250,143 | | | |
| 2020 | 1,568,200 | 289,085,200 | 437,600 | 5,300 | 43,909,900 | 11,677,300 | 19,461,700 | 366,145,200 | 32,061,025 | | 366,145,200 | 1.34 | 447,698,821 | | | |
| 2021 | 1,697,300 | 288,863,272 | 437,600 | 3,700 | 44,349,900 | 11,622,300 | 19,525,700 | 366,499,772 | 31,642,025 | | 366,499,772 | 1.31 | 452,498,068 | | | |

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

| Year Ended Dec. 31, | Vacant Land | Farm | | Residential | Commercial | Industrial | Apartment | Total Assessed Value | Tax-Exempt Property | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|----------------------------|----------------|----------------|--------------|---------------|--------------|--------------|----------------|----------------------------|------------------------|----------------------------------|--------------------------|---|---|
| | | Regular | Qualified | | | | | | | | | | |
| <u>Washington Township</u> | | | | | | | | | | | | | |
| 2012 | \$ 10,920,500 | \$ 560,621,701 | \$ 2,290,500 | \$ 74,188,700 | \$ 3,495,900 | \$ 1,780,300 | \$ 678,349,001 | \$ 57,795,648 | \$ 1,405,013 | \$ 679,754,014 | \$ 1.07 | \$ 826,466,429 | |
| 2013 | 10,364,300 | 558,903,101 | 2,399,300 | 75,759,900 | 3,445,900 | 1,780,300 | 679,050,701 | 57,457,248 | 1,216,440 | 680,267,141 | 1.07 | 784,880,638 | |
| 2014 | 10,399,600 | 557,929,101 | 2,410,900 | 75,491,100 | 3,445,900 | 1,780,300 | 677,879,801 | 58,674,448 | 984,686 | 678,864,487 | 1.11 | 741,130,019 | |
| 2015 | 11,107,000 | 557,507,301 | 2,465,700 | 77,247,900 | 3,445,900 | 1,780,300 | 679,368,501 | 56,679,148 | 100 | 679,368,601 | 1.14 | 730,164,989 | |
| 2016 | 10,778,500 | 557,463,501 | 2,595,000 | 77,981,800 | 3,445,900 | 1,685,900 | 680,223,001 | 59,366,048 | 930,263 | 681,153,264 | 1.18 | 725,063,215 | |
| 2017 | 10,670,500 | 556,977,408 | 2,585,000 | 78,268,768 | 3,573,300 | 1,685,900 | 680,084,476 | 59,588,748 | 951,010 | 681,035,486 | 1.13 | 700,881,018 | |
| 2018 | 12,816,000 | 556,398,608 | 2,402,100 | 80,465,968 | 3,573,300 | 1,685,900 | 684,535,076 | 60,747,948 | 971,693 | 685,506,769 | 1.14 | 698,845,642 | |
| 2019 | 10,168,100 | 555,469,808 | 2,427,100 | 80,528,968 | 3,573,300 | 1,685,900 | 681,354,276 | 63,843,548 | | 681,354,276 | 1.17 | 708,550,380 | |
| 2020 | 13,806,700 | 555,632,808 | 2,490,200 | 82,543,268 | 3,523,300 | 1,685,900 | 687,462,776 | 61,381,448 | | 687,462,776 | 1.18 | 724,471,996 | |
| 2021 | 12,816,500 | 554,709,808 | 2,388,800 | 82,543,268 | 3,523,300 | 1,685,900 | 685,983,276 | 61,826,048 | | 685,983,276 | 1.20 | 730,278,125 | |

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

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

b Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessors

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

TOWNSHIP OF FRANKLIN

| Year Ended December 31, | Warren Hills Regional Board of Education | | | | | | | Total Direct and Overlapping Tax Rate |
|----------------------------|--|---------------------------|-----------------|-----------------------------|----------------------------|---------|------------------|--|
| | Direct Rate | | | Local School District | Overlapping Rates | | Warren County | |
| | Basic Rate ^a | Debt Service ^b | Total Direct | | Township of Franklin | | | |
| | | | | General Obligation | | | | |
| 2012 | \$ 0.83 | \$ 0.09 | \$ 0.92 | \$ 0.96 | \$ 0.22 | \$ 0.68 | \$ 2.78 | |
| 2013 | 0.85 | 0.09 | 0.94 | 0.94 | 0.22 | 0.69 | 2.79 | |
| 2014 | 0.85 | 0.09 | 0.94 | 0.96 | 0.25 | 0.72 | 2.86 | |
| 2015 | 0.90 | 0.09 | 0.99 | 0.96 | 0.27 | 0.73 | 2.95 | |
| 2016 | 0.87 | 0.09 | 0.97 | 0.95 | 0.26 | 0.71 | 2.89 | |
| 2017 | 0.95 | 0.10 | 1.04 | 0.94 | 0.27 | 0.76 | 3.02 | |
| 2018 | 0.92 | 0.09 | 1.02 | 0.94 | 0.27 | 0.72 | 2.95 | |
| 2019 | 0.96 | 0.10 | 1.06 | 0.96 | 0.29 | 0.70 | 3.01 | |
| 2020 | 0.94 | 0.09 | 1.04 | 0.98 | 0.30 | 0.69 | 3.00 | |
| 2021 | 0.98 | 0.10 | 1.08 | 0.97 | 0.31 | 0.70 | 3.07 | |

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

TOWNSHIP OF MANSFIELD

| Year Ended December 31, | Warren Hills Regional Board of Education | | | | | | | Total Direct and Overlapping Tax Rate |
|----------------------------|--|---------------------------|-----------------|-----------------------------|-----------------------------|---------|------------------|--|
| | Direct Rate | | | Local School District | Overlapping Rates | | Warren County | |
| | Basic Rate ^a | Debt Service ^b | Total Direct | | Township of Mansfield | | | |
| | | | | General Obligation | | | | |
| 2012 | \$ 0.81 | \$ 0.09 | \$ 0.90 | \$ 0.80 | \$ 0.58 | \$ 0.80 | \$ 3.08 | |
| 2013 | 0.83 | 0.09 | 0.92 | 0.79 | 0.59 | 0.81 | 3.10 | |
| 2014 | 0.79 | 0.08 | 0.87 | 0.79 | 0.61 | 0.79 | 3.05 | |
| 2015 | 0.81 | 0.08 | 0.90 | 0.84 | 0.61 | 0.81 | 3.15 | |
| 2016 | 0.87 | 0.09 | 0.96 | 0.83 | 0.62 | 0.81 | 3.22 | |
| 2017 | 0.92 | 0.09 | 1.01 | 0.85 | 0.62 | 0.81 | 3.29 | |
| 2018 | 0.98 | 0.10 | 1.08 | 0.87 | 0.63 | 0.79 | 3.37 | |
| 2019 | 1.01 | 0.10 | 1.11 | 0.88 | 0.64 | 0.79 | 3.42 | |
| 2020 | 1.06 | 0.11 | 1.16 | 0.89 | 0.64 | 0.78 | 3.48 | |
| 2021 | 1.08 | 0.11 | 1.18 | 0.92 | 0.64 | 0.78 | 3.51 | |

