

**NORTH WARREN  
REGIONAL SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report  
For The Fiscal Year Ended June 30, 2023**

# **Annual Comprehensive**

## **Financial Report**

**of the**

**North Warren Regional School District**

**Board of Education**

**Blairstown, New Jersey**

**For the Fiscal Year Ending June 30, 2023**

**Prepared by**

**North Warren Regional School District**

**Board of Education**

**Finance Department**

# OUTLINE OF ACFR

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## **Introductory Section**



# NORTH WARREN REGIONAL SCHOOL DISTRICT

Jennifer Kerr, School Business Administrator  
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P.O. Box 410, 10 Noe Road, Blirstown, NJ 07825  
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November 29, 2023

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

Dear Board Members:

Each year, the district must submit a report entitled the Annual Comprehensive Financial Report (ACFR) reflecting the financial status of the entity as of June 30, 2023. This report is a synopsis of the fiscal soundness of the North Warren Regional School District. The Annual Comprehensive Financial Report is presented in four sections:

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

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

The Annual Comprehensive Financial Report (ACFR) of the North Warren Regional School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the North Warren Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities are included.

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



**1. REPORTING ENTITY AND ITS SERVICES**

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

The district provides a full range of educational and extra-curricular activities and programs for students in grades seven through twelve. These programs and activities are designed for both regular education students as well as special education students. As of October 15, 2022, the District had a total enrollment of 642.

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

FISCAL YEAR	STUDENT ENROLLMENT	PERCENT CHANGE
2012-2013	1029	-1.9%
2013-2014	992	-3.5%
2014-2015	946	-4.6%
2015-2016	925	-2.2%
2016-2017	911	-1.5%
2017-2018	848	-6.9%
2018-2019	826	-2.6%
2019-2020	767	-7.1%
2020-2021	709	-7.6%
2021-2022	665	-6.2%
2022-2023	642	-3.46%

**2. ECONOMIC CONDITION AND OUTLOOK**

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

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

<b>REVENUES</b>				
<b>SOURCE</b>	<b>AMOUNT</b>	<b>PERCENT OF TOTAL</b>	<b>+/- AMOUNT</b>	<b>+/- PERCENT</b>
Local	13,732,505	68.28%	425,686	3.20%
State	5,802,974	28.85%	(763,468)	(11.63%)
Federal	578,037	2.87%	52,843	10.06%
<b>TOTAL</b>	<b>20,113,516</b>	<b>100.00%</b>	<b>(284,757)</b>	<b>(1.40%)</b>

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

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

<b>EXPENDITURES</b>				
<b>CLASSIFICATION</b>	<b>AMOUNT</b>	<b>PERCENT OF TOTAL</b>	<b>+/- AMOUNT</b>	<b>+/- PERCENT</b>
Current Expense: Instruction	6,192,146	33.42%	305,568	5.19%
Undistributed	11,141,332	60.13%	(102,471)	(0.91%)
<b>SUBTOTAL</b>	<b>17,333,478</b>	<b>93.55%</b>	<b>203,097</b>	<b>1.19%</b>
Capital Outlay	368,292	1.99%	(1,627,113)	(81.54%)
Capital Projects				
Debt Service				
Special Revenue	826,717	4.46%	150,763	22.30%
<b>TOTAL</b>	<b>18,528,487</b>	<b>100.00%</b>	<b>(1,273,253)</b>	<b>(6.43%)</b>

Expenditures were decreased and the district has made every effort to do more with less so as not to increase the burden on local taxpayers. Some operational savings were recouped in salaries due to several staff resignations and breakage. The current District Leadership Team has established a practice to right size through staff attrition. In all areas, the district has made a conscious effort to keep all costs down in order to conserve money to add to the District's Net Position. The district plans to identify uses for these funds as directed by the Board of Education.

### **3. MAJOR INITIATIVES**

North Warren Regional School District prides itself on its focus on student achievement. During the 2022-2023 school year, North Warren Regional completed the process of developing a new Five-Year Strategic Plan. The new plan, entitled Nurturing Growth, Inspiring Success, was a community initiative involving students, staff, community members, the Board of Education and alumni. This process brought together all stakeholders in the district to develop a new mission, guiding principles and five-year goals that focus on academic development, community engagement, communication, financial stability, and facility improvements.

The district worked to increase its average AP testing score through a series of student-focused initiatives including formative testing, summative feedback, course prerequisites, enrollment in Warren County Community College's Dual Enrollment Program, and other measures aimed at helping our students shine. This netted a commendable average AP score of over 3.5.

The district utilized multiple state, federal and local grants to complete minor facility upgrades throughout the school. Minor structural and aesthetic updates were made to the auditorium, front lobby, wellness room and cafeteria.

The school continues outreach programs to the community. Students invite our local senior citizens to attend three major events throughout the school year. Students cater these events, create performances for the senior citizens, and help organize a culminating history activity, "Voices of the Veterans." Each year more than 75 veterans come to North Warren to share their experiences with our students. The District also launched a community volunteer program to allow parents, students and community members to assist the school in minor updates.

In addition to these endeavors, North Warren Regional continues to boast over 75% student participation in extra and co-curricular activities and athletics. Additionally, North Warren Regional was named US News & World Report's top-ranked high school in Warren County for the 2022-2023 school year, and has held this honor now for multiple years.

### **4. INTERNAL ACCOUNTING CONTROLS**

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

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

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

## **5. BUDGETARY CONTROLS**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

## **6. ACCOUNTING SYSTEM AND REPORTS**

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

## **7. DEBT ADMINISTRATION**

As of June 30, 2023, the District does not have any outstanding debt issues. The district still maintains payments for multiple lease purchase agreements that addressed improvements to the facility, specifically, updating computer and technology needs.

## **8. CASH MANAGEMENT**

The investment policy of the district is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 2. The district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **9. RISK MANAGEMENT**

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

## **10. OTHER INFORMATION**

### Independent Audit

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

## **11. ACKNOWLEDGMENTS**

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

Respectfully submitted,

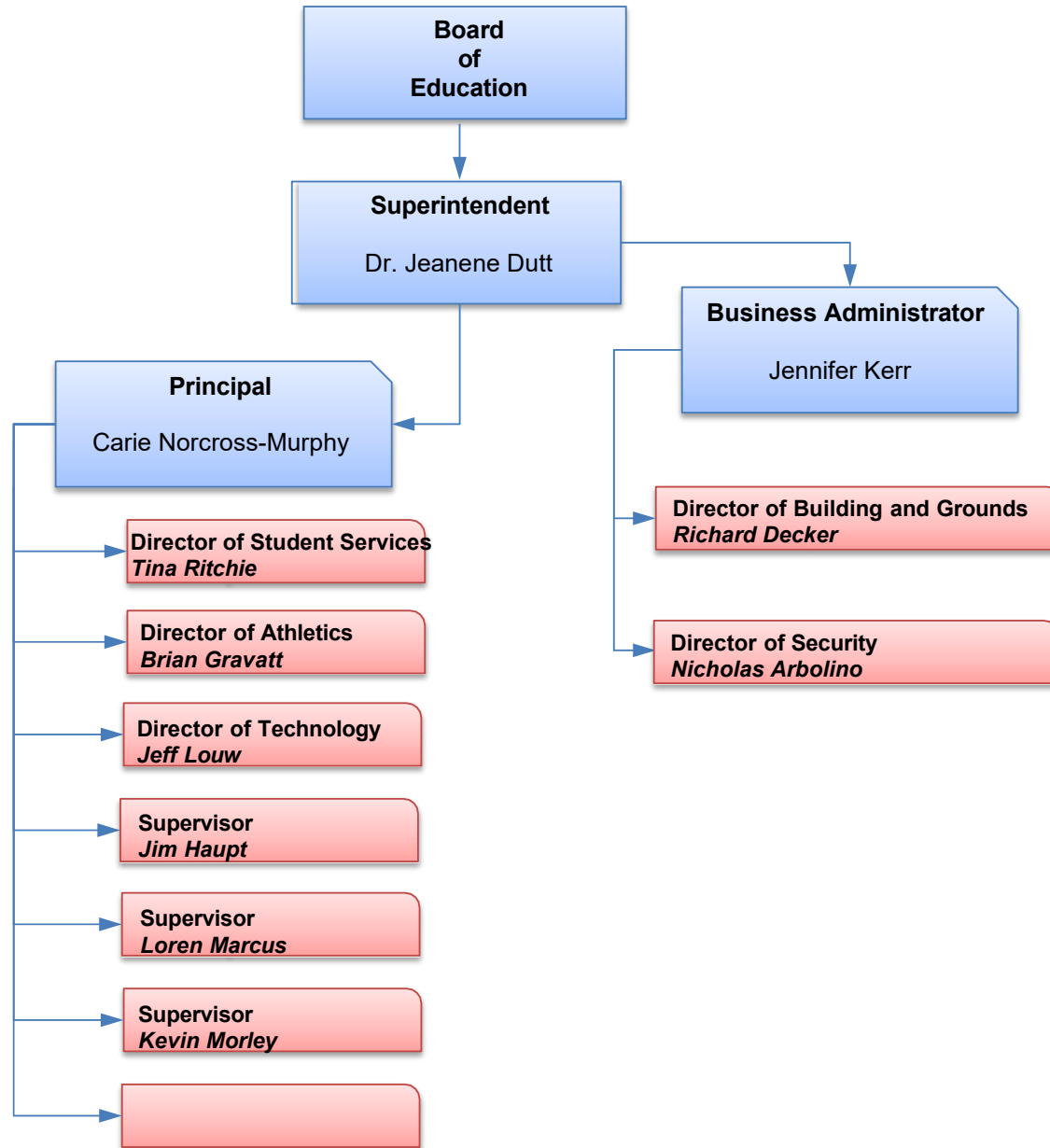


Dr. Jeanene Dutt  
Superintendent



Jennifer Kerr  
Business Administrator

# North Warren Regional Organizational Chart



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

**ROSTER OF OFFICIALS**

**June 30, 2023**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
John Nause, President	2023
Danielle Reay, Vice-President	2023
Mary Ann Boyd	2024
Dwayne Leverett	2023
Kevin B. Brennan	2025
Kristy Cook	2023
Don Biery	2025
Jessica Wood-Rosso	2025
Taylor Casey	2024

**Other Officials**

Dr. Jeanene Dutt, Superintendent

Jennifer Kerr, Board Secretary/School Business Administrator

Randy Wilson, Treasurer

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

**CONSULTANTS AND ADVISORS**

**ARCHTECT**

**HQW Architects LLC**  
124 Main Street  
Newton, New Jersey 07860

**AUDIT FIRM**

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

**ATTORNEY**

**Comegno Law Group P.C.**  
521 Pleasant Valley Ave.  
Moorestown, New Jersey 08057

**OFFICIAL DEPOSITORIES**

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



## **Financial Section**

# **Independent Auditor's Report**



# **ARDITO & COMPANY LLC**

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

Anthony Ardito, CPA, RMA, CMFO, PSA

## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Warren Regional School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

-Continued-

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

-Continued-

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the 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 November 29, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 29, 2023

***Anthony Ardito***

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 29, 2023

**Required Supplementary Information -  
Part I**

**Management's Discussion and Analysis**

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

The discussion and analysis of North Warren Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$1,639,707 which represents a 15.1% increase from 2022.
- ◆ General revenues accounted for \$13,520,292 in revenue or 71.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,293,084 or 28.1% of total revenues of \$18,813,376.
- ◆ Total assets of governmental activities decreased by \$188,477, as cash and cash equivalents increased by \$1,863,072, receivables decreased by \$1,632,521, and capital assets decreased by \$360,169.
- ◆ The School District had \$17,173,669 in expenses; only \$5,293,084 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,520,292 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$19,314,532 in revenues and \$17,693,532 in expenditures. The General Fund's surplus balance increased \$1,621,000 over 2022, which compares favorably to the budgeted decrease of \$415,837.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

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



NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Funds**

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

**The School District as a Whole**

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

Table 1 provides a summary of the School District's Net Position for 2023 compared to 2022.

	<u>2023</u>	<u>2022</u>
<b>Table 1</b>		
<b>Net Position</b>		
<b>Assets</b>		
Current and Other Assets	\$ 8,873,410	\$ 8,701,718
Capital Assets	<u>7,815,657</u>	<u>8,175,826</u>
<b>Total Assets</b>	<u>16,689,067</u>	<u>16,877,544</u>
<b>Deferred Outflows of Resources</b>	<u>327,713</u>	<u>276,850</u>
<b>Liabilities</b>		
Long-Term Liabilities	314,854	93,219
Other Liabilities	<u>3,903,152</u>	<u>4,901,607</u>
<b>Total Liabilities</b>	<u>4,218,006</u>	<u>4,994,826</u>
<b>Deferred Inflows of Resources</b>	<u>282,547</u>	<u>1,283,048</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	7,815,657	8,170,247
Restricted	6,094,722	4,697,880
Unrestricted	<u>(1,394,152)</u>	<u>(1,991,607)</u>
<b>Total Net Position</b>	<u>\$ 12,516,227</u>	<u>\$ 10,876,520</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Total assets of governmental activities decreased by \$188,477, as cash and cash equivalents increased by \$1,863,072, receivables decreased by \$1,632,521, and capital assets decreased by \$360,169.