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

BOROUGH OF WASHINGTON

| Year Ended December 31, | Warren Hills Regional Board of Education | | | | | | | Total Direct and Overlapping Tax Rate |
|----------------------------|--|---------------------------|-----------------|-----------------------------|-----------------------------|------------------|---------|--|
| | Direct Rate | | | Local School District | Overlapping Rates | | | |
| | Basic Rate ^a | General Obligation | | | Borough of Washington | Warren County | | |
| | | Debt Service ^b | Total Direct | | | | | |
| 2012 | \$ 0.99 | \$ 0.11 | \$ 1.10 | \$ 1.15 | \$ 1.50 | \$ 0.86 | \$ 4.60 | |
| 2013 | 0.99 | 0.11 | 1.09 | 1.15 | 1.48 | 0.85 | 4.57 | |
| 2014 | 1.02 | 0.10 | 1.12 | 1.23 | 1.46 | 0.89 | 4.70 | |
| 2015 | 0.98 | 0.10 | 1.08 | 1.26 | 1.46 | 0.86 | 4.66 | |
| 2016 | 1.05 | 0.11 | 1.15 | 1.33 | 1.47 | 0.85 | 4.80 | |
| 2017 | 1.13 | 0.12 | 1.25 | 1.35 | 1.49 | 0.88 | 4.97 | |
| 2018 | 1.23 | 0.13 | 1.36 | 1.43 | 1.54 | 0.86 | 5.19 | |
| 2019 | 1.21 | 0.12 | 1.33 | 1.46 | 1.54 | 0.83 | 5.16 | |
| 2020 | 1.22 | 0.12 | 1.34 | 1.49 | 1.54 | 0.80 | 5.16 | |
| 2021 | 1.19 | 0.12 | 1.31 | 1.49 | 1.44 | 0.80 | 5.04 | |

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

TOWNSHIP OF WASHINGTON

| Year Ended December 31, | Warren Hills Regional Board of Education | | | | | | Total Direct and Overlapping Tax Rate |
|----------------------------|--|---------------------------|-----------------|-----------------------------|------------------------------|------------------|--|
| | Direct Rate | | | Local School District | Overlapping Rates | | |
| | Basic Rate ^a | General Obligation | | | Township of Washington | Warren County | |
| | | Debt Service ^b | Total Direct | | | | |
| 2012 | \$ 0.97 | \$ 0.11 | \$ 1.07 | \$ 0.80 | \$ 0.57 | \$ 0.82 | \$ 3.27 |
| 2013 | 0.96 | 0.11 | 1.07 | 0.80 | 0.58 | 0.82 | 3.28 |
| 2014 | 1.01 | 0.10 | 1.11 | 0.86 | 0.60 | 0.84 | 3.41 |
| 2015 | 1.03 | 0.10 | 1.14 | 0.88 | 0.61 | 0.84 | 3.46 |
| 2016 | 1.07 | 0.11 | 1.18 | 0.89 | 0.62 | 0.81 | 3.51 |
| 2017 | 1.03 | 0.11 | 1.13 | 0.91 | 0.66 | 0.78 | 3.49 |
| 2018 | 1.03 | 0.11 | 1.14 | 0.92 | 0.71 | 0.74 | 3.51 |
| 2019 | 1.06 | 0.11 | 1.17 | 0.95 | 0.74 | 0.74 | 3.60 |
| 2020 | 1.07 | 0.11 | 1.18 | 0.96 | 0.75 | 0.74 | 3.63 |
| 2021 | 1.10 | 0.11 | 1.20 | 0.97 | 0.77 | 0.74 | 3.68 |

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

Township of Franklin

| | 2021 | | |
|----------|------------------------------|------|--|
| Taxpayer | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |

INFORMATION IS NOT AVAILABLE

| | 2012 | | |
|---------------------------------|------------------------------|------|--|
| Taxpayer | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Transcontinental Gas | \$ 17,917,900 | 1 | 4.27% |
| ISE America | 9,981,100 | 2 | 2.38% |
| Franklin Realty Group LLC | 9,275,200 | 3 | 2.21% |
| The Franklin Realty Group LLC | 5,958,100 | 4 | 1.42% |
| Viking Development Company, LLC | 2,313,400 | 5 | 0.55% |
| J.W.D Farms, LLC | 1,950,700 | 6 | 0.46% |
| Elizabethtown Gas Company | 1,451,700 | 7 | 0.35% |
| Individual Taxpayer #1 | 1,290,600 | 8 | 0.31% |
| Victaulic Reh, LLC | 1,122,300 | 9 | 0.27% |
| Individual Taxpayer #2 | 1,109,100 | 10 | 0.26% |
| Total | \$ 52,370,100 | | 12.47% |

Source: Municipal Tax Assessor

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

Township of Mansfield

| | 2021 | | |
|----------|------------------------------|------|--|
| Taxpayer | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |

INFORMATION IS NOT AVAILABLE

| | 2012 | | |
|----------|------------------------------|------|--|
| Taxpayer | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |

INFORMATION IS NOT AVAILABLE

Source: Municipal Tax Assessor

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

Borough of Washington

| | 2021 | | |
|----------|------------------------------|------|--|
| Taxpayer | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |

INFORMATION IS NOT AVAILABLE

| | 2012 | | |
|------------------------------|------------------------------|------|--|
| Taxpayer | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Warren Washington Associates | \$ 7,000,000 | 1 | 1.88% |
| BASF Corporation Tax Dept. | 4,722,000 | 2 | 1.27% |
| Twist Beauty Packaging | 4,020,100 | 3 | 1.08% |
| Washington Gardens LLC | 3,990,000 | 4 | 1.07% |
| Washington Plaza Associates | 3,400,000 | 5 | 0.91% |
| Bell Atlantic | 3,338,688 | 6 | 0.90% |
| Washington Heights, LLC | 2,000,000 | 7 | 0.54% |
| Individual Taxpayer #1 | 1,938,900 | 8 | 0.52% |
| Warren Lumber Inc. | 1,658,000 | 9 | 0.45% |
| Individual Taxpayer #2 | 1,600,500 | 10 | 0.43% |
| Total | \$ 33,668,188 | | 9.06% |