The cash increase was due to the collection of prior year tax levy and federal grant receivables. Receivables decreased due to collection of covid federal grants and the collection of the prior year tax levy. Capital Assets decreased due to depreciations expense, net of capital improvements.

Table 2 shows the changes in Net Position from fiscal year 2022.

**Table 2**  
**Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 375,434	\$ 218,246
Operating Grants and Contributions	4,917,650	6,684,446
General Revenues:		
Property Taxes	13,380,053	13,117,699
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	130,871	18,458
Other	<u>9,368</u>	<u>14,669</u>
<b>Total Revenues</b>	<u>18,813,376</u>	<u>20,053,518</u>
<b>Program Expenses</b>		
Instruction	8,558,777	9,216,825
Support Services:		
Pupils and Instructional Staff	3,057,507	3,006,466
General Administration, School Administration, Business	1,430,134	1,629,776
Operations and Maintenance of Facilities	2,057,283	1,804,039
Pupil Transportation	1,131,353	1,014,742
Business-Type Activities	274,322	325,642
Interest and Fiscal Charges	<u>664,293</u>	<u>626,363</u>
<b>Total Expenses</b>	<u>17,173,669</u>	<u>17,623,853</u>
Increase in Net Position	<u>\$ 1,639,707</u>	<u>\$ 2,429,665</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 71.1% percent of revenues for governmental activities for the North Warren Regional School District for the fiscal year 2023.

Instruction comprises 49.8% of district expenses. Support services expenses make up 44.7% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 8,558,777	\$ 6,179,699	\$ 9,216,825	\$ 5,707,675
Support Services:				
Pupils and Instructional Staff	3,057,507	1,611,486	3,006,466	1,560,499
General Admin., School Admin., Business	1,430,134	1,058,589	1,629,776	1,057,034
Operation and Maintenance of Facilities	2,057,283	1,522,807	1,804,039	1,170,057
Pupil Transportation	1,131,353	837,431	1,014,742	658,138
Business-Type Activities	274,322	6,280	325,642	(58,605)
Interest and Fiscal Charges	<u>664,293</u>	<u>664,293</u>	<u>626,363</u>	<u>626,363</u>
<b>Total Expenses</b>	<u>\$ 17,173,669</u>	<u>\$ 11,880,585</u>	<u>\$ 17,623,853</u>	<u>\$ 10,721,161</u>

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

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

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

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

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

The dependence upon tax revenues is apparent. Over 72.2% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 65.5%. The community, as a whole, is the primary support for the North Warren Regional School District.

**The School District's Funds**

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$20,121,754 and expenditures of \$18,528,487. The General Fund's surplus balance increased \$1,621,000 over 2022, which compares favorably to the budgeted decrease of \$415,837.

**General Fund Budgeting Highlights**

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

During the course of the fiscal 2023 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$16,101,949, \$875,127 over original budgeted estimates of \$15,226,822. This difference was due primarily to non-budgeted state revenues for stabilization aid and extraordinary aid.

General fund revenues exceeded expenditures by \$1,528,304. Again this surplus compares to a budgeted deficit of \$415,837. The budgeted deficit was reduced due to under spending of the operating budget in the areas of Instruction, Related Service, Plant Maintenance, Transportation, and Benefits.

Overall general fund balance (budget basis) was \$7,028,677, and amounts ear-marked and reserved for future purposes were \$6,075,242, creating a surplus in unreserved fund balance of \$953,435. This is the maximum unreserved amount allowed by law. Management believes the district can maintain unreserved fund balances at or near the statutory maximum level.

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2023, the School District had \$7,815,657 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 435,000	\$ 435,000
Land Improvements	155,203	191,503
Buildings and Improvements	3,616,191	3,840,430
Machinery and Equipment	<u>3,609,263</u>	<u>3,702,048</u>
Totals	<u>\$ 7,815,657</u>	<u>\$ 8,168,981</u>

Overall capital assets decreased \$353,324 from fiscal year 2022 to fiscal year 2023.

\$475,904 in Capital improvements were purchased during fiscal year 2023 and consisted of roof and HVAC improvements, as well as fitness equipment and lobby benches.

**Debt Administration**

At June 30, 2023, the School District had \$314,854 as outstanding long term debt. Of this amount, \$314,854 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$49,746,917 and the unvoted debt margin was the same.

NORTH WARREN REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**For the Future**

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

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

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

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

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

# Basic Financial Statements

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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



NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2023

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,484,177	\$ 105,609	\$ 2,589,786
Receivables, Net	2,077,877	2,299	2,080,176
Interfund Receivable		20,011	20,011
Inventory		7,350	7,350
Restricted Assets:			
Capital Reserve Account - Cash	3,920,144		3,920,144
Emergency Reserve Account - Cash	250,000		250,000
Maintenance Reserve Account - Cash	5,943		5,943
Capital Assets, Net (Note 5)	7,815,657		7,815,657
<b>Total Assets</b>	<b>16,553,798</b>	<b>135,269</b>	<b>16,689,067</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	327,713		327,713
<b>LIABILITIES</b>			
Accounts Payable	1,362,298	10,249	1,372,547
Payable to Federal Government	32,467		32,467
Payroll Deductions and Withholdings Payable	69,670		69,670
Unemployment Claims Payable	15,634		15,634
Interfund Payable	20,011		20,011
Net Pension Liability (Note 7)	2,031,215		2,031,215
Unearned Revenue	356,817	4,791	361,608
Noncurrent Liabilities (Note 6):			
Due Within One Year	-		-
Due Beyond One Year	314,854		314,854
<b>Total Liabilities</b>	<b>4,202,966</b>	<b>15,040</b>	<b>4,218,006</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	282,547		282,547
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	7,815,657		7,815,657
Restricted for:			
Other Purposes	6,094,722		6,094,722
Unrestricted	(1,514,381)	120,229	(1,394,152)
<b>Total Net Position</b>	<b>\$ 12,395,998</b>	<b>\$ 120,229</b>	<b>\$ 12,516,227</b>

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
<b>Functions/Programs</b>						
Governmental Activities:						
Instruction:						
Regular	\$ 5,695,590		\$ 1,635,230		\$ (4,060,360)	\$ (4,060,360)
Special Education	1,661,093		431,547		(1,229,546)	(1,229,546)
Other Special Instruction	192,927		50,122		(142,805)	(142,805)
Other Instruction	1,009,167		262,179		(746,988)	(746,988)
Support Services:						
Tuition	227,543		59,115		(168,428)	(168,428)
Student & Instruction Related Serv.	2,829,964	\$ 214,287	1,172,619		(1,443,058)	(1,443,058)
School Administrative Services	402,433		104,551		(297,882)	(297,882)
General and Business Admin. Serv.	1,027,701		266,994		(760,707)	(760,707)
Plant Operations and Maintenance	2,057,283		534,476		(1,522,807)	(1,522,807)
Pupil Transportation	1,131,353		293,922		(837,431)	(837,431)
Unallocated Depreciation and Other Fiscal Charges	664,293				(664,293)	(664,293)
Total Governmental Activities	16,899,347	214,287	4,810,755		(11,874,305)	(11,874,305)
Business-Type Activities:						
Food Service	274,322	161,147	106,895			\$ (6,280)
Total Business-Type Activities	274,322	161,147	106,895			(6,280)
<b>Total Primary Government</b>	<b>\$ 17,173,669</b>	<b>\$ 375,434</b>	<b>\$ 4,917,650</b>		<b>\$ (11,874,305)</b>	<b>\$ (6,280)</b>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 13,380,053		\$ 13,380,053
Investment Earnings				130,871		130,871
Miscellaneous Income				7,294	\$ 2,074	9,368
Transfers				-	-	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				13,518,218	2,074	13,520,292
Change in Net Position				1,643,913	(4,206)	1,639,707
Net Position—Beginning				10,752,085	124,435	10,876,520
Prior Period Adjustment						-
Net Position—Beginning (As Restated)				10,752,085	124,435	10,876,520
<b>Net Position—Ending</b>				<b>\$ 12,395,998</b>	<b>\$ 120,229</b>	<b>\$ 12,516,227</b>

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

## **FUND FINANCIAL STATEMENTS**

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

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2023

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,627,960	\$ 32,304	\$ 6,660,264
Receivables from Other Governments	316,953	685,215	1,002,168
Other Receivables	1,075,709		1,075,709
Interfund Receivables	280,244		280,244
<b>TOTAL ASSETS</b>	<b>\$ 8,300,866</b>	<b>\$ 717,519</b>	<b>\$ 9,018,385</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 1,346,611	\$ 15,687	\$ 1,362,298
Payroll Deductions and Withholdings Payable	69,670		69,670
Unemployment Compensation Claims Payable	15,634		15,634
Interfund Payable	20,011	280,244	300,255
Payable to Federal Government		32,467	32,467
Deferred Revenue		356,817	356,817
<b>Total Liabilities</b>	<b>1,451,926</b>	<b>685,215</b>	<b>2,137,141</b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Maintenance Reserve	5,943		5,943
Capital Reserve Account	3,920,144		3,920,144
Emergency Reserve	250,000		250,000
Excess Surplus	490,268		490,268
Unemployment Compensation	399,188		399,188
Student Activities		32,304	32,304
<u>Assigned to:</u>			
Year-End Encumbrances	12,824		12,824
General Fund - Designated for Subsequent Year's Expenditures	996,875		996,875
<u>Unassigned:</u>			
General Fund	773,698		773,698
<b>Total Fund Balances</b>	<b>6,848,940</b>	<b>32,304</b>	<b>6,881,244</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 8,300,866</b>	<b>\$ 717,519</b>	<b>\$ 9,018,385</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,724,740 and the accumulated depreciation is \$11,909,083	\$ 7,815,657
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)	327,713
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)	(282,547)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(2,031,215)
Long-term liabilities, including capital lease obligations payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(314,854)
Net Position of governmental activities (Exhibit A-1)	\$ 12,395,998

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
<b>Local sources:</b>			
Local Tax Levy	\$ 13,380,053		\$ 13,380,053
Miscellaneous	138,165	\$ 214,287	352,452
<b>Total - Local Sources</b>	<u>13,518,218</u>	<u>214,287</u>	<u>13,732,505</u>
<b>State Sources</b>	5,796,314	6,660	5,802,974
<b>Federal Sources</b>	-	586,275	586,275
<b>Total Revenues</b>	<u>19,314,532</u>	<u>807,222</u>	<u>20,121,754</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Regular Instruction	3,983,127	289,859	4,272,986
Special Education Instruction	1,281,574		1,281,574
Other Special Instruction	148,848		148,848
Other Instruction	778,597		778,597
Support services and undistributed costs:			
Tuition	227,543		227,543
Student and Instruction Related Services	1,745,983	437,403	2,183,386
School Administrative Services	310,487		310,487
Other Administrative Services	784,528		784,528
Plant Operations and Maintenance	1,579,456		1,579,456
Pupil Transportation	1,109,372		1,109,372
Unallocated Benefits	5,206,086		5,206,086
Transfer to Charter School	169,639		169,639
<b>Capital Outlay</b>	<u>368,292</u>	<u>107,693</u>	<u>475,985</u>
<b>Total Expenditures</b>	<u>17,693,532</u>	<u>834,955</u>	<u>18,528,487</u>
Excess (Deficiency) of Revenues Over Expend.	<u>1,621,000</u>	<u>(27,733)</u>	<u>1,593,267</u>
Net Change in Fund Balances	1,621,000	(27,733)	1,593,267
Fund Balance—July 1	5,227,940	60,037	5,287,977
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	<u>5,227,940</u>	<u>60,037</u>	<u>5,287,977</u>
<b>Fund Balance—June 30</b>	<u><b>\$ 6,848,940</b></u>	<u><b>\$ 32,304</b></u>	<u><b>\$ 6,881,244</b></u>

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** **\$ 1,593,267**

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

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

	Depreciation Expense	\$ (829,228)		
	Capital Outlays	<u>475,904</u>		(353,324)

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

620,026

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

5,579

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

(221,635)

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 1,643,913**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

June 30, 2023

		<u>Business-Type Activities - Enterprise Funds</u>	
		<u>Food Service</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents	\$ 105,609	\$ 105,609	
Accounts Receivable	2,299	2,299	
Interfund Accounts Receivable	20,011	20,011	
Inventories	<u>7,350</u>	<u>7,350</u>	
<b>Total Current Assets</b>	<b><u>135,269</u></b>	<b><u>135,269</u></b>	
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment	147,389	147,389	
Less Accumulated Depreciation	<u>(147,389)</u>	<u>(147,389)</u>	
<b>Total Noncurrent Assets</b>	<b><u>-</u></b>	<b><u>-</u></b>	
<b>Total Assets</b>	<b><u>135,269</u></b>	<b><u>135,269</u></b>	
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts Payable	10,249	10,249	
Deferred Revenue	<u>4,791</u>	<u>4,791</u>	
<b>Total Current Liabilities</b>	<b><u>15,040</u></b>	<b><u>15,040</u></b>	
<b>Total Liabilities</b>	<b><u>15,040</u></b>	<b><u>15,040</u></b>	
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	-	-	
Unrestricted	<u>120,229</u>	<u>120,229</u>	
<b>Total Net Position</b>	<b><u>\$ 120,229</u></b>	<b><u>\$ 120,229</u></b>	

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-5

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable	\$ 85,923	\$ 85,923
Daily Sales - Non-Reimbursable Programs	75,224	75,224
Miscellaneous Income	<u>2,074</u>	<u>2,074</u>
<b>Total Operating Revenues</b>	<u>163,221</u>	<u>163,221</u>
<b>Operating Expenses:</b>		
Cost of Sales - Reimbursable Programs	54,859	54,859
Cost of Sales - Non-reimbursable Programs	49,020	49,020
Salaries	98,747	98,747
Employee Benefits	28,510	28,510
Purchased Property Service	12,155	12,155
Cleaning, Repair and Maintenance Services	17,157	17,157
General Supplies	7,029	7,029
Depreciation	<u>6,845</u>	<u>6,845</u>
<b>Total Operating Expenses</b>	<u>274,322</u>	<u>274,322</u>
Operating Income (Loss)	<u>(111,101)</u>	<u>(111,101)</u>
<b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	2,566	2,566
Federal Sources:		
National School Lunch Program	50,107	50,107
Supply Chain Assistance	44,385	44,385
Food Distribution Program	<u>9,837</u>	<u>9,837</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>106,895</u>	<u>106,895</u>
Income (Loss) Before Contributions and Transfers	(4,206)	(4,206)
Transfers In (Out)	<u>-</u>	<u>-</u>
Change in Net Position	(4,206)	(4,206)
Total Net Position—Beginning	<u>124,435</u>	<u>124,435</u>
<b>Total Net Position—Ending</b>	<u>\$ 120,229</u>	<u>\$ 120,229</u>

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



## NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 163,221	\$ 163,221
Payments to Employees	(98,747)	(98,747)
Payments for Employee Benefits	(28,510)	(28,510)
Payments to Suppliers	<u>(171,236)</u>	<u>(171,236)</u>
<b>Net Cash Provided by (used for) Operating Activities</b>	<u>(135,272)</u>	<u>(135,272)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	2,888	2,888
Federal Sources	148,102	148,102
Operating Subsidies and Transfers from Other Funds	<u>60,615</u>	<u>60,615</u>
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<u>211,605</u>	<u>211,605</u>
Net Increase (Decrease) in Cash and Cash Equivalents	76,333	76,333
Balances—Beginning of Year	<u>29,276</u>	<u>29,276</u>
<b>Balances—End of Year</b>	<u>\$ 105,609</u>	<u>\$ 105,609</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (111,101)	\$ (111,101)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided		
by (used for) Operating Activities:		
Depreciation and Net Amortization	6,845	6,845
Federal Commodities	9,837	9,837
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	(1,756)	(1,756)
Increase (Decrease) in Accounts Payable	<u>(39,097)</u>	<u>(39,097)</u>
Total Adjustments	<u>(24,171)</u>	<u>(24,171)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (135,272)</u>	<u>\$ (135,272)</u>

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

# **Notes to Financial Statements**

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions and GASB 98, Annual Comprehensive Financial Report. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

**A. Reporting Entity:**

The North Warren Regional School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 7-12. The North Warren Regional School District had an approximate enrollment at June 30, 2023, of 642 students.

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

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

**Basis of Presentation**

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

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

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—*governmental 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.

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**GOVERNMENTAL FUNDS (Continued)**

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

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. Currently there is no activity in the Capital Projects Fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. Currently there is no activity in the Debt Service Fund.

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

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

**Basis of Accounting**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control - (Continued):**

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

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

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

**D. Encumbrance Accounting:**

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

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

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

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity - (Continued):**

**Interfund Transactions - (Continued):**

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

**Inventories:**

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

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

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

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

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



NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

**Compensated Absences:**

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

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

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

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

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes that were received as of June 30, 2023, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

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

**Fund Balance Reserves:**

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

**Revenues—Exchange and Nonexchange Transactions**

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

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

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

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

**Operating Revenues and Expenses:**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash <u>Equivalents (A-1)</u>
Checking	\$ 6,765,873
	<u>\$ 6,765,873</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$6,765,873 and the bank balance was \$7,738,345. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$7,488,345 was covered by collateral pool.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 338,169	\$ 338,278
Federal Aid	663,999	666,189
Gross Receivable	<u>1,002,168</u>	<u>1,004,467</u>
Tax Levy - Blainstown Township	1,075,709	1,075,709
Other Local Receivables	-	-
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 2,077,877</u></u>	<u><u>\$ 2,080,176</u></u>

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2023, consisted of the following:

Food	<u><u>\$ 7,350</u></u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 435,000			\$ 435,000
Total Capital Assets Not Being Depreciated	<u>435,000</u>			<u>435,000</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	839,404			839,404
Buildings and Building Improvements	12,454,700	\$ 451,074		12,905,774
Machinery and Equipment	5,519,732	24,830		5,544,562
Total at Historical Cost	<u>18,813,836</u>	<u>475,904</u>		<u>19,289,740</u>
Less Accumulated Depreciation for:				
Land Improvements	(647,901)	(36,300)		(684,201)
Building and Improvements	(8,614,270)	(675,313)		(9,289,583)
Equipment	(1,817,684)	(117,615)		(1,935,299)
Total Accumulated Depreciation	<u>(11,079,855)</u>	<u>(829,228)</u>		<u>(11,909,083)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>7,733,981</u>	<u>(353,324)</u>		<u>7,380,657</u>
<b>Net</b>	<u><b>\$ 8,168,981</b></u>	<u><b>\$ (353,324)</b></u>		<u><b>\$ 7,815,657</b></u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 5: CAPITAL ASSETS - (Continued)**

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$	126,879
Administrative		8,368
Transportation		11,107
Operations/Maintenance		21,981
Unallocated		660,893
Total	\$	<u>829,228</u>

**NOTE 6: LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance <u>7/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/2023</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Capital Lease Obligations	\$ 5,579		\$ (5,579)	-	
Compensated Absences Payable	93,219	\$221,635		\$ 314,854	
<b>Total</b>	<u>\$ 98,798</u>	<u>\$ 221,635</u>	<u>\$ (5,579)</u>	<u>\$ 314,854</u>	<u>-</u>

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

**B. Debt Service Requirements:**

The District has commitments to lease copying equipment, printers, and technology equipment under capital leases which expired on September 15, 2023. Total lease payments made during the year ended June 30, 2023, were \$5,579. This amount was liquidated in the General Fund.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS**

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$31,121,535 as measured on June 30, 2022 and \$30,315,696 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$837,567 and revenue of \$837,567 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$30,315,696	\$31,121,535
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.063059%	0.060320%

*Actuarial assumptions* - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-5.65%
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following



NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equi	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fudiciary net position as of June 30, 2022 was \$24,640,530,532.

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

	<u>Year Ended June 30:</u>
2023	(\$2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
Total	<u>(\$14,678,515,482)</u>

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total pension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expense	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

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

At June 30, 2023, the District reported a liability of \$2,031,215 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.01346% which was an decrease of 0.00005% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$20,909). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 14,660	\$ 10,731
Changes of assumptions	6,293	252,460
Net difference between projected and actual earnings on pension plan investments	84,070	-
Changes in proportion and differences between District contributions and proportionate share of contributions	38,493	19,356
District contributions subsequent to the measurement date	184,197	
Total	<u>\$ 327,713</u>	<u>\$ 282,547</u>

\$184,197 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$114,234)
2024	(58,198)
2025	(28,382)
2026	61,919
2027	<u>(136)</u>
Total	<u>(\$139,031)</u>

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$1,599,877	\$2,031,215
District's proportion %	0.01350506%	0.01345944%

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

*Actuarial assumptions* - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% based on years of service
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equi	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 2,609,516	\$2,031,215	\$ 1,539,057

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$13,916
Interest on total Pension liability	55,815
Benefit changes	162
Member contributions	(11,606)
Administrative expens	249
Expected investment return net of investment expenses	(37,258)
Pension expense related to specific liabilities of individual employers	(200)
Recognition (amortization) of deferred inflows/outflows:	0
experience	661
Changes in assumptions	(41,722)
Difference between projected and actual investment earnings on pension plan investments	<u>(927)</u>
Total pension expense/(benefit)	<u>(\$20,909)</u>

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

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

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

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

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

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

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

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: PENSION PLANS (Continued)**

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

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

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$184,197	100 %	-0-
6/30/2022	\$143,693	100 %	-0-
6/30/2021	\$158,397	100 %	-0-

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$2,139,686	100 %	-0-
6/30/2022	\$2,518,792	100 %	-0-
6/30/2021	\$1,868,715	100 %	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$2,701,664 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$418,223 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**NOTE 8: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: POST-RETIREMENT BENEFITS-(Continued)**

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

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.



NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: POST-RETIREMENT BENEFITS-(Continued)**

**Total Nonemployer OPEB Liability**

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

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

*Actuarial assumptions and other imputes.* The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:

Total Nonemployer OPEB Liability:     \$     50,646,462,966

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

Based on service years

**(a) Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**(b) Discount Rate**

The discount rate used to measure the total OPEB liability wa 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: POST-RETIREMENT BENEFITS-(Continued)**

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

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

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at</b>	<b>\$60,007,650,970</b>
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
<b>The State's Total OPEB Liability Balance at</b>	<b><u>\$50,646,462,966</u></b>

**The State's total OPEB liability attributable to the District: \$32,859,903**

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

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

	June 30, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: POST-RETIREMENT BENEFITS-(Continued)**

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

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

	June 30, 2022		
	Health Care Cost		
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635

	June 30, 2021		
	Health Care Cost		
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$285,603 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: POST-RETIREMENT BENEFITS-(Continued)**

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

Year ended June 30:	
2023	(\$2,517,151,602)
2024	(\$2,517,151,602)
2025	(\$2,517,151,602)
2026	(\$2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>(\$14,892,216,713)</u>

**NOTE 9: DEFERRED COMPENSATION**

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

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

**NOTE 10: ACCRUED SALARIES AND WAGES**

Under contractual provisions between the District and the North Warren Regional Education Association, district personnel covered by this agreement are to be paid salaries on a bi-weekly basis over a twelve month period. As of June 30, 2023, the amount earned, but not disbursed, including payroll matching taxes, by ten month employees, was \$869,407.

**NOTE 11: COMPENSATED ABSENCES**

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

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12: INTERFUND RECEIVABLES AND PAYABLES**

No interfund balances remained on the balance sheet at June 30, 2023.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 280,244	\$ 20,011
Special Revenue Fund		<u>280,244</u>
	<u>\$ 300,255</u>	<u>\$ 300,255</u>

The interfund payable in the special revenue fund is due to the general fund for cash advances to cover cash deficit caused by federal grant spending in advance of federal reimbursements that have not yet been received as of June 30. The general fund owes the food service fund for State and Federal lunch subsidies not yet turned over to the food service fund.

**NOTE 13: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2022-2023	\$7,115	\$34,982	27,376	\$414,822
2021-2022	\$355	\$558	-	\$400,101
2020-2021	\$410	\$11,613	\$14,842	\$399,188

**NOTE 14: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

The Board is not involved in any know claims or lawsuits. There are no outstanding judgments against the board as of June 30, 2023.

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 15: CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	\$ 3,566,875
Withdrawal	(368,730)
Deposits (PL 2007 c.62 (A1)) - June 12, 2023 Board Resolution	<u>722,000</u>
Ending balance June 30, 2023	<u>\$ 3,920,145</u>

**NOTE 16: MAINTENANCE RESERVE ACCOUNT**

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	<u>\$ 5,943</u>
Ending balance June 30, 2023	<u>\$ 5,943</u>

**NOTE 17: EMERGENCY RESERVE ACCOUNT**

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

The activity of the emergency reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	<u>\$ 250,000</u>
Ending balance June 30, 2023	<u>\$ 250,000</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 18: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$6,848,940 General Fund fund balance at June 30, 2023, \$12,824 is reserved for encumbrances; \$490,268 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$490,268 of the total reserve for excess surplus will be appropriated and included as anticipated revenue for the year ending June 30, 2025); \$250,000 is reserved for emergency reserve; \$3,920,144 is reserved in the Capital Reserve Account; \$5,943 is reserved in the Maintenance Reserve Account; \$996,875 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2024; \$399,188 is reserved for unemployment compensations; and \$773,698 is unreserved and undesignated.