Source: Municipal Tax Assessor

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

Township of Washington

| <u>Taxpayer</u> | <u>2021</u> | | |
|--------------------------------------|-------------------------------|-------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Assessed Value</u> |
| Hawke Pointe | \$ 12,025,600 | 1 | 1.75% |
| Asbury Farms (including Golf Course) | 7,489,468 | 2 | 1.09% |
| Washington Shopping Center, Inc. | 6,541,500 | 3 | 0.95% |
| Desapio Properties, LLC | 3,376,800 | 4 | 0.49% |
| Johnson Family Holdings, LLC | 3,342,700 | 5 | 0.49% |
| Ed Mark 31 LLC (Rossi) | 3,243,900 | 6 | 0.47% |
| Fitzgibbon, Smith & Smith | 3,134,900 | 7 | 0.46% |
| Prime Shortage | 2,291,700 | 8 | 0.33% |
| I. C. Washington Inc. - Eckerd Drug | 1,875,400 | 9 | 0.27% |
| Witte Holdings, LLC | 1,805,100 | 10 | 0.26% |
| Total | <u>\$ 45,127,068</u> | | <u>6.58%</u> |

| <u>Taxpayer</u> | <u>2012</u> | | |
|--------------------------------------|-------------------------------|-------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Assessed Value</u> |
| Asbury Farms (including Golf Course) | \$ 13,152,000 | 1 | 1.93% |
| Washington Shopping Center, Inc. | 7,965,900 | 2 | 1.17% |
| Desapio Properties, LLC | 3,499,300 | 3 | 0.51% |
| Ed Mark 31 LLC (Rossi) | 3,243,900 | 4 | 0.48% |
| Fitzgibbon, Smith & Smith | 3,134,900 | 5 | 0.46% |
| Village Supermarket (Shop-Rite) | 2,778,200 | 6 | 0.41% |
| Washington Realty LLC | 2,221,700 | 7 | 0.33% |
| Individual Taxpayer #1 | 1,900,000 | 8 | 0.28% |
| I. C. Washington Inc. | 1,875,400 | 9 | 0.28% |
| Individual Taxpayer #2 | 1,862,899 | 10 | 0.27% |
| Total | <u>\$ 41,634,199</u> | | <u>6.12%</u> |

Source: Municipal Tax Assessor

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

Township of Franklin

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|-------------------------------|--|--|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2013 | \$ 3,880,347 | \$ 3,880,347 | 100.00% | \$ -0- |
| 2014 | 3,906,105 | 3,906,105 | 100.00% | -0- |
| 2015 | 3,872,361 | 3,872,361 | 100.00% | -0- |
| 2016 | 4,115,045 | 4,115,045 | 100.00% | -0- |
| 2017 | 4,000,955 | 3,699,065 | 92.45% | 301,890 |
| 2018 | 4,322,787 | 4,322,787 | 100.00% | -0- |
| 2019 | 4,209,762 | 4,209,762 | 100.00% | -0- |
| 2020 | 4,373,344 | 4,373,344 | 100.00% | -0- |
| 2021 | 4,293,095 | 4,293,095 | 100.00% | -0- |
| 2022 | 4,480,320 | 4,480,320 | 100.00% | -0- |

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

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

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

Township of Mansfield

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|-------------------------------|--|--|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2013 | \$ 5,865,301 | \$ 5,865,301 | 100.00% | \$ -0- |
| 2014 | 5,885,165 | 5,885,165 | 100.00% | -0- |
| 2015 | 5,760,359 | 5,760,359 | 100.00% | -0- |
| 2016 | 5,963,789 | 5,963,789 | 100.00% | -0- |
| 2017 | 6,485,164 | 6,485,164 | 100.00% | -0- |
| 2018 | 6,830,105 | 6,830,105 | 100.00% | -0- |
| 2019 | 7,249,195 | 7,249,195 | 100.00% | -0- |
| 2020 | 7,488,779 | 7,488,779 | 100.00% | -0- |
| 2021 | 7,891,789 | 7,891,789 | 100.00% | -0- |
| 2022 | 8,090,359 | 8,090,359 | 100.00% | -0- |

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

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

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

Borough of Washington

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|-------------------------------|--|--|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2013 | \$ 4,082,563 | \$ 4,082,563 | 100.00% | \$ -0- |
| 2014 | 4,059,242 | 4,059,242 | 100.00% | -0- |
| 2015 | 4,181,857 | 4,181,857 | 100.00% | -0- |
| 2016 | 3,997,626 | 3,997,626 | 100.00% | -0- |
| 2017 | 4,253,257 | 4,253,257 | 100.00% | -0- |
| 2018 | 4,606,303 | 4,258,233 | 92.44% | 348,070 |
| 2019 | 4,976,154 | 4,976,154 | 100.00% | -0- |
| 2020 | 4,868,343 | 4,868,343 | 100.00% | -0- |
| 2021 | 4,896,233 | 4,896,233 | 100.00% | -0- |
| 2022 | 4,810,816 | 4,810,816 | 100.00% | -0- |

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

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

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

Township of Washington

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|-------------------------------|--|--|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2013 | \$ 7,289,795 | \$ 7,289,795 | 100.00% | \$ -0- |
| 2014 | 7,286,970 | 7,286,970 | 100.00% | -0- |
| 2015 | 7,562,181 | 6,532,098 | 86.38% | 1,030,083 |
| 2016 | 7,735,402 | 6,682,089 | 86.38% | 1,053,313 |
| 2017 | 8,063,132 | 6,954,737 | 86.25% | 1,108,395 |
| 2018 | 7,728,746 | 6,644,743 | 85.97% | 1,084,003 |
| 2019 | 7,796,920 | 7,207,323 | 92.44% | 589,597 |
| 2020 | 7,992,922 | 7,388,668 | 92.44% | 604,254 |
| 2021 | 8,096,145 | 8,096,145 | 100.00% | -0- |
| 2022 | 8,259,493 | 8,259,493 | 100.00% | -0- |

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

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

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

| Fiscal Year Ended June 30, | Governmental Activities | | | | | | Total District | Percentage of Personal Income ^a | Per Capita ^a |
|----------------------------|--------------------------|-------------------------------|--------------------|--------------------------------|---|---------------|----------------|--|-------------------------|
| | General Obligation Bonds | Certificates of Participation | Financed Purchases | Bond Anticipation Notes (BANs) | Business-Type Activities Financed Purchases | | | | |
| 2013 | \$ 22,509,000 | \$ -0- | \$ 128,277 | \$ -0- | \$ -0- | \$ 22,637,277 | 2.02% | \$ 953.39 | |
| 2014 | 21,329,000 | -0- | 64,742 | -0- | -0- | 21,393,742 | 1.92% | 906.02 | |
| 2015 | 20,144,000 | -0- | -0- | -0- | -0- | 20,144,000 | 1.74% | 852.19 | |
| 2016 | 18,859,000 | -0- | 989,943 | -0- | -0- | 19,848,943 | 1.66% | 842.81 | |
| 2017 | 17,494,000 | -0- | 1,506,624 | -0- | -0- | 19,000,624 | 1.58% | 811.89 | |
| 2018 | 15,994,000 | -0- | 722,685 | -0- | -0- | 16,716,685 | 1.35% | 717.15 | |
| 2019 | 14,429,000 | -0- | 943,177 | -0- | -0- | 15,372,177 | 1.20% | 660.01 | |
| 2020 | 12,739,000 | -0- | 607,370 | -0- | -0- | 13,346,370 | 1.01% | 574.58 | |
| 2021 | 10,974,000 | -0- | 264,630 | -0- | -0- | 11,238,630 | 0.80% | 483.69 | |
| 2022 | 9,309,000 | -0- | 134,302 | -0- | -0- | 9,443,302 | 0.63% | 383.73 | |

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

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

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Net Valuation ^a Taxable | Per Capita ^b |
|-------------------------------------|---------------------------------|------------|---|--|-------------------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 2013 | \$ 22,509,000 | \$ -0- | \$ 22,509,000 | 2.12% | \$ 947.99 |
| 2014 | 21,329,000 | -0- | 21,329,000 | 2.02% | 903.27 |
| 2015 | 20,144,000 | -0- | 20,144,000 | 1.89% | 852.19 |
| 2016 | 18,859,000 | -0- | 18,859,000 | 1.77% | 800.77 |
| 2017 | 17,494,000 | -0- | 17,494,000 | 1.63% | 747.51 |
| 2018 | 15,994,000 | -0- | 15,994,000 | 1.50% | 686.14 |
| 2019 | 14,429,000 | -0- | 14,429,000 | 1.35% | 619.51 |
| 2020 | 12,739,000 | -0- | 12,739,000 | 1.19% | 548.43 |
| 2021 | 10,974,000 | -0- | 10,974,000 | 1.51% | 472.30 |
| 2022 | 9,309,000 | -0- | 9,309,000 | 1.27% | 378.28 |

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2021

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|---|--|
| Debt Repaid With Property Taxes: | | | |
| Township of Franklin | \$ 1,329,668 | 100.00% | \$ 1,329,668 |
| Township of Mansfield | 1,023,071 | 100.00% | 1,023,071 |
| Borough of Washington | 5,748,727 | 100.00% | 5,748,727 |
| Township of Washington | 8,398,017 | 100.00% | 8,398,017 |
| Warren County General Obligation Debt (Franklin Township Share) | 1,305,000 | 3.66% | 47,828 |
| Warren County General Obligation Debt (Mansfield Township Share) | 1,305,000 | 6.71% | 87,575 |
| Warren County General Obligation Debt (Washington Borough Share) | 1,305,000 | 3.98% | 52,003 |
| Warren County General Obligation Debt (Washington Township Share) | 1,305,000 | 6.43% | 83,927 |
| Subtotal, Overlapping Debt | | | 16,770,816 |
| Warren Hills Regional School District Direct Debt | | | 11,199,000 |
| Total Direct And Overlapping Debt | | | <u>\$ 27,969,816</u> |

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

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

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

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

| Legal Debt Margin Calculation for Fiscal Year 2022 | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Franklin Township | Mansfield Township | Washington Borough | Washington Township | Total |
| Equalized valuation basis: | | | | | |
| 2019 | \$ 400,781,785 | \$ 749,611,392 | \$ 445,152,211 | \$ 716,234,916 | \$ 2,311,780,304 |
| 2020 | 412,161,969 | 733,647,162 | 449,202,797 | 730,023,124 | 2,345,035,052 |
| 2021 | 451,426,590 | 792,707,677 | 503,710,517 | 777,935,219 | 2,525,780,003 |
| | <u>\$ 1,264,370,344</u> | <u>\$ 2,295,966,231</u> | <u>\$ 1,398,065,525</u> | <u>\$ 2,224,193,259</u> | <u>\$ 7,182,595,359</u> |
| Average Equalized Valuation of Taxable Property | | | | | <u>\$ 2,394,198,453</u> |
| Debt Limit (3.5% of average equalization value ^a) | | | | | \$ 83,796,946 |
| Net Bonded School Debt as of June 30, 2022 | | | | | <u>9,309,000</u> |
| Legal Debt Margin | | | | | <u>\$ 74,487,946</u> |

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Debt Limit | \$ 90,006,596 | \$ 83,474,401 | \$ 81,113,720 | \$ 78,626,732 | \$ 78,924,432 | \$ 79,418,289 | \$ 106,353,635 | \$ 106,768,537 | \$ 81,264,859 | \$ 83,796,946 |
| Total Net Debt Applicable to Limit | 22,509,000 | 21,329,000 | 20,144,000 | 18,859,000 | 17,494,000 | 15,994,000 | 14,429,000 | 12,739,000 | 10,974,000 | 9,309,000 |
| Legal Debt Margin | <u>\$ 67,497,596</u> | <u>\$ 62,145,401</u> | <u>\$ 60,969,720</u> | <u>\$ 59,767,732</u> | <u>\$ 61,430,432</u> | <u>\$ 63,424,289</u> | <u>\$ 91,924,635</u> | <u>\$ 94,029,537</u> | <u>\$ 70,290,859</u> | <u>\$ 74,487,946</u> |
| Total Net Debt Applicable to the Limit As a Percentage of Debt Limit | 25.01% | 25.55% | 24.83% | 23.99% | 22.17% | 20.14% | 13.57% | 11.93% | 13.50% | 11.11% |

^a Limit set by NJS A 18A:24-19 for a 6 through 12 district; other % limits would be applicable for other districts

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

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

Township of Franklin

| Year | Population ^a | Warren County Per Capita Personal Income ^c | Personal Income (thousands of dollars) ^b | Unemployment Rate ^d |
|------|-------------------------|---|--|-----------------------------------|
| 2013 | 3,099 | \$ 47,223 | \$ 146,344,077 | 7.40% |
| 2014 | 3,096 | 48,887 | 151,354,152 | 6.70% |
| 2015 | 3,076 | 50,741 | 156,079,316 | 5.10% |
| 2016 | 3,060 | 51,503 | 157,599,180 | 4.90% |
| 2017 | 3,046 | 53,149 | 161,891,854 | 4.50% |
| 2018 | 3,041 | 54,973 | 167,172,893 | 4.00% |
| 2019 | 3,029 | 56,956 | 172,519,724 | 3.30% |
| 2020 | 3,026 | 60,525 | 183,148,650 | 7.60% |
| 2021 | 2,976 | 60,525 ** | 180,122,400 *** | 4.70% |
| 2022 | 2,976 * | 60,525 ** | 180,122,400 *** | N/A |

* - Latest population data available (2021) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2020) was used for calculation purposes.

*** - Latest available population data (2021) and latest available Warren County per capita personal income (2020) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

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

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

Township of Mansfield

| Year | Population ^a | Warren County Per Capita Personal Income ^c | Personal Income (thousands of dollars) ^b | Unemployment Rate ^d |
|------|-------------------------|---|--|-----------------------------------|
| 2013 | 7,517 | \$ 47,223 | \$ 354,975,291 | 6.90% |
| 2014 | 7,508 | 48,887 | 367,043,596 | 5.40% |
| 2015 | 7,481 | 50,741 | 379,593,421 | 4.80% |
| 2016 | 7,431 | 51,503 | 382,718,793 | 4.10% |
| 2017 | 7,386 | 53,149 | 392,558,514 | 3.50% |
| 2018 | 7,379 | 54,973 | 405,645,767 | 3.30% |
| 2019 | 7,372 | 56,956 | 419,879,632 | 2.70% |
| 2020 | 7,384 | 60,525 | 446,916,600 | 7.70% |
| 2021 | 7,811 | 60,525 ** | 472,760,775 *** | 4.30% |
| 2022 | 7,811 * | 60,525 ** | 472,760,775 *** | N/A |

* - Latest population data available (2021) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2020) was used for calculation purposes.