**NOTE 19: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$490,268

**NOTE 20: TAX ABATEMENTS**

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**BUDGETARY COMPARISON SCHEDULES**

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 13,380,053		\$ 13,380,053	\$ 13,380,053	
Transportation	10,000		10,000	-	\$ (10,000)
Miscellaneous	25,000		25,000	138,165	113,165
<b>Total - Local Sources</b>	<b>13,415,053</b>	<b>-</b>	<b>13,415,053</b>	<b>13,518,218</b>	<b>103,165</b>
State Sources:					
Equalization Aid	1,088,107		1,088,107	1,088,107	
School Choice Aid	12,902		12,902	12,902	
Transportation Aid	24,106		24,106	24,106	
Special Education Aid	607,635		607,635	607,635	
Security Aid	79,019		79,019	79,019	
Supplemental Stabilization Aid		\$ 110,000	110,000	487,929	377,929
Extraordinary Aid				272,177	272,177
Non-Public Transportation Aid				11,856	11,856
TPAF Pension (On-Behalf - Non-Budgeted)				2,139,258	2,139,258
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				561,978	561,978
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				428	428
TPAF Social Security (Reimbursed - Non-Budgeted)				418,223	418,223
<b>Total State Sources</b>	<b>1,811,769</b>	<b>110,000</b>	<b>1,921,769</b>	<b>5,703,618</b>	<b>3,781,849</b>
<b>TOTAL REVENUES</b>	<b>15,226,822</b>	<b>110,000</b>	<b>15,336,822</b>	<b>19,221,836</b>	<b>3,885,014</b>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Grades 6-8 - Salaries of Teachers	1,164,058	16,833	1,180,891	1,108,930	71,961
Grades 9-12 - Salaries of Teachers	2,285,096	(12,094)	2,273,002	2,202,681	70,321
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	40,000	(32,000)	8,000	7,684	316
Purchased Professional-Educational Services	12,000		12,000	11,559	441
Other Purchased Services (400-500 series)	1,000		1,000		1,000
<b>Regular Programs - Undistributed Instruction:</b>					
Purchased Professional-Educational Services	10,000	25,260	35,260	34,880	380
Purchased Technical Services	461,430	(6,000)	455,430	401,562	53,868
Other Purchased Services (400-500 series)	40,500	(25,261)	15,239	1,745	13,494
General Supplies	271,108	(5,505)	265,603	208,965	56,638
Textbooks	6,600	5,500	12,100	2,735	9,365
Other Objects	5,500		5,500	2,386	3,114
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>4,297,292</b>	<b>(33,267)</b>	<b>4,264,025</b>	<b>3,983,127</b>	<b>280,898</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,228,670	(70,780)	1,157,890	1,108,089	49,801
Other Salaries for Instruction	164,473		164,473	164,473	
General Supplies	42,302		42,302	9,012	33,290
<b>Total Resource Room/Resource Center</b>	<b>1,435,445</b>	<b>(70,780)</b>	<b>1,364,665</b>	<b>1,281,574</b>	<b>83,091</b>
<b>Home Instruction:</b>					
Salaries of Teachers	6,500		6,500		6,500
Purchased Professional-Educational Services	5,000		5,000		5,000
<b>Total Home Instruction</b>	<b>11,500</b>		<b>11,500</b>		<b>11,500</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,446,945</b>	<b>(70,780)</b>	<b>1,376,165</b>	<b>1,281,574</b>	<b>94,591</b>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	148,848		148,848	148,848	
General Supplies	2,200		2,200		2,200
<b>Total Basic Skills/Remedial - Instruction</b>	<b>151,048</b>		<b>151,048</b>	<b>148,848</b>	<b>2,200</b>
<b>School-Spon. Co/Extra Curricular Actvts. - Inst.:</b>					
Salaries	172,502		172,502	171,931	571
Purchased Services (300-500 series)	14,380		14,380	4,363	10,017
Sup undistributed	19,937		19,937	5,786	14,151
Dues / Fees/ Adm	9,567		9,567	6,291	3,276
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>216,386</b>		<b>216,386</b>	<b>188,371</b>	<b>28,015</b>
<b>School-Spon. Athletics - Instruction:</b>					
Salaries	416,556	(3,700)	412,856	412,530	326
Purchased Services (300-500 series)	86,200	50,967	137,167	122,584	14,583
Sup undistributed	46,460	4,200	50,660	33,803	16,857
Dues / Fees/ Adm	22,115	317	22,432	21,309	1,123
<b>Total School-Spon. Athletics - Inst.</b>	<b>571,331</b>	<b>51,784</b>	<b>623,115</b>	<b>590,226</b>	<b>32,889</b>
<b>TOTAL INSTRUCTION</b>	<b>6,683,002</b>	<b>(52,263)</b>	<b>6,630,739</b>	<b>6,192,146</b>	<b>438,593</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEA's Within the State - Special	62,080		62,080	60,955	1,125
Tuition to County Voc. District - Regular	47,285		47,285	24,995	22,290
Tuition to Private Schools for the Disabled-Within State	355,937	(45,000)	310,937	141,593	169,344
<b>Total Instruction</b>	<b>465,302</b>	<b>(45,000)</b>	<b>420,302</b>	<b>227,543</b>	<b>192,759</b>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Attendance and Social Work:</b>					
Salaries	50,206		50,206	47,000	3,206
<b>Total Attendance and Social Work</b>	<u>50,206</u>		<u>50,206</u>	<u>47,000</u>	<u>3,206</u>
<b>Health Services:</b>					
Salaries	100,645	35,000	135,645	123,945	11,700
Purchased Professional and Technical Services	65,000		65,000	21,508	43,492
Other Purchased Services (400-500 series)	2,000		2,000		2,000
Supplies and Materials	5,000		5,000	1,991	3,009
<b>Total Health Services</b>	<u>172,645</u>	<u>35,000</u>	<u>207,645</u>	<u>147,444</u>	<u>60,201</u>
<b>Other Supp. Services Students-Related Services:</b>					
Purchased Professional - Educational Services	324,329		324,329	118,203	206,126
Supplies and Materials	550		550	353	197
<b>Total Other Supp. Services Students-Related Services</b>	<u>324,879</u>		<u>324,879</u>	<u>118,556</u>	<u>206,323</u>
<b>Other Supp. Services Students-Extra Services:</b>					
Purchased Professional - Educational Services	<u>157,707</u>	<u>90,648</u>	<u>248,355</u>	<u>236,682</u>	<u>11,673</u>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	442,955	1	442,956	437,196	5,760
Salaries of Secretarial and Clerical Assistants	47,322		47,322	47,322	
Other Purchased Prof. and Tech. Services	10,000		10,000	3,647	6,353
Supplies and Materials	14,500		14,500	13,630	870
<b>Total Other Supp. Services Students-Regular</b>	<u>514,777</u>	<u>1</u>	<u>514,778</u>	<u>501,795</u>	<u>12,983</u>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	216,543	(3,446)	213,097	197,047	16,050
Salaries of Secretarial and Clerical Assistants	48,303		48,303	48,303	
Misc. Pur Serv (400-500 series O/than Resid Costs)	53,939	(263)	53,676	9,187	44,489
Supplies and Materials	7,500	763	8,263	8,263	
<b>Total Other Supp. Services Students-Special</b>	<u>326,285</u>	<u>(2,946)</u>	<u>323,339</u>	<u>262,800</u>	<u>60,539</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Improvement of Instruction Services :</b>					
Salaries of Other Professional Staff	251,514		251,514	250,026	1,488
Other Objects	7,500		7,500	1,110	6,390
<b>Total Improvement of Instruction Services</b>	<b>259,014</b>		<b>259,014</b>	<b>251,136</b>	<b>7,878</b>
<b>Educational Media Services/School Library:</b>					
Salaries	79,094	1,914	81,008	81,008	
Salaries of Technology Coordinators	49,609		49,609	49,609	
Other Purchased Services (400-500 series)	9,900		9,900	9,550	350
Supplies and Materials	7,150	1,032	8,182	3,931	4,251
<b>Total Educational Media Services/School Library</b>	<b>145,753</b>	<b>2,946</b>	<b>148,699</b>	<b>144,098</b>	<b>4,601</b>
<b>Instructional Staff Training Services:</b>					
Purchased Professional-Educational Services	5,000		5,000	1,150	3,850
Other Purchased Services (400-500 series)	50,000		50,000	35,322	
Supplies and Materials	1,000		1,000		1,000
<b>Total Instructional Staff Training Services</b>	<b>56,000</b>		<b>56,000</b>	<b>36,472</b>	<b>4,850</b>
<b>Supp. Services - General Administration:</b>					
Salaries	278,170	(29,861)	248,309	241,619	6,690
Legal Services	32,000	41,619	73,619	73,619	
Audit Fees	20,049		20,049	20,049	
Other Purchased Professional Services	1,000	15,092	16,092	106	15,986
Purchased Technical Services	5,500		5,500	5,011	489
Communications/Telephone	40,000	(500)	39,500	19,133	20,367
BOE Other Purchased Services	1,000		1,000		1,000
Other Purchased Services (400-500 series)	23,100	(11,550)	11,550	2,067	9,483
General Supplies	5,500	500	6,000	5,953	47
BOE In-House Training/Meeting Supplies	500		500		500
Miscellaneous Expenditures	10,700	(300)	10,400	9,006	1,394
BOE Membership Dues and Fees	10,000	5,000	15,000	14,071	929
<b>Total Supp. Services - General Administration</b>	<b>427,519</b>	<b>20,000</b>	<b>447,519</b>	<b>390,634</b>	<b>56,885</b>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	155,664		155,664	120,188	35,476
Salaries of Other Professional Staff	163,564	1,488	165,052	165,052	
Salaries of Secretarial and Clerical Assistants	55,787	(4,518)	51,269	19,000	32,269
Other Purchased Services (400-500 series)	2,900	3,030	5,930	4,429	1,501
Supplies and Materials	2,000		2,000	1,752	248
Other Objects	400		400	66	334
<b>Total Support Services - School Administration</b>	<b>380,315</b>		<b>380,315</b>	<b>310,487</b>	<b>69,828</b>
<b>Central Services:</b>					
Salaries	233,186		233,186	233,186	
Purchased Professional Services	16,000		16,000	12,491	3,509
Supplies and Materials	2,000		2,000	1,995	5
Miscellaneous Expenditures	3,000		3,000	2,440	560
<b>Central Services</b>	<b>254,186</b>		<b>254,186</b>	<b>250,112</b>	<b>4,074</b>
<b>Admin. Information Technology:</b>					
Salaries	143,257		143,257	143,257	
Purchased Professional Services	1,125		1,125	350	775
Purchased Technical Services	12,705	6,000	18,705	175	18,530
<b>Admin. Information Technology</b>	<b>157,087</b>	<b>6,000</b>	<b>163,087</b>	<b>143,782</b>	<b>19,305</b>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	74,801	1	74,802	74,801	1
Cleaning, Repair, and Maintenance Services	178,000	13,442	191,442	173,939	17,503
General Supplies	85,000	(17,843)	67,157	54,324	12,833
Other Objects	1,200		1,200	1,065	135
<b>Total Required Maintenance for School Facilities</b>	<b>339,001</b>	<b>(4,400)</b>	<b>334,601</b>	<b>304,129</b>	<b>30,472</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	228,457	(17,077)	211,380	202,170	9,210
Cleaning, Repair and Maintenance Services	90,000	4,000	94,000	90,072	3,928
Other Purchased Property Services	4,000	57,563	61,563	48,739	12,824
Insurance	121,958	12,613	134,571	134,571	
Miscellaneous Purchased Services	3,000		3,000	604	2,396
General Supplies	41,000		41,000	24,089	16,911
Energy (Electricity)	150,000	17,077	167,077	167,077	
Energy (Oil)	130,000	64,850	194,850	180,125	14,725
Other Objects	200		200		200
<b>Total Other Operations and Maintenance of Plant</b>	<b>768,615</b>	<b>139,026</b>	<b>907,641</b>	<b>847,447</b>	<b>60,194</b>
<b>Care and Upkeep of Grounds:</b>					
Salaries	143,003	1,400	144,403	143,704	699
Supplies and Materials	75,000	3,000	78,000	75,472	2,528
<b>Total Care and Upkeep of Grounds</b>	<b>218,003</b>	<b>4,400</b>	<b>222,403</b>	<b>219,176</b>	<b>3,227</b>
<b>Undist. Expend. -Security</b>					
Salaries	202,155	12,000	214,155	208,431	5,724
Cleaning, Repair, and Maintenance Services	1,200		1,200	273	927
<b>Total Undist. Expend. -Security</b>	<b>203,355</b>	<b>12,000</b>	<b>215,355</b>	<b>208,704</b>	<b>6,651</b>



NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Student Transportation Services</b>					
Salaries of Non-Instructional Aides	1,400	(123)	1,277		1,277
Management Fees - ESC & CTSA Transportation Programs	20,000		20,000	19,938	62
Contract Services - Aid in Lieu of Payments-Nonpub.Sch.	45,000	14,123	59,123	59,123	
Contract Services - (Between Home and School) - Vendors	550,000	189,994	739,994	664,801	75,193
Contract Services (Other than Between Home & School)-Vendors	154,960		154,960	116,821	38,139
Contract Services - (Between Home and School) - Joint Agreements	7,000	2,801	9,801	9,061	740
Contract Services - (Spl. Ed. Students) - Vendors	45,000		45,000	23,230	21,770
Contracted Services (Special Education Students)-Joint Agrmnts.	1,000		1,000		1,000
Contract Services - (Regular Students) - ESCs & CTSA	105,000		105,000	66,375	38,625
Contract Services - (Special Ed. Students) - ESCs & CTSA	350,000	(168,359)	181,641	150,023	31,618
<b>Total Student Transportation Services</b>	<b>1,279,360</b>	<b>38,436</b>	<b>1,317,796</b>	<b>1,109,372</b>	<b>208,424</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	230,455	(40,000)	190,455	185,817	4,638
Other Retirement Contributions - Regular	147,175	37,022	184,197	184,197	
Unemployment Compensation	-		-	-	
Workmen's Compensation	96,484	(30,000)	66,484	62,346	4,138
Health Benefits	1,519,539	97,781	1,617,320	1,617,320	
Tuition Reimbursement	85,000		85,000	35,496	49,504
Other Employee Benefits	100,000	(97,661)	2,339		2,339
Unused Sick Payments to Terminated/Retired Staff	120,000	(113,034)	6,966	1,023	5,943
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>2,298,653</b>	<b>(145,892)</b>	<b>2,152,761</b>	<b>2,086,199</b>	<b>66,562</b>
On-behalf TPAF pension Contrib. (non-budgeted)				2,139,258	(2,139,258)
On-behalf TPAF PRM Contrib. (non-budgeted)				561,978	(561,978)
On-behalf TPAF pension Non-contributory Ins. (non-budgeted)				428	(428)
Reimbursed TPAF Social Security Contributions (non-budgeted)				418,223	(418,223)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>3,119,887</b>	<b>(3,119,887)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,298,653</b>	<b>(145,892)</b>	<b>2,152,761</b>	<b>5,206,086</b>	<b>(3,053,325)</b>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>8,798,662</b>	<b>150,219</b>	<b>8,948,881</b>	<b>10,963,455</b>	<b>(2,029,252)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>15,481,664</b>	<b>97,956</b>	<b>15,579,620</b>	<b>17,155,601</b>	<b>(1,575,981)</b>
<b>Facilities Acquisition and Construction Services</b>					
Purch Prof & Tech Serv					
Construction Services		368,731	368,731	364,892	3,839
Assessment for Debt Service on SDA Funding	3,400		3,400	3,400	
<b>Total Facilities Acquisition and Construction Services</b>	<b>3,400</b>	<b>368,731</b>	<b>372,131</b>	<b>368,292</b>	<b>3,839</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>3,400</b>	<b>368,731</b>	<b>372,131</b>	<b>368,292</b>	<b>3,839</b>
Transfer of Funds to Charter Schools	157,595	12,044	169,639	169,639	
<b>TOTAL EXPENDITURES</b>	<b>15,642,659</b>	<b>478,731</b>	<b>16,121,390</b>	<b>17,693,532</b>	<b>(1,572,142)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(415,837)</b>	<b>(368,731)</b>	<b>(784,568)</b>	<b>1,528,304</b>	<b>2,312,872</b>

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(415,837)	(368,731)	(784,568)	1,528,304	2,312,872
<b>Fund Balance, July 1</b>	5,500,373		5,500,373	5,500,373	
<b>Prior Period Adjustment</b>	-		-	-	-
<b>Fund Balance, July 1 (Restated)</b>	5,500,373		5,500,373	5,500,373	
<b>Fund Balance, June 30</b>	<b>\$ 5,084,536</b>	<b>(368,731)</b>	<b>\$ 4,715,805</b>	<b>\$ 7,028,677</b>	<b>\$ 2,312,872</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 3,920,144	
Maintenance Reserve				5,943	
Emergency Reserve				250,000	
Excess Surplus				490,268	
Unemployment Compensation				399,188	
<b>Assigned to:</b>					
Year-End Encumbrances				12,824	
Designated for Subsequent Year's Expenditures				996,875	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>953,435</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<b>\$ 7,028,677</b>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(179,737)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis B-2)</b>				<b><u>\$ 6,848,940</u></b>	

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources		\$ 214,287	\$ 214,287	\$ 214,287	-
State Sources	-	27,876	27,876	6,660	\$ (21,216)
Federal Sources	\$ 224,973	696,903	921,876	586,275	(335,601)
<b>Total Revenues</b>	<b>224,973</b>	<b>939,066</b>	<b>1,164,039</b>	<b>807,222</b>	<b>(356,817)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	5,500	(2,530)	2,970	2,970	
Purchased Professional & Technical Services		4,400	4,400	4,400	
Other Purchased Services		19,000	19,000	19,000	
Tuition	141,974	99,299	241,273	241,273	
General Supplies	19,907	8,844	28,751	22,216	6,535
<b>Total Instruction</b>	<b>167,381</b>	<b>129,013</b>	<b>296,394</b>	<b>289,859</b>	<b>6,535</b>
<b>Support Services</b>					
Other Salaries		103,160	103,160	103,160	
Purchased Professional Educational Services	20,281	30,271	50,552	50,552	
Other Purchased Services	37,311	276,305	313,616	13,260	300,356
Supplies and Materials		28,411	28,411	28,411	
Student Activities		242,020	242,020	242,020	
<b>Total Support Services</b>	<b>57,592</b>	<b>680,167</b>	<b>737,759</b>	<b>437,403</b>	<b>300,356</b>
<b>Facilities Acq. &amp; Construction Services:</b>					
Buildings		136,745	136,745	86,819	49,926
Non-Instructional Equipment		20,874	20,874	20,874	
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>157,619</b>	<b>157,619</b>	<b>107,693</b>	<b>49,926</b>
Total Expenditures	224,973	966,799	1,191,772	834,955	356,817
<b>Total Outflows</b>	<b>\$ 224,973</b>	<b>\$ 966,799</b>	<b>\$ 1,191,772</b>	<b>\$ 834,955</b>	<b>\$ 356,817</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
		(27,733)	(27,733)	(27,733)	
<b>Fund Balance Beginning</b>				60,037	
<b>Prior Period Adjustment *</b>				-	
<b>Fund Balance Beginning (Restated)</b>				60,037	
<b>Fund Balance Ending</b>				<u>\$ 32,304</u>	
<b>Recapitulation:</b>					
Restricted:					
Student Activities				\$ 32,304	
Total Fund Balance				<u>\$ 32,304</u>	

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

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
	<u>          </u>	<u>          </u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$19,221,836	\$807,222
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	N/A
Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes	272,433	N/A
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(179,737)</u>	<u>N/A</u>
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	 <u>\$19,314,532</u>	 <u>\$ 807,222</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$17,693,532	\$834,955
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	<u>N/A</u>	<u>N/A</u>
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	 <u>\$17,693,532</u>	 <u>\$ 834,955</u>

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

**Exhibit L-3**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 31,121,535	\$ 30,315,696	\$ 41,871,449	\$ 39,147,890	\$ 40,999,121	\$ 48,823,841	\$ 57,564,524	\$ 46,015,696	\$ 38,648,263	\$ 36,203,413
Total	\$ 31,121,535	\$ 30,315,696	\$ 41,871,449	\$ 39,147,890	\$ 40,999,121	\$ 48,823,841	\$ 57,564,524	\$ 46,015,696	\$ 38,648,263	\$ 36,203,413
District's covered employee payroll	\$ 5,728,826	\$ 5,558,527	\$ 6,253,686	\$ 6,851,283	\$ 7,117,519	\$ 6,841,384	\$ 6,301,664	\$ 7,583,124	\$ 7,926,962	\$ 7,859,596
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**Exhibit L-1**

**Public Employees' Retirement System (PERS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01346%	0.01351%	0.01448%	0.01485%	0.01500%	0.01347%	0.01578%	0.15779%	0.01375%	0.01444%
District's proportionate share of the net pension liability (asset)	\$ 2,031,215	\$ 1,599,877	\$ 2,361,207	\$ 2,675,990	\$ 2,953,276	\$ 3,136,551	\$ 4,673,174	\$ 3,326,760	\$ 2,573,694	\$ 2,759,303
District's covered employee payroll	\$ 1,156,851	\$ 1,069,526	\$ 1,059,282	\$ 1,033,924	\$ 1,044,630	\$ 1,053,014	\$ 982,965	\$ 1,447,595	\$ 1,518,318	\$ 1,383,440
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	175.58%	149.59%	222.91%	258.82%	282.71%	297.86%	475.42%	229.81%	169.51%	199.45%
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 5,728,826	\$ 5,558,527	\$ 6,253,686	\$ 6,851,283	\$ 7,117,519	\$ 6,841,384	\$ 6,301,664	\$ 7,583,124	\$ 7,926,962	\$ 7,859,596
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 184,197	\$ 143,693	\$ 158,397	\$ 145,573	\$ 150,358	\$ 127,440	\$ 141,668	\$ 127,411	\$ 113,323	\$ 108,784
Contributions in relation to the contractually required contribution	(184,197)	(143,693)	(158,397)	(145,573)	(150,358)	(127,440)	(141,668)	(127,411)	(113,323)	(108,784)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 1,156,851	\$ 1,069,526	\$ 1,059,282	\$ 1,033,924	\$ 1,044,630	\$ 1,053,014	\$ 982,965	\$ 1,447,595	\$ 1,518,318	\$ 1,383,440
Contributions as a percentage of covered-employee payroll	15.92%	13.44%	14.95%	14.08%	14.39%	12.10%	14.41%	8.80%	7.46%	7.86%

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

Exhibit M-1

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

<u>The State of New Jersey's Total OPEB Liability</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)					
Benefit Payments	(13,586,368,097)	59,202,205	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521			
<b>Net change in total OPEB liability</b>	<b>(9,361,188,004)</b>	<b>(7,802,311,638)</b>	<b>26,080,881,563</b>	<b>(4,381,751,937)</b>	<b>(7,529,008,876)</b>	<b>(4,191,942,326)</b>	<b>10,982,132,360</b>			
<b>Total OPEB Liability - Beginning</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	<b>\$ 46,849,651,824</b>			
<b>Total OPEB Liability - Ending</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's total OPEB liability **</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	<b>\$ 32,859,903</b>	<b>\$ 39,680,841</b>	<b>\$ 47,012,605</b>	<b>\$ 29,357,148</b>	<b>\$ 32,848,709</b>	<b>\$ 38,377,078</b>	<b>\$ 41,824,071</b>			
<b>The District's proportionate share of the total OPEB liability</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>			
<b>District's covered employee payroll</b>	<b>\$ 6,885,677</b>	<b>\$ 6,628,053</b>	<b>\$ 7,312,968</b>	<b>\$ 7,885,207</b>	<b>\$ 8,162,149</b>	<b>\$ 7,894,398</b>	<b>\$ 7,284,629</b>			
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>			
<b>District's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>			
<b>State's covered employee payroll ***</b>	<b>\$ 14,753,355,408</b>	<b>\$ 14,425,669,769</b>	<b>\$ 14,267,738,657</b>	<b>\$ 13,929,083,479</b>	<b>\$ 13,640,275,833</b>	<b>\$ 13,493,400,208</b>	<b>\$ 13,493,400,208</b>			
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>343.29%</b>	<b>415.98%</b>	<b>475.27%</b>	<b>299.58%</b>	<b>338.05%</b>	<b>397.53%</b>	<b>428.59%</b>			

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

\*\*\* Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

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



NORTH WARREN REGIONAL SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2023

**Teachers' Pension and Annuity Fund (TPAF)**

**Pension Schedules**

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

*Changes of assumptions.* Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

**OPEB Schedules**

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**Public Employees' Retirement System (PERS)**

**Pension Schedules**

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

*Changes of assumptions.* Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

**OPEB Schedules**

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2023

	Title II (A)	Title IV	CRRSA ESSER II	CRRSA Learn	CRRSA Mental	ARP ACSERS	ARP ESSER III	ARP Learn	ARP Beyond Sch	ARP Mental	IDEA Part B	NJ Climate Pilot	Student Activity	Totals
<b>REVENUES</b>														
Local Sources													\$ 214,287	\$ 214,287
State Sources												\$ 6,660		6,660
Federal Sources	\$ 17,959	\$ 5,877	\$ 118,218	\$ 12,453	\$ 6,047	\$ 43,258	\$ 182,910	\$ 6,656	\$ 19,000	\$ (24,118)	\$ 198,015			586,275
<b>TOTAL REVENUES</b>	<b>17,959</b>	<b>5,877</b>	<b>118,218</b>	<b>12,453</b>	<b>6,047</b>	<b>43,258</b>	<b>182,910</b>	<b>6,656</b>	<b>19,000</b>	<b>(24,118)</b>	<b>198,015</b>	<b>6,660</b>	<b>214,287</b>	<b>807,222</b>
<b>EXPENDITURES:</b>														
<b>Instruction:</b>														
Salaries of Teachers							2,970							2,970
Purchased Professional & Technical Services	4,400													4,400
Other Purchased Services									19,000					19,000
Tuition						43,258					198,015			241,273
General Supplies				8,900				6,656				6,660		22,216
<b>Total Instruction</b>	<b>4,400</b>			<b>8,900</b>		<b>43,258</b>	<b>2,970</b>	<b>6,656</b>	<b>19,000</b>		<b>198,015</b>	<b>6,660</b>		<b>289,859</b>
<b>Support Services:</b>														
Other Salaries							103,160							103,160
Purchased Professional Educational Services	(2,500)	5,500	4,499	3,553			71,424			(31,924)				50,552
Other Purchased Services	700		6,513		6,047									13,260
Supplies and Materials	15,359	377	3,469				1,400			7,806				28,411
Student Activities													242,020	242,020
<b>Total Support Services</b>	<b>13,559</b>	<b>5,877</b>	<b>14,481</b>	<b>3,553</b>	<b>6,047</b>		<b>175,984</b>			<b>(24,118)</b>			<b>242,020</b>	<b>437,403</b>
<b>Facilities Acq. &amp; Construction Services:</b>														
Buildings			82,863				3,956							86,819
Non-Instructional Equipment			20,874											20,874
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>103,737</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,956</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,693</b>
<b>TOTAL EXPENDITURES</b>	<b>17,959</b>	<b>5,877</b>	<b>118,218</b>	<b>12,453</b>	<b>6,047</b>	<b>43,258</b>	<b>182,910</b>	<b>6,656</b>	<b>19,000</b>	<b>(24,118)</b>	<b>198,015</b>	<b>6,660</b>	<b>242,020</b>	<b>834,955</b>
<b>Total Outflows</b>	<b>\$ 17,959</b>	<b>\$ 5,877</b>	<b>\$ 118,218</b>	<b>\$ 12,453</b>	<b>\$ 6,047</b>	<b>\$ 43,258</b>	<b>\$ 182,910</b>	<b>\$ 6,656</b>	<b>\$ 19,000</b>	<b>\$ (24,118)</b>	<b>\$ 198,015</b>	<b>\$ 6,660</b>	<b>\$ 242,020</b>	<b>\$ 834,955</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,733)</b>	<b>(27,733)</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,037</b>	<b>60,037</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,037</b>	<b>60,037</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 32,304</b>	<b>\$ 32,304</b>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