*** - Latest available population data (2021) and latest available Warren County per capita personal income (2020) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

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

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

Borough of Washington

| Year | Population ^a | Warren County Per Capita Personal Income ^c | Personal Income (thousands of dollars) ^b | Unemployment Rate ^d |
|------|-------------------------|---|--|-----------------------------------|
| 2013 | 6,512 | \$ 47,223 | \$ 307,516,176 | 6.10% |
| 2014 | 6,552 | 48,887 | 320,307,624 | 6.40% |
| 2015 | 6,534 | 50,741 | 331,541,694 | 5.70% |
| 2016 | 6,498 | 51,503 | 334,666,494 | 5.30% |
| 2017 | 6,496 | 53,149 | 345,255,904 | 5.20% |
| 2018 | 6,486 | 54,973 | 356,554,878 | 4.70% |
| 2019 | 6,460 | 56,956 | 367,935,760 | 4.20% |
| 2020 | 6,459 | 60,525 | 390,930,975 | 10.50% |
| 2021 | 7,314 | 60,525 ** | 442,679,850 *** | 6.20% |
| 2022 | 7,314 * | 60,525 ** | 442,679,850 *** | N/A |

* - Latest population data available (2021) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2020) was used for calculation purposes.

*** - Latest available population data (2021) and latest available Warren County per capita personal income (2020) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

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

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

Township of Washington

| Year | Population ^a | Warren County Per Capita Personal Income ^c | Personal Income (thousands of dollars) ^b | Unemployment Rate ^d |
|------|-------------------------|---|--|-----------------------------------|
| 2013 | 6,485 | \$ 47,223 | \$ 306,241,155 | 6.00% |
| 2014 | 6,482 | 48,887 | 316,885,534 | 5.30% |
| 2015 | 6,460 | 50,741 | 327,786,860 | 4.80% |
| 2016 | 6,414 | 51,503 | 330,340,242 | 3.90% |
| 2017 | 6,382 | 53,149 | 339,196,918 | 3.70% |
| 2018 | 6,385 | 54,973 | 351,002,605 | 3.40% |
| 2019 | 6,367 | 56,956 | 362,638,852 | 3.20% |
| 2020 | 6,366 | 60,525 | 385,302,150 | 7.70% |
| 2021 | 6,508 | 60,525 ** | 393,896,700 *** | 5.30% |
| 2022 | 6,508 * | 60,525 ** | 393,896,700 *** | N/A |

* - Latest population data available (2021) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2020) was used for calculation purposes.

*** - Latest available population data (2021) and latest available Warren County per capita personal income (2020) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

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

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

| Employer | 2021 | | Percentage of Total Employment |
|----------|-----------|------|--------------------------------------|
| | Employees | Rank | |

INFORMATION IS NOT AVAILABLE

| Employer | 2012 | | Percentage of Total Employment |
|----------|-----------|--------------------|--------------------------------------|
| | Employees | Rank (Optional) | |

INFORMATION IS NOT AVAILABLE

Source: New Jersey Department of Labor

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

| <u>Function/Program</u> | <u>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 | 129.0 | 129.0 | 116.5 | 113.5 | 118.5 | 121.7 | 125.8 | 123.1 | 126.0 | 118.8 |
| Special Education | 20.0 | 20.0 | 23.0 | 23.0 | 51.1 | 53.0 | 41.2 | 38.0 | 40.2 | 40.7 |
| Other Special Education | 3.0 | 3.0 | 3.0 | 3.0 | | | | | | 2.0 |
| Other Instruction | 9.0 | 9.0 | 6.0 | 5.0 | 3.0 | 2.6 | 3.6 | 3.6 | 3.6 | 3.6 |
| Support Services: | | | | | | | | | | |
| Student and Instruction Related Services | 35.0 | 35.0 | 36.0 | 34.0 | 40.5 | 60.0 | 56.2 | 57.9 | 48.6 | 49.2 |
| School Administrative Services | 15.0 | 15.0 | 15.0 | 15.0 | 13.0 | 14.0 | 11.0 | 11.0 | 12.0 | 11.0 |
| General and Business Administrative Services | 2.0 | 2.0 | 2.0 | 2.0 | 9.0 | 8.0 | 8.6 | 9.0 | 10.0 | 9.0 |
| Plant Operations and Maintenance | 29.0 | 29.0 | 29.0 | 25.0 | 21.7 | 27.3 | 26.8 | 25.2 | 24.0 | 23.0 |
| Other Support Services | 5.0 | 5.0 | 5.0 | 5.0 | 8.5 | 8.5 | 10.5 | 10.3 | 9.0 | 12.9 |
| Total | 247.0 | 247.0 | 235.5 | 225.5 | 265.3 | 295.1 | 283.7 | 278.1 | 273.4 | 270.2 |

Source: District Personnel Records

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

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil ^d | Percentage Change | Teaching Staff ^b | Pupil/Teacher Ratio | | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|-----------------------------|-------------------|-----------------------------|---------------------|-------------|---|---|--------------------------------------|-------------------------------|
| | | | | | | Middle School | High School | | | | |
| 2013 | 1,850 | \$ 32,412,199 | \$ 17,520 | 8.94% | 165 | 1:10 | 1:11 | 1,850 | 1,797 | -1.60% | 97.14% |
| 2014 | 1,856 | 33,737,933 | 18,178 | 3.75% | 165 | 1:10 | 1:11 | 1,856 | 1,764 | 0.32% | 95.04% |
| 2015 | 1,880 | 35,139,760 | 18,691 | 2.83% | 149 | 1:10 | 1:11 | 1,880 | 1,779 | 1.29% | 94.63% |
| 2016 | 1,883 | 36,068,962 | 19,155 | 2.48% | 145 | 1:10 | 1:11 | 1,873 | 1,813 | -0.37% | 96.80% |
| 2017 | 1,853 | 38,023,532 | 20,520 | 7.13% | 161 | 1:10 | 1:11 | 1,853 | 1,752 | -1.07% | 94.55% |
| 2018 | 1,789 | 39,367,804 | 22,005 | 7.24% | 175 | 1:10 | 1:11 | 1,802 | 1,702 | -2.75% | 94.45% |
| 2019 | 1,750 | 39,467,729 | 22,553 | 2.49% | 176 | 1:10 | 1:11 | 1,711 | 1,614 | -5.05% | 94.33% |
| 2020 | 1,746 | 40,876,710 | 23,412 | 3.81% | 179 | 1:10 | 1:10 | 1,744 | 1,676 | 1.93% | 96.10% |
| 2021 | 1,723 | 41,146,423 | 23,881 | 2.00% | 182 | 1:12 | 1:10 | 1,729 | 1,619 | -0.86% | 93.64% |
| 2022 | 1,637 | 43,681,672 | 26,684 | 11.74% | 179 | 1:14 | 1:05 | 1,572 | 1,467 | -9.08% | 93.32% |

Note: Enrollment based on annual October district count.

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

Source: Warren Hills Regional School District records

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

| <u>District Building</u> | <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> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Middle School (1931); Additions in 1956/1967/2007 | | | | | | | | | | |
| Square Feet | 92,129 | 92,129 | 92,129 | 92,129 | 92,129 | 92,129 | 92,129 | 92,129 | 92,129 | 92,129 |
| Capacity (students) | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 |
| Enrollment | 615 | 634 | 586 | 589 | 628 | 581 | 544 | 556 | 543 | 515 |
| High School (1967); Additions in 1989/2008 | | | | | | | | | | |
| Square Feet | 227,910 | 227,910 | 227,910 | 227,910 | 227,910 | 227,910 | 227,910 | 227,910 | 227,910 | 227,910 |
| Capacity (students) | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 |
| Enrollment | 1,235 | 1,222 | 1,294 | 1,294 | 1,225 | 1,208 | 1,206 | 1,190 | 1,180 | 1,122 |
| Board Office/Project Excel (Unknown) | | | | | | | | | | |
| Square Feet | 18,954 | 18,954 | 18,954 | 18,954 | 18,954 | 18,954 | 18,954 | 18,954 | 18,954 | 18,954 |
| Capacity (students) | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 |
| Enrollment | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |

Number of Schools at June 30, 2022

Middle School = 1

High School = 1

Other = 1

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

Source: Warren Hills Regional School District records

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

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

| Fiscal Year Ended June 30, | High School | Middle School | Board Office/ Project Excel | Total |
|-------------------------------|-------------|---------------|--------------------------------|------------|
| 2013 | \$ 245,406 | \$ 129,637 | \$ 55,354 | \$ 430,397 |
| 2014 | 217,738 | 161,329 | 84,885 | 463,952 |
| 2015 | 321,991 | 135,317 | 84,483 | 541,791 |
| 2016 | 296,551 | 124,535 | 103,597 | 524,683 |
| 2017 | 346,391 | 156,056 | 134,187 | 636,634 |
| 2018 | 489,421 | 364,998 | 252,603 | 1,107,022 |
| 2019 | 319,202 | 111,393 | 225,424 | 656,019 |
| 2020 | 252,992 | 197,658 | 242,263 | 692,913 |
| 2021 | 226,976 | 135,051 | 214,303 | 576,330 |
| 2022 | 195,134 | 125,738 | 307,235 | 628,107 |

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

Source: Warren Hills Regional School District records

WARREN HILLS REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022

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

Source: Warren Hills Regional School District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren Hills Regional School District, in the County of Warren (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

October 14, 2022
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

Report on Compliance For Each Major Federal and State Program
and Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Warren Hills Regional School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's 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 District and to meet our other ethical responsibilities, in accordance with 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 District's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

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.

Auditors' 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's 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's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey’s OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

October 14, 2022
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Assistance Listing Number | Federal Grantor/Pass Through Grantor/Program or Cluster Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2021 | | | Budgetary Expenditures | Adjustment | Repayment of Prior Years' Balances | Cancellation of Prior Year Encumbrances | Balance at June 30, 2022 | |
|---|---|-------------------------------|-----------------|--------------|-------------------------------|----------------------------|----------------|------------------------|------------|------------------------------------|---|-------------------------------|----------------------------|
| | | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue |
| U.S. Department of Agriculture: | | | | | | | | | | | | | |
| Passed-through State Department of Agriculture: | | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | | |
| 10.555 | N/A | | 7/1/21-6/30/22 | \$ 26,131 | \$ (21,837) | | | | | | | \$ 4,294 | |
| 10.555 | N/A | | 7/1/20-6/30/21 | 25,390 | (7,737) | | | | | | | | |
| 10.555 | N/A | | 7/1/21-6/30/22 | 788,338 | | | 774,258 | | | | | \$ (14,080) | |
| 10.555 | N/A | | 7/1/20-6/30/21 | 212,435 | (15,452) | | 15,452 | | | | | | |
| 10.555 | N/A | | 7/1/21-6/30/22 | 17,458 | (15,452) | | 833,299 | | | | | (14,080) | 4,294 |
| Total Child Nutrition Cluster: | | | | | | | | | | | | | |
| 10.649 | N/A | | 7/1/21-6/30/22 | 1,242 | (1,242) | | 1,242 | | | | | | |
| Total U.S. Department of Agriculture | | | | | | | | | | | | | |
| U.S. Department of Education: | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| Elementary and Secondary Education Act: | | | | | | | | | | | | | |
| 84.010 | ESEA546522 | | 7/1/21-9/30/22 | 191,765 | | | 61,115 | | | | | (70,259) | |
| 84.010 | ESEA546521 | | 7/1/20-9/30/21 | 163,501 | (31,514) | | 31,513 | | \$ 1 | | | | |
| 84.010 | ESEA546522 | | 7/1/21-9/30/22 | 15,843 | | | 4,538 | | | | | (2,566) | |
| 84.010 | ESEA546521 | | 7/1/20-9/30/21 | 37,225 | (15,660) | | 15,660 | | | | | | |
| 84.010 | ESEA546521 | | 7/1/20-9/30/21 | 14,547 | (12,657) | | 12,657 | | | | | (72,825) | |
| Subtotal - Title I | | | | | | | | | | | | | |
| 84.367 | ESEA546522 | | 7/1/21-9/30/22 | 64,039 | | | 34,073 | | | | | (6,496) | |
| 84.367 | ESEA546521 | | 7/1/20-9/30/21 | 58,425 | (13,209) | | 13,209 | | | \$ 2,250 | | | |
| 84.367 | ESEA546520 | | 7/1/19-9/30/20 | 57,319 | (13,209) | | 47,282 | | | | | (6,496) | |
| Subtotal - Title II | | | | | | | | | | | | | |
| 84.365 | ESEA359021 | | 7/1/20-9/30/21 | 340 | (148) | | 340 | | | | | | \$ 192 |
| Subtotal - Title III - Immigrant | | | | | | | | | | | | | |
| 84.424 | ESEA546522 | | 7/1/21-9/30/22 | 10,685 | (839) | | 839 | | | | | (5,907) | |
| 84.424 | ESEA359021 | | 7/1/20-9/30/21 | 20,821 | (839) | | 839 | | | | | (5,907) | |
| Subtotal - Title IV | | | | | | | | | | | | | |
| Special Education Cluster: | | | | | | | | | | | | | |
| 84.027 | IDEA546522 | | 7/1/21-9/30/22 | 409,889 | | | 409,889 | | | | | (409,889) | |
| 84.027X | IDEA546522 | | 7/1/21-9/30/22 | 79,308 | | | 63,768 | | | | | (79,308) | |
| Total Special Education Cluster | | | | | | | | | | | | | |
| Education Stabilization Fund: | | | | | | | | | | | | | |
| 84.425D | CARES109020 | | 3/13/20-9/30/22 | 123,628 | (9,519) | | 42,068 | | | | | (32,549) | |
| COVID 19 - CARES Emergency Relief | | | | | | | | | | | | | |
| 84.425D | S425D210027 | | 3/13/20-9/30/23 | 479,758 | (70,468) | | 184,494 | | | 1,500 | | (227,906) | |
| 84.425D | S425D210027 | | 3/13/20-9/30/23 | 30,789 | | | | | | | | (27,079) | |
| 84.425D | S425D210027 | | 3/13/20-9/30/23 | 45,000 | | | 1,335 | | | | | (1,475) | |
| COVID 19 - ARP: | | | | | | | | | | | | | |
| 84.425U | S425U210027 | | 3/13/20-9/30/24 | 1,078,226 | | | | | | | | (60,289) | |
| 84.425W | N/A | | 4/23/21-9/30/23 | 8,278 | (79,987) | | 227,897 | | | | | (8,278) | |
| Total Education Stabilization Fund | | | | | | | | | | | | | |
| Total U.S. Department of Education | | | | | | | | | | | | | |