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

N/A

**PROPRIETARY FUND  
DETAIL STATEMENTS**

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

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

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

**FIDUCIARY FUND  
DETAIL STATEMENTS**

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

N/A

## **LONG-TERM DEBT SCHEDULES**

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



NORTH WARREN REGIONAL SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>LEASE TERM</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>AMOUNT OUTSTANDING 7/1/2022</u>	<u>ADDITIONAL OBLIGATIONS INCURRED</u>	<u>RETIRED CURRENT YEAR PRINCIPAL PAYMENTS</u>	<u>AMOUNT OUTSTANDING 6/30/2023</u>
Copier Equipment - Admin Office	4.65%	4 Years	81,928	\$ 5,579		\$ 5,579	-
<b>Total</b>				<b>\$ 5,579</b>	<b>\$ -</b>	<b>\$ 5,579</b>	<b>-</b>

North Warren Regional School District  
**Statistical Section**

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

**Sources:**

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

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

**Exhibit J-1**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 7,830,857	\$ 7,347,048	\$ 7,150,031	\$ 7,007,910	\$ 7,024,396	\$ 6,682,627	\$ 7,400,715	\$ 6,914,206	\$ 8,163,402	\$ 7,815,657
Restricted	422,104	152,252	136,194	748,072	581,535	869,726	1,759,234	4,229,903	4,697,880	6,094,722
Unrestricted	(953,554)	(3,613,789)	(2,942,801)	(3,297,627)	(3,606,279)	(3,734,270)	(3,685,467)	(2,763,051)	(2,109,197)	(1,514,381)
<b>Total governmental activities Net Position</b>	<b>\$ 7,299,407</b>	<b>\$ 3,885,511</b>	<b>\$ 4,343,424</b>	<b>\$ 4,458,355</b>	<b>\$ 3,999,652</b>	<b>\$ 3,818,083</b>	<b>\$ 5,474,482</b>	<b>\$ 8,381,058</b>	<b>\$ 10,752,085</b>	<b>\$ 12,395,998</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 29,343	\$ 29,215	\$ 52,168	\$ 87,146	\$ 67,481	\$ 47,817	\$ 33,948	\$ 20,078	\$ 6,845	\$ -
Restricted		-	-	-	-	-	-	-	-	-
Unrestricted	127,604	131,875	96,292	63,872	43,181	9,490	55,204	45,719	117,590	\$ 120,229
<b>Total business-type activities Net Position</b>	<b>\$ 156,947</b>	<b>\$ 161,090</b>	<b>\$ 148,460</b>	<b>\$ 151,018</b>	<b>\$ 110,662</b>	<b>\$ 57,307</b>	<b>\$ 89,152</b>	<b>\$ 65,797</b>	<b>\$ 124,435</b>	<b>\$ 120,229</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 7,860,200	\$ 7,376,263	\$ 7,202,399	\$ 7,095,056	\$ 7,091,877	\$ 6,730,444	\$ 7,434,663	\$ 6,934,284	\$ 8,170,247	\$ 7,815,657
Restricted	422,104	152,252	136,194	748,072	581,535	869,726	1,759,234	4,229,903	4,697,880	6,094,722
Unrestricted	(825,950)	(3,481,914)	(2,846,509)	(3,233,755)	(3,563,098)	(3,724,780)	(3,630,263)	(2,717,332)	(1,991,607)	(1,394,152)
<b>Total district Net Position</b>	<b>\$ 7,456,354</b>	<b>\$ 4,046,601</b>	<b>\$ 4,491,884</b>	<b>\$ 4,609,373</b>	<b>\$ 4,110,314</b>	<b>\$ 3,875,390</b>	<b>\$ 5,563,634</b>	<b>\$ 8,446,855</b>	<b>\$ 10,876,520</b>	<b>\$ 12,516,227</b>

Source: ACFR Schedule A-1

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

**Exhibit J-2**

	2014		2015		2016		2017		Fiscal Year Ending June 30,		2018		2019		2020		2021		2022		2023	
<b>Expenses</b>																						
Governmental activities																						
Instruction																						
Regular	\$	6,883,697	\$	7,765,856	\$	8,062,619	\$	8,781,821	\$	9,443,741	\$	8,480,801	\$	7,528,662	\$	7,255,233	\$	6,298,753	\$	5,695,590		
Special education		1,619,468		1,862,106		1,866,507		2,034,902		2,192,137		2,220,051		2,015,108		2,218,157		1,689,238		1,661,093		
Other special education		233,090		249,533		126,032		153,916		158,790		150,081		199,147		127,971		208,890		192,927		
Other instruction		969,350		1,110,442		1,212,037		1,318,354		1,230,327		1,215,325		1,117,400		973,418		1,019,944		1,009,167		
Support Services:																						
Tuition		860,130		1,023,509		1,257,307		1,303,086		1,417,070		1,226,184		480,028		538,580		334,396		227,543		
Student & instruction related services		2,130,674		2,538,211		2,531,391		2,905,644		3,202,165		2,989,665		2,726,089		2,957,994		2,672,070		2,829,964		
General administrative services		1,045,811		1,190,447		1,285,934		1,314,672		1,375,771		1,190,346		1,139,350		1,347,210		1,080,123		1,027,701		
School administrative services		1,090,029		1,172,400		1,146,680		1,073,217		1,008,958		790,953		840,053		963,972		549,653		402,433		
Plant operations and maintenance		1,763,828		1,891,301		1,629,739		2,218,579		2,281,040		2,238,857		2,031,088		1,967,462		1,804,039		2,057,283		
Pupil transportation		1,024,765		1,027,473		1,075,286		1,180,055		1,244,460		1,377,070		1,235,193		797,399		1,014,742		1,131,353		
Interest on long-term debt		-		-		-		-		-		-		-		-		-		-		
Unallocated depreciation		433,018		276,836		276,553		302,085		336,421		341,086		460,376		466,235		626,363		664,293		
Total governmental activities expenses		18,053,860		20,108,114		20,470,085		22,586,331		23,890,680		22,220,419		19,772,494		19,613,631		17,298,211		16,899,347		
Business-type activities:																						
Food service		297,957		305,074		301,571		304,455		265,629		295,979		193,995		68,622		325,642		274,322		
Total business-type activities expense		297,957		305,074		301,571		304,455		265,629		295,979		193,995		68,622		325,642		274,322		
Total district expenses	\$	18,351,817	\$	20,413,188	\$	20,771,656	\$	22,890,786	\$	24,156,309	\$	22,516,398	\$	19,966,489	\$	19,682,253	\$	17,623,853	\$	17,173,669		
<b>Program Revenues</b>																						
Governmental activities:																						
Charges for services:																						
Instruction (regular & special education)	\$	76,298	\$	64,206	\$	55,752	\$	45,788	\$	13,187	\$	66,012	\$	3,700	\$	26,795	\$	155,844	\$	214,287		
Business and other support services																						
Operating grants and contributions		6,750,029		8,784,516		9,524,620		10,974,995		11,507,262		9,496,638		8,329,889		9,487,139		6,362,601		4,810,755		
Capital grants and contributions																						
Total governmental activities program revenues		6,826,327		8,848,722		9,580,372		11,020,783		11,520,449		9,562,650		8,333,589		9,513,934		6,518,445		5,025,042		
Business-type activities:																						
Charges for services																						
Food service		258,340		242,422		240,105		232,868		180,117		196,100		143,670		350		62,402		161,147		
Operating grants and contributions		47,552		48,659		48,438		65,134		44,017		46,087		31,963		44,897		321,845		106,895		
Capital grants and contributions		-		-		-		-		-		-		-		-		-		-		
Total business type activities program revenues		305,892		291,081		288,543		298,002		224,134		242,187		175,633		45,247		384,247		268,042		
Total district program revenues	\$	7,132,219	\$	9,139,803	\$	9,868,915	\$	11,318,785	\$	11,744,583	\$	9,804,837	\$	8,509,222	\$	9,559,181	\$	6,902,692	\$	5,293,084		
<b>Net (Expense)/Revenue</b>																						
Governmental activities	\$	(11,227,533)	\$	(11,259,392)	\$	(10,889,713)	\$	(11,565,548)	\$	(12,370,231)	\$	(12,657,769)	\$	(11,438,905)	\$	(10,099,697)	\$	(10,779,766)	\$	(11,874,305)		
Business-type activities		7,935		(13,993)		(13,028)		(6,453)		(41,495)		(53,792)		(18,362)		(23,375)		58,605		(6,280)		
Total district-wide net expense	\$	(11,219,598)	\$	(11,273,385)	\$	(10,902,741)	\$	(11,572,001)	\$	(12,411,726)	\$	(12,711,561)	\$	(11,457,267)	\$	(10,123,072)	\$	(10,721,161)	\$	(11,880,585)		

-Continued-

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

**Exhibit J-2**

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,623,032	\$ 10,755,574	\$ 11,317,236	\$ 11,654,305	\$ 11,887,390	\$ 12,361,101	\$ 12,608,323	\$ 12,860,489	\$ 13,117,699	\$ 13,380,053
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Tuition Received										
Investment earnings	3,022	2,041	3,294	10,448	20,814	29,262	27,652	10,339	18,458	130,871
Miscellaneous income	34,109	36,208	27,096	15,726	3,224	85,837	20,488	135,445	14,636	7,294
Federal/State Aid for Capital Assets Projects										
Transfers										
Total governmental activities	<u>10,660,163</u>	<u>10,793,823</u>	<u>11,347,626</u>	<u>11,680,479</u>	<u>11,911,428</u>	<u>12,476,200</u>	<u>12,656,463</u>	<u>13,006,273</u>	<u>13,150,793</u>	<u>13,518,218</u>
Business-type activities:										
Miscellaneous Income	4,845	18,137	398	9,011	1,139	437	207	20	33	2,074
Transfers										
Total business-type activities	<u>4,845</u>	<u>18,137</u>	<u>398</u>	<u>9,011</u>	<u>1,139</u>	<u>437</u>	<u>207</u>	<u>20</u>	<u>33</u>	<u>2,074</u>
Total district-wide	<u>\$ 10,665,008</u>	<u>\$ 10,811,960</u>	<u>\$ 11,348,024</u>	<u>\$ 11,689,490</u>	<u>\$ 11,912,567</u>	<u>\$ 12,476,637</u>	<u>\$ 12,656,670</u>	<u>\$ 13,006,293</u>	<u>\$ 13,150,826</u>	<u>\$ 13,520,292</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (567,370)	\$ (465,569)	\$ 457,913	\$ 114,931	\$ (458,803)	\$ (181,569)	\$ 1,217,558	\$ 2,906,576	\$ 2,371,027	\$ 1,643,913
Business-type activities	12,780	4,144	(12,630)	2,558	(40,356)	(53,355)	(18,155)	(23,355)	58,638	(4,206)
Total district	<u>\$ (554,590)</u>	<u>\$ (461,425)</u>	<u>\$ 445,283</u>	<u>\$ 117,489</u>	<u>\$ (499,159)</u>	<u>\$ (234,924)</u>	<u>\$ 1,199,403</u>	<u>\$ 2,883,221</u>	<u>\$ 2,429,665</u>	<u>\$ 1,639,707</u>

Source: ACFR Schedule A-2

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

**Exhibit J-3**

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 462,603	\$ 164,206	\$ 194,638	\$ 748,048	\$ 581,535	\$ 869,726	\$ 1,657,950	\$ 4,153,476	\$ 4,637,843	\$ 6,075,242
Unreserved	(541,896)	(539,147)	31,504	20,038	(228,210)	(291,105)	(343,983)	461,540	590,097	773,698
Total general fund	<u>\$ (79,293)</u>	<u>\$ (374,941)</u>	<u>\$ 226,142</u>	<u>\$ 768,086</u>	<u>\$ 353,325</u>	<u>\$ 578,621</u>	<u>\$ 1,313,967</u>	<u>\$ 4,615,016</u>	<u>\$ 5,227,940</u>	<u>\$ 6,848,940</u>
All Other Governmental Funds										
Reserved							\$ 101,284	\$ 76,428	\$ 60,037	\$ 32,304
Unreserved, reported in:										
Special revenue fund							-	-	-	-
Capital projects fund	\$ 24	\$ 24	\$ 24	\$ 24			-	-	-	-
Debt service fund							-	-	-	-
Total all other governmental funds	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>-</u>	<u>-</u>	<u>\$ 101,284</u>	<u>\$ 76,428</u>	<u>\$ 60,037</u>	<u>\$ 32,304</u>

Source: ACFR Schedule B-1

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

**Exhibit J-4**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Tax levy	\$ 10,623,032	\$ 10,755,574	\$ 11,317,236	\$ 11,654,305	\$ 11,887,390	\$ 12,361,101	\$ 12,608,323	\$ 12,860,489	\$ 13,117,699	\$ 13,380,053
Tuition charges	8,706	-	-	-	-	61,500	-	-	-	-
Transportation	67,592	64,206	55,752	45,788	13,187	4,512	3,700	2,775	-	-
Interest earnings	201	148	145	-	-	-	-	-	-	-
Miscellaneous	36,930	38,101	30,245	26,174	24,038	115,099	48,140	169,804	188,938	352,452
State sources	6,430,812	6,780,889	6,959,574	7,139,987	7,267,829	7,330,621	7,156,946	7,015,556	6,566,442	5,802,974
Federal sources	319,217	317,597	341,245	326,453	317,433	353,748	350,599	281,778	525,194	586,275
<b>Total revenue</b>	<b>17,486,490</b>	<b>17,956,515</b>	<b>18,704,197</b>	<b>19,192,707</b>	<b>19,509,877</b>	<b>20,226,581</b>	<b>20,167,708</b>	<b>20,330,402</b>	<b>20,398,273</b>	<b>20,121,754</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,030,400	5,064,262	4,917,661	4,837,816	5,239,609	5,266,443	4,913,412	4,132,286	4,282,468	4,272,986
Special education instruction	1,212,208	1,231,303	1,150,636	1,126,207	1,232,865	1,390,972	1,332,651	1,284,210	1,174,759	1,281,574
Other special instruction	174,473	165,002	77,694	85,184	89,304	94,033	131,702	74,089	145,270	148,848
Other instruction	725,580	734,271	747,178	729,637	691,940	761,461	738,970	563,564	709,307	778,597
<b>Support Services:</b>										
Tuition	860,130	1,023,509	1,257,307	1,303,086	1,417,070	1,226,184	480,028	538,580	334,396	227,543
Student & instruction related services	1,594,857	1,678,372	1,560,514	1,608,115	1,800,739	1,873,173	1,802,844	1,712,541	1,858,257	2,183,386
School Administrative services	815,911	775,240	706,888	593,967	567,441	495,571	555,552	558,095	382,249	310,487
General administrative services	777,330	783,724	789,274	723,817	769,521	741,535	747,700	774,111	743,270	784,528
Plant operations and maintenance	1,305,863	1,241,547	995,592	1,217,928	1,271,788	1,391,524	1,328,020	1,123,675	1,244,127	1,579,456
Pupil transportation	1,017,488	1,022,895	1,070,696	1,175,036	1,238,863	1,371,395	1,227,513	789,621	994,022	1,109,372
Business and other support services										
Unallocated employee benefits	3,824,044	4,130,048	4,522,847	4,815,865	5,035,871	5,147,728	4,921,818	5,240,497	5,814,655	5,206,086
Charter Schools	181,788	218,620	157,496	232,965	124,272	237,866	250,318	186,023	106,406	169,639
Capital outlay	196,685	183,370	149,331	201,140	445,379	3,400	1,353,841	76,917	2,012,554	475,985
<b>Debt service:</b>										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>17,716,757</b>	<b>18,252,163</b>	<b>18,103,114</b>	<b>18,650,763</b>	<b>19,924,662</b>	<b>20,001,285</b>	<b>19,784,369</b>	<b>17,054,209</b>	<b>19,801,740</b>	<b>18,528,487</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(230,267)</b>	<b>(295,648)</b>	<b>601,083</b>	<b>541,944</b>	<b>(414,785)</b>	<b>225,296</b>	<b>383,339</b>	<b>3,276,193</b>	<b>596,533</b>	<b>1,593,267</b>
<b>Other Financing Sources (uses)</b>										
Bond proceeds										
Temporary Note Redemption	-	-								
Transfers in/(out)							(50,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (230,267)</b>	<b>\$ (295,648)</b>	<b>\$ 601,083</b>	<b>\$ 541,944</b>	<b>\$ (414,785)</b>	<b>\$ 225,296</b>	<b>\$ 333,339</b>	<b>\$ 3,276,193</b>	<b>\$ 596,533</b>	<b>\$ 1,593,267</b>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest</u> <u>Earned</u> <u>on Capital</u> <u>Reserve</u> <u>Funds</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Transportation</u> <u>Fees</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 2,880	\$ 142	\$ 2,590	\$ 67,592	\$ 2,634	\$ 8,706	\$ 26,986	\$ 111,530
2015	1,893	148	1,019	64,206	-	-	25,189	92,455
2016	3,294	145	450	55,752	-	-	26,501	86,142
2017	10,166	282	11,291	45,788	-	-	3,135	70,662
2018	20,065	749	3,217	13,187	-	-	687	37,905
2019	29,262	-	84,988	4,512	-	61,500	849	181,111
2020	27,652	-	6,372	3,700	-	-	15	37,739
2021	10,339	-	135,445	2,775	-	-	-	148,559
2022	18,458	-	14,636	-	-	-	-	33,094
2023	130,871	-	390	-	-	-	6,904	138,165

SOURCE: District Records



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

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2014	\$17,324,800	\$554,018,900	\$74,566,200	\$2,146,300	\$60,606,200	\$7,426,000	-	\$814,057,450	\$95,984,317	\$1,984,733	\$718,073,133	\$0.703	\$747,038,890
2015	17,534,500	553,802,200	73,824,500	2,129,800	59,922,200	7,506,300	-	812,711,502	95,881,017	2,110,985	716,830,485	0.755	712,612,284
2016	16,459,000	553,436,700	74,089,900	2,161,200	58,825,700	7,506,300	-	810,249,679	95,338,017	2,432,862	714,911,662	0.778	719,403,395
2017	16,383,200	554,080,200	73,348,600	2,154,600	58,811,400	7,406,800	-	811,128,643	96,664,417	2,279,426	714,464,226	0.769	721,829,604
2018	16,149,900	554,611,400	72,389,300	2,117,000	58,729,300	7,406,800	-	808,683,577	94,990,933	2,288,944	713,692,644	0.757	709,362,651
2019	16,014,700	553,340,800	72,772,000	2,121,500	59,326,400	7,406,800	-	808,696,405	95,364,233	2,349,972	713,332,172	0.837	698,104,592
2020	16,363,100	551,619,900	73,095,300	2,114,400	59,362,200	7,664,000	-	806,090,845	93,528,633	2,343,312	712,562,212	0.873	726,196,562
2021	15,296,300	551,828,700	70,930,500	2,104,000	58,437,100	7,664,000	-	804,777,492	95,922,033	2,594,859	708,855,459	0.873	727,192,468
2022	13,964,700	551,227,100	71,348,400	2,081,000	58,506,100	7,664,000	-	804,574,223	97,266,233	2,516,690	707,307,990	0.913	728,556,641
2023	14,143,600	551,886,500	70,545,600	2,047,200	58,401,800	7,664,000	-	806,011,794	98,936,833	2,386,261	707,074,961	0.913	788,832,953

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2014	\$5,515,900	\$191,028,400	\$74,521,500	\$2,385,200	\$19,708,678	-	-	\$324,444,214	\$30,688,540	\$595,996	\$293,755,674	\$0.739	\$328,448,574
2015	5,309,800	190,137,200	74,509,500	2,359,900	19,695,878	-	-	323,297,669	30,688,540	596,851	292,609,129	0.755	295,544,328
2016	5,725,100	189,281,500	74,232,400	2,348,200	19,375,178	-	-	323,025,633	31,577,140	486,115	291,448,493	0.718	291,646,351
2017	5,132,100	129,084,000	71,205,900	2,319,300	19,375,178	-	-	260,128,524	32,544,540	467,506	290,583,984	0.694	276,619,093
2018	4,860,300	191,901,400	72,260,200	2,306,800	19,375,178	-	-	324,159,163	32,974,040	481,245	291,185,123	0.723	278,427,549
2019	4,335,500	192,630,300	71,003,900	2,305,000	19,616,678	-	-	323,375,740	32,974,040	510,322	290,401,700	0.771	276,716,136
2020	3,893,900	191,930,400	72,006,600	2,264,400	19,581,578	-	-	323,612,559	33,421,440	514,241	290,191,119	0.755	287,386,828
2021	3,814,900	192,315,500	71,001,200	2,375,600	19,515,178	-	-	323,134,359	33,597,740	514,241	289,536,619	0.662	285,112,709
2022	4,191,800	192,518,000	70,809,500	2,351,600	19,415,178	-	-	324,214,359	34,414,040	514,241	289,800,319	0.660	279,243,888
2023	4,488,900	193,968,900	70,045,800	2,296,400	19,311,878	-	-	325,373,205	34,652,420	608,907	290,720,785	0.660	294,989,723

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

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

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <b>a</b>	Net Valuation Taxable	Total Direct School Tax Rate <b>b</b>	Estimated Actual (County Equalized Value)
2014	\$5,640,900	\$111,075,050	\$38,132,600	\$1,040,900	\$705,700	\$627,000	-	\$227,339,808	\$69,638,300	\$479,358	\$157,701,508	\$0.911	\$194,779,597
2015	5,555,700	112,159,350	37,735,800	1,005,600	705,700	627,000	-	227,917,499	69,638,300	490,049	158,279,199	1.019	186,361,299
2016	5,894,900	113,171,150	37,252,000	916,650	705,700	627,000	-	229,741,582	70,571,100	603,082	159,170,482	1.133	187,209,847
2017	5,384,300	112,005,350	37,710,800	1,002,050	705,700	627,000	-	228,536,194	70,571,100	529,894	157,965,094	1.087	185,060,822
2018	4,913,000	110,817,150	38,799,000	990,550	705,700	627,000	-	228,526,211	71,131,700	542,111	157,394,511	1.054	184,578,807
2019	4,790,800	110,631,850	39,888,600	945,350	705,700	627,000	-	229,964,306	71,798,200	576,806	158,166,106	1.000	183,541,516
2020	4,564,200	109,432,850	40,487,600	937,600	705,700	627,000	-	229,793,721	72,485,800	552,971	157,307,921	1.013	190,664,492
2021	4,540,700	109,533,450	40,175,300	968,600	705,700	627,000	-	230,284,542	73,145,300	588,492	157,139,242	1.249	198,644,896
2022	4,198,700	108,901,150	40,604,700	939,000	705,700	627,000	-	230,383,742	73,819,000	588,492	156,564,742	1.219	199,820,243
2023	3,909,400	110,082,100	40,732,100	1,100,800	705,700	627,000	-	231,732,692	73,987,100	588,492	157,745,592	1.219	207,846,691

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

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

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <b>a</b>	Net Valuation Taxable	Total Direct School Tax Rate <b>b</b>	Estimated Actual (County Equalized Value)
2014	\$6,230,100	\$195,036,500	\$33,034,500	\$2,731,740	\$20,720,500	-	\$665,700	\$285,904,453	\$26,769,700	\$715,713	\$259,134,753	\$0.812	\$324,354,292
2015	6,051,000	195,127,800	33,526,200	2,756,940	20,654,700	-	665,700	286,246,112	26,683,700	780,072	259,562,412	0.908	306,839,048
2016	5,722,900	194,371,100	34,050,200	2,766,640	20,003,800	-	665,700	285,246,159	26,737,500	928,319	258,508,659	0.945	300,125,043
2017	5,934,500	194,680,700	33,861,300	2,749,640	20,093,900	-	665,700	285,796,298	26,940,600	869,958	304,702,339	1.002	300,125,043
2018	6,303,700	194,568,700	33,981,500	2,715,740	19,541,700	-	665,700	285,781,507	27,150,900	853,567	258,630,607	1.081	312,078,626
2019	6,321,600	194,206,300	33,713,800	2,698,740	19,960,700	-	665,700	285,969,431	27,514,500	888,091	258,454,931	1.096	311,529,335
2020	5,953,100	194,233,800	33,876,500	2,694,940	19,941,900	-	665,700	285,474,591	27,186,000	922,651	258,288,591	1.116	306,987,140
2021	4,533,900	194,887,700	33,206,700	2,704,640	19,941,900	\$2,189,300	665,700	287,004,282	27,917,300	957,142	259,086,982	1.116	330,579,537
2022	4,465,600	196,924,800	31,809,400	2,648,740	19,670,400	2,189,300	665,700	288,007,911	28,683,200	950,771	259,324,711	1.190	326,838,490
2023	4,623,900	195,589,700	33,095,600	2,675,240	19,335,200	2,189,300	665,700	287,793,911	28,713,000	906,271	259,080,911	1.190	352,614,257

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

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

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Blairstown Township School District	Blairstown Township	Warren County	
2014	\$0.693	\$0.000	\$0.693	\$0.720	\$0.015	\$0.739	\$2.167
2015	\$0.703	\$0.000	\$0.703	\$0.742	\$0.020	\$0.766	\$2.231
2016	\$0.755	\$0.000	\$0.755	\$0.720	\$0.020	\$0.781	\$2.276
2017	\$0.755	\$0.000	\$0.778	\$0.747	\$0.020	\$0.770	\$2.315
2018	\$0.769	\$0.000	\$0.769	\$0.760	\$0.020	\$0.758	\$2.307
2019	\$0.757	\$0.000	\$0.757	\$0.808	\$0.020	\$0.714	\$2.299
2020	\$0.837	\$0.000	\$0.837	\$0.774	\$0.075	\$0.730	\$2.416
2021	\$0.873	\$0.000	\$0.873	\$0.792	\$0.085	\$0.721	\$2.471
2022	\$0.878	\$0.000	\$0.878	\$0.839	\$0.123	\$0.720	\$2.560
2023	\$0.913	\$0.000	\$0.913	\$0.875	\$0.276	\$0.759	\$2.823