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Federal Grantor/Pass Through Grantor/ Program or Cluster Title | Assistance Listing Number | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2021 | | | Cash Received | Budgetary Expendi- tures | Adjust- ment | Repayment of Prior Years' Balances | Cancellation of Prior Year Encumbrances | Balance at June 30, 2022 | | Amounts Provided to Subrecipients | |
|--|---------------------------------|----------------------------------|-----------------|-----------------|-------------------------------------|-------------------|----------------------------------|------------------|--------------------------------|-----------------|---|---|-------------------------------------|-------------------|---|--------|
| | | | | | Budgetary Accounts Receivable | Due to Grantor | Budgetary Unearned Revenue | | | | | | Budgetary Accounts Receivable | Due to Grantor | | |
| U.S. Department of Health and Human Services: | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | |
| Medical Assistance Program | 93.778 | N/A | 7/1/21-6/30/22 | \$ 42,970 | | | \$ 39,726 | \$ (42,970) | | | | | \$ (3,244) | | | |
| Total U.S. Department of Health and Human Services/Total Medicaid Cluster | | | | | | | | | | | | | | | | |
| U.S. Department of Homeland Security: | | | | | | | | | | | | | | | | |
| Passed-through State Department of Emergency Management: | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | |
| Disaster Grants - Public Assistance (FEMA): Severe Winter Storm and Snowstorm | 97.036 | N/A | 1/31/21-2/2/21 | 11,701 | | | 11,701 | (11,701) * | | | | | | | | |
| Total U.S. Department of Homeland Security | | | | | | | | | | | | | | | | |
| Total Federal Awards | | | | | | | | | | | | | | | | |
| | | | | | \$ (169,466) | \$ 7,737 | \$ 1,250 | \$1,761,486 | \$ (2,040,806) | \$ 1 | \$ 1,250 | \$ 3,750 | \$ (441,784) | \$ 4,294 | \$ 192 | \$ -0- |

N/A - Not Applicable/Available

* - Expended in a prior year.

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

WARREN HILLS REGIONAL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2021 | | Balance at June 30, 2022 | | MEMO | |
|--|-------------------------------|----------------|--------------|-------------------------------|---------------|--------------------------|--------------------------|----------------|-------------------------------|
| | | | | Budgetary Accounts Receivable | Cash Received | Budgetary Expenditures | GAAP Accounts Receivable | Due to Grantor | Budgetary Accounts Receivable |
| State Department of Education: | | | | | | | | | |
| General Fund Aid: | | | | | | | | | |
| Equalization Aid | 22-495-034-5120-078 | 7/1/21-6/30/22 | \$ 8,930,272 | \$ | \$ 8,064,301 | \$ (8,930,272) | \$ | 8,930,272 | |
| Transportation Aid | 22-495-034-5120-014 | 7/1/21-6/30/22 | 380,381 | | 343,495 | (380,381) | | 380,381 | (36,886) |
| Special Education Aid | 22-495-034-5120-089 | 7/1/21-6/30/22 | 1,041,953 | | 940,914 | (1,041,953) | | 1,041,953 | (101,039) |
| Security Aid | 22-495-034-5120-084 | 7/1/21-6/30/22 | 46,884 | | 42,338 | (46,884) | | 46,884 | (4,546) |
| Extraordinary Special Education Costs Aid | 22-495-034-5120-044 | 7/1/21-6/30/22 | 768,101 | | | (768,101) | \$ (768,101) | 768,101 | (768,101) |
| Reimbursement of Nonpublic School Transportation Costs | 22-495-034-5120-014 | 7/1/21-6/30/22 | 8,990 | | | (8,990) | (8,990) | 8,990 | (8,990) |
| Reimbursed TPAF Social Security | 22-495-034-5094-003 | 7/1/21-6/30/22 | 1,113,458 | | 1,033,937 | (1,113,458) | (79,521) | 1,113,458 | (79,521) |
| K-12 School COVID-19 Screening Testing Program | N/A | 7/1/21-6/30/22 | 73,500 | | 73,500 | (73,500) | | 73,500 | |
| Securing Our Children's Future Bond Act (Alyssa's Law) | N/A | 7/1/21-6/30/22 | 108,576 | | 108,576 | (108,576) | | 108,576 | |
| On-Behalf TPAF Pension Contributions | 22-495-034-5094-001 | 7/1/21-6/30/22 | 1,311,731 | | 1,311,731 | (1,311,731) | | 1,311,731 | |
| On-Behalf TPAF Non-Contributory Insurance | 22-495-034-5094-002 | 7/1/21-6/30/22 | 5,536,207 | | 5,536,207 | (5,536,207) | | 5,536,207 | |
| On-Behalf TPAF Long-Term Disability Insurance | 22-495-034-5094-004 | 7/1/21-6/30/22 | 78,108 | | 78,108 | (78,108) | | 78,108 | |
| Equalization Aid | 21-495-034-5120-078 | 7/1/20-6/30/21 | 1,723 | | 1,723 | (1,723) | | 1,723 | |
| Transportation Aid | 21-495-034-5120-014 | 7/1/20-6/30/21 | 9,155,380 | \$ (882,864) | 882,864 | | | 9,155,380 | |
| Special Education Aid | 21-495-034-5120-089 | 7/1/20-6/30/21 | 380,381 | (36,681) | 36,681 | | | 380,381 | |
| Security Aid | 21-495-034-5120-084 | 7/1/20-6/30/21 | 46,884 | (4,521) | 4,521 | | | 46,884 | |
| Extraordinary Special Education Costs Aid | 21-495-034-5120-044 | 7/1/20-6/30/21 | 761,265 | (761,265) | 761,265 | | | 761,265 | |
| Reimbursement of Nonpublic School Transportation Costs | 21-495-034-5120-014 | 7/1/20-6/30/21 | 4,640 | (4,640) | 4,640 | | | 4,640 | |
| Reimbursed TPAF Social Security | 21-495-034-5094-003 | 7/1/20-6/30/21 | 1,071,291 | (53,420) | 53,420 | | | 1,071,291 | |
| Subtotal - General Fund | | | | (1,843,868) | 19,378,698 | (19,399,884) | (856,612) | 31,880,510 | (1,865,054) |
| Debt Service Fund Aid: | | | | | | | | | |
| Debt Service Aid - State Support | 22-100-034-5120-125 | 7/1/21-6/30/22 | 17,212 | | 17,212 | (17,212) | | 17,212 | |
| Special Revenue Fund Aid: | | | | | | | | | |
| N.J. Nonpublic Textbook Aid | 22-100-034-5120-064 | 7/1/21-6/30/22 | 420 | | 420 | (381) | \$ 39 | 381 | |
| N.J. Nonpublic Technology Initiative | 22-100-034-5120-373 | 7/1/21-6/30/22 | 294 | | 294 | (268) | 26 | 268 | |
| School Development Authority: | | | | | | | | | |
| Emergent & Capital Maintenance Needs | N/A | 7/1/21-6/30/22 | 46,487 | | 46,487 | (46,487) | | 46,487 | |
| Subtotal - Special Revenue Fund | | | | | 47,201 | (47,136) | 65 | 47,136 | |
| Total State Department of Education | | | | (1,843,868) | 19,551,687 | (19,464,232) | (856,612) | 32,053,434 | (1,865,054) |

WARREN HILLS REGIONAL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2021 | | Cash Received | Budgetary Expenditures | Balance at June 30, 2022 | | MEMO | | |
|---|-------------------------------|----------------|--------------|-------------------------------|-------------------------------|-----------------|------------------------|--------------------------|----------------|-------------------------------|-------------------------------|--|
| | | | | Budgetary Accounts Receivable | Budgetary Accounts Receivable | | | GAAP Accounts Receivable | Due to Grantor | Budgetary Accounts Receivable | Cumulative Total Expenditures | |
| State Department of Agriculture: | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | |
| COVID - Seamless Summer Option | 22-100-010-3350-023 | 7/1/21-6/30/22 | \$ 16,584 | | \$ 16,371 | \$ (16,584) | | | \$ (213) | \$ (213) | \$ 16,584 | |
| COVID - Seamless Summer Option | 21-100-010-3350-023 | 7/1/20-6/30/21 | 9,402 | (1,866) | 1,866 | | | | | | 9,402 | |
| Total State Department of Agriculture | | | | (1,866) | 18,237 | (16,584) | | (213) | | (213) | 31,120 | |
| Total State Awards | | | | \$ (1,845,734) | \$ 19,569,924 | \$ (19,480,816) | \$ (856,825) | \$ 65 | \$ (1,865,267) | \$ 32,084,554 | | |
| Less: State Awards Not Subject to Single Audit Major Program Determination | | | | | | | | | | | | |
| On-Behalf TPAF Pension System Contributions: | | | | | | | | | | | | |
| On-Behalf TPAF Post Retirement Contributions | 22-495-034-5094-001 | 7/1/21-6/30/22 | (1,311,731) | | | 1,311,731 | | | | | | |
| On-Behalf TPAF Pension Contributions | 22-495-034-5094-002 | 7/1/21-6/30/22 | (5,536,207) | | | 5,536,207 | | | | | | |
| On-Behalf TPAF Non-Contributory Insurance | 22-495-034-5094-004 | 7/1/21-6/30/22 | (78,108) | | | 78,108 | | | | | | |
| On-Behalf TPAF Long-Term Disability Insurance | 22-495-034-5094-004 | 7/1/21-6/30/22 | (1,723) | | | 1,723 | | | | | | |
| Subtotal - On-Behalf TPAF Pension System Contributions | | | | | | 6,927,769 | | | | | | |
| Total State Awards Subject to Single Audit Major Program Determination | | | | | | \$ (12,553,047) | | | | | | |

N/A - Not Applicable/Available

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Warren Hills Regional Board of Education, under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$16,101 for the General Fund and (\$96,194) for the Special Revenue Fund (which includes \$17,339 related to local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented on the following page.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 54,671 | \$ 19,415,985 | \$ 19,470,656 |
| Special Revenue Fund | 1,048,850 | 34,276 | 1,083,126 |
| Debt Service Fund | | 17,212 | 17,212 |
| Food Service Fund | <u>836,612</u> | <u>16,584</u> | <u>853,196</u> |
| Total Awards | <u>\$ 1,940,133</u> | <u>\$ 19,484,057</u> | <u>\$ 21,424,190</u> |

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2022.

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following federal and state awards:

| | <u>Assistance Listing/ State Grant Number</u> | <u>Grant Period</u> | <u>Award Amount</u> | <u>Budgetary Expenditures</u> |
|---------------------------------------|---|---------------------|-------------------------|-----------------------------------|
| <u>Federal:</u> | | | | |
| Child Nutrition Cluster: | | | | |
| Food Distribution Program | 10.555 | 7/1/21-6/30/22 | \$ 26,131 | \$ 21,837 |
| Food Distribution Program | 10.555 | 7/1/20-6/30/21 | 25,390 | 7,737 |
| COVID 19 - Seamless Summer Option | 10.555 | 7/1/21-6/30/22 | 788,338 | 788,338 |
| Emergency Operational Cost Program | 10.555 | 7/1/21-6/30/22 | 17,458 | 17,458 |

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

Summary of Auditors' Results: (Cont'd)

- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following federal and state awards:

| <u>State:</u> | <u>Assistance Listing/ State Grant Number</u> | <u>Grant Period</u> | <u>Award Amount</u> | <u>Budgetary Expenditures</u> |
|-------------------------|---|---------------------|-------------------------|-----------------------------------|
| General Fund State Aid: | | | | |
| Equalization Aid | 22-495-034-5120-078 | 7/1/21-6/30/22 | \$ 8,930,272 | \$ 8,930,272 |
| Special Education Aid | 22-495-034-5120-089 | 7/1/21-6/30/22 | 1,041,953 | 1,041,953 |
| Security Aid | 22-495-034-5120-084 | 7/1/21-6/30/22 | 46,884 | 46,884 |
| Reimbursed TPAF | | | | |
| Social Security | 22-495-034-5094-003 | 7/1/21-6/30/22 | 1,113,458 | 1,113,458 |

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

The District had no prior year audit findings.