Source: District Records and Municipal Tax Collector

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

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

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

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

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Frelinghuysen Township School District	Frelinghuysen Township	Warren County	
2014	\$0.729	\$0.000	\$0.729	\$0.628	\$0.197	\$0.797	\$2.351
2015	\$0.739	\$0.000	\$0.739	\$0.643	\$0.227	\$0.779	\$2.388
2016	\$0.755	\$0.000	\$0.755	\$0.666	\$0.242	\$0.777	\$2.440
2017	\$0.755	\$0.000	\$0.718	\$0.668	\$0.247	\$0.724	\$2.357
2018	\$0.742	\$0.000	\$0.694	\$0.742	\$0.250	\$0.729	\$2.415
2019	\$0.723	\$0.000	\$0.723	\$0.748	\$0.277	\$0.695	\$2.443
2020	\$0.771	\$0.000	\$0.771	\$0.724	\$0.304	\$0.702	\$2.501
2021	\$0.755	\$0.000	\$0.755	\$0.741	\$0.315	\$0.691	\$2.502
2022	\$0.662	\$0.000	\$0.662	\$0.768	\$0.315	\$0.672	\$2.417
2023	\$0.660	\$0.000	\$0.660	\$0.781	\$0.319	\$0.689	\$2.449

Source: District Records and Municipal Tax Collector

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

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

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

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

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Hardwick Township School District	Hardwick Township	Warren County	
2014	\$0.866	\$0.000	\$0.866	\$0.836	\$0.324	\$0.880	\$2.906
2015	\$0.911	\$0.000	\$0.911	\$0.822	\$0.330	\$0.906	\$2.969
2016	\$1.019	\$0.000	\$1.019	\$0.705	\$0.417	\$0.913	\$3.054
2017	\$1.019	\$0.000	\$1.133	\$0.608	\$0.458	\$0.895	\$3.094
2018	\$1.087	\$0.000	\$1.087	\$0.736	\$0.472	\$0.894	\$3.189
2019	\$1.054	\$0.000	\$1.054	\$0.773	\$0.495	\$0.848	\$3.170
2020	\$1.000	\$0.000	\$1.000	\$0.879	\$0.512	\$0.867	\$3.258
2021	\$1.013	\$0.000	\$1.013	\$0.819	\$0.517	\$0.890	\$3.239
2022	\$1.249	\$0.000	\$1.249	\$0.804	\$0.536	\$0.891	\$3.480
2023	\$1.219	\$0.000	\$1.219	\$0.902	\$0.549	\$0.896	\$3.566

Source: District Records and Municipal Tax Collector

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

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

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

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

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	North Warren Regional Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Knowlton Township School District	Knowlton Township	Warren County	
2014	\$0.827	\$0.000	\$0.827	\$1.028	\$0.430	\$0.892	\$3.177
2015	\$0.812	\$0.000	\$0.812	\$1.035	\$0.429	\$0.911	\$3.187
2016	\$0.908	\$0.000	\$0.908	\$1.060	\$0.431	\$0.901	\$3.300
2017	\$0.908	\$0.000	\$0.945	\$1.079	\$0.418	\$0.899	\$3.341
2018	\$1.080	\$0.000	\$1.002	\$1.080	\$0.418	\$0.915	\$3.415
2019	\$1.081	\$0.000	\$1.081	\$1.067	\$0.423	\$0.881	\$3.452
2020	\$1.096	\$0.000	\$1.096	\$1.081	\$0.443	\$0.851	\$3.471
2021	\$1.116	\$0.000	\$1.116	\$1.143	\$0.441	\$0.898	\$3.598
2022	\$1.169	\$0.000	\$1.169	\$1.191	\$0.440	\$0.881	\$3.681
2023	\$1.190	\$0.000	\$1.190	\$1.216	\$0.449	\$0.926	\$3.781

Source: District Records and Municipal Tax Collector

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

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

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



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

**Exhibit J-8**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Public Service Gas & Electric	\$ 9,195,500	1	1.30%			
Blairstown Realty Associates, LLC	8,826,700	2	1.25%	\$ 2,078,500	2	0.71%
First National Bank of Hope	2,707,100	3	0.38%	1,360,600	6	0.46%
JD Air, Inc.	2,683,400	4	0.38%			
Rite Aid	2,486,200	5	0.35%			
Embarq	2,432,688	6	0.34%			
Blair Academy	2,045,400	7	0.29%			
Grater, LLC	1,963,500	8	0.28%	1,392,400	5	0.47%
Individual Taxpayer #1	1,705,000	9	0.24%	1,265,446	7	0.43%
Lane Enterprises	1,692,000	10	0.24%			
Individual Taxpayer				789,900	10	0.27%
Great Atlantic & Pacific Co.				6,592,000	1	2.24%
Jersey Central Power & Light				2,078,500	3	0.71%
Blair Air				1,613,000	4	0.55%
Woodborne Lane				1,070,000	8	0.36%
JMS Associates				800,000	9	0.27%
<b>Total</b>	<b>\$ 35,737,488</b>		<b>5.05%</b>	<b>\$ 19,040,346</b>		<b>6.47%</b>

Embarq

Source: District ACFR & Municipal Tax Assessor

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

**Exhibit J-8**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TI Properties I LLC	\$ 11,482,000	1	3.95%			
845 Frelinghuysen LLC	1,783,800	2	0.61%			
Individual Taxpayer #1	1,412,100	3	0.49%	\$ 859,400	2	0.65%
Individual Taxpayer #2	1,306,100	4	0.45%	612,500	6	0.46%
Individual Taxpayer #3	1,116,300	5	0.38%	519,000	7	0.39%
Individual Taxpayer #4	988,800	6	0.34%			
Weidner Family Partnership LP	928,800	7	0.32%			
Individual Taxpayer #5	856,300	8	0.29%	802,700	3	0.60%
Individual Taxpayer #6	813,300	9	0.28%	462,900	9	0.35%
Individual Taxpayer #7	811,300	10	0.28%	424,600	10	0.32%
Westbrook Realty				969,000	1	0.73%
Terra Co., LLC				735,300	4	0.55%
Homestead Farm Assoc., LLC				671,900	5	0.51%
United Telephone Co. of NJ., Inc.				502,692	8	0.38%
<b>Total</b>	<b>\$ 21,498,800</b>		<b>7.39%</b>	<b>\$ 6,559,992</b>		<b>4.94%</b>

Source: District ACFR & Municipal Tax Assessor

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

**Exhibit J-8**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jersey Central Power and Light Co.	\$ 996,100	1	0.63%			
Public Service Gas and Electric	996,100	2	0.63%			
Individual Taxpayer #1	706,300	3	0.45%	\$ 834,000	2	0.86%
Individual Taxpayer #2	690,700	4	0.44%	740,300	3	0.77%
Jerome Goodman Revocable Trust	687,700	5	0.44%	643,900	4	0.67%
Individual Taxpayer #3	654,700	6	0.42%	604,400	6	0.63%
Individual Taxpayer #4	627,000	7	0.40%	585,900	7	0.61%
Individual Taxpayer #5	608,300	8	0.39%	536,500	8	0.56%
Individual Taxpayer #6	596,400	9	0.38%	524,800	9	0.54%
United Telephone Co. of NJ, Inc.	587,794	10	0.37%	608,310	10	0.54%
Little Hill Foundation				2,406,100	1	2.49%
Total	<u>\$ 7,151,094</u>		<u>4.53%</u>	<u>\$ 7,484,210</u>		<u>7.67%</u>

Source: District ACFR & Municipal Tax Assessor

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

**Exhibit J-8**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TA Operating Corporation	\$ 3,752,200	1	1.45%	\$ 3,562,300	1	2.19%
Gary Gray	1,620,500	2	0.63%			
Taylor Family Limited Partnership	1,450,000	3	0.56%	601,900	6	0.37%
Columbia Associates	1,124,500	4	0.43%			
Triple Brook RV & Camping Resort, LLC	986,800	5	0.38%			
Embarq	925,021	6	0.36%			
Delaware River Family Campground	794,700	7	0.31%	775,000	3	0.61%
Individual Taxpayer #1	787,000	8	0.30%	1,000,000	2	0.61%
Individual Taxpayer #2	774,400	9	0.30%	719,000	4	0.44%
Individual Taxpayer #2	680,300	10	0.26%			
Northwest Farming, Inc.				481,600	7	0.30%
Individual Taxpayer #4				451,100	8	0.28%
Individual Taxpayer #5				442,500	9	0.27%
K.A.K.S.				437,700	10	0.27%
Total	<u>\$ 12,895,421</u>		<u>4.98%</u>	<u>\$ 8,471,100</u>		<u>5.34%</u>

Source: District ACFR & Municipal Tax Assessor

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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$10,623,032	\$10,623,032	100.00%	-
2015	\$10,755,574	\$10,755,574	100.00%	-
2016	\$11,317,236	\$11,317,236	100.00%	-
2017	\$11,654,305	\$11,654,305	100.00%	-
2018	\$11,887,390	\$11,887,390	100.00%	-
2019	\$12,361,101	\$12,361,101	100.00%	-
2020	\$12,608,323	\$12,608,323	100.00%	-
2021	\$12,860,489	\$12,860,489	100.00%	-
2022	\$13,117,699	\$13,117,699	100.00%	-
2023	\$13,380,053	\$13,380,053	100.00%	-

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

**Note:**

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

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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	-	-	\$ 426,925	-	-	\$ 426,925	0.07%	\$33.73	
2015	-	-	280,360	-	-	280,360	0.05%	22.15	
2016	-	-	143,646	-	-	143,646	0.02%	2.82	
2017	-	-	7,111	-	-	7,111	0.00%	0.14	
2018	-	-	3,602	-	-	3,602	0.00%	0.07	
2019	-	-	67,720	-	-	67,720	0.01%	1.27	
2020	-	-	47,954	-	-	47,954	0.01%	0.86	
2021	-	-	27,258	-	-	27,258	0.00%	0.47	
2022	-	-	5,579	-	-	5,579	0.00%	0.09	
2023	-	-	-	-	-	-	0.00%	0.00	

\*

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

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

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

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

\* Current data unavailable

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

**Exhibit J-11**

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2011	-0-	-0-	-0-	N/A	N/A
2012	-0-	-0-	-0-	N/A	N/A
2013	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A

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

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

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

**R** Revised

\* Current data unavailable

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	-0-	-0-	-0-	N/A	N/A
2012	-0-	-0-	-0-	N/A	N/A
2013	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A

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

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

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

**R** Revised

\* Current data unavailable



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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	-0-	-0-	-0-	N/A	N/A
2012	-0-	-0-	-0-	N/A	N/A
2013	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A

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

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

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

**R** Revised

\* Current data unavailable

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A

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

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

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

**R** Revised

\* Current data unavailable

**North Warren Regional School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2023**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Constituent Townships	\$ 9,127,308	100%	\$ 9,127,308
<b>Other debt</b>			
Warren County	830,000	13.55%	<u>112,500</u>
Subtotal, overlapping debt			9,239,808
<b>North Warren Regional School District Direct Debt</b>	-	100%	<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 9,239,808</u></u>

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

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

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

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

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2023**

	Equalized valuation basis
	2020 \$ 1,532,029,975
	2021 1,638,252,800
	2022 1,804,408,887
	[A] <u>\$ 4,974,691,662</u>
Average equalized valuation of taxable property	[A/3] \$ 1,658,230,554
Debt limit (3 % of average equalization value)	[B] 49,746,917
Net bonded school debt	[C] -
Legal debt margin	[B-C] <u>\$ 49,746,917</u>

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$47,543,833	\$45,748,349	\$44,689,114	\$44,521,045	\$44,207,655	\$44,440,349	\$45,082,052	\$45,783,160	\$47,116,067	\$49,746,917
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$47,543,833</u>	<u>\$45,748,349</u>	<u>\$44,689,114</u>	<u>\$44,521,045</u>	<u>\$44,207,655</u>	<u>\$44,440,349</u>	<u>\$45,082,052</u>	<u>\$45,783,160</u>	<u>\$47,116,067</u>	<u>\$49,746,917</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2014	12,658	\$ 615,153,484	\$48,887 R	5.9%
2015	12,657	\$ 637,609,032	\$50,741 R	5.1%
2016	12,658	\$ 651,304,732	\$51,503 R	4.5%
2017	12,618	\$ 649,246,572	\$53,149 R	4.1%
2018	12,623	\$ 649,503,842	\$54,973 R	3.8%
2019	12,482	\$ 668,173,942	\$56,956 R	3.5%
2020	12,411	\$ 695,735,838	\$60,525 R	8.7%
2021	12,425	\$ 718,835,950	\$63,041 R	5.6%
2022	12,471	\$ 754,807,275	\$63,041 *	3.7%
2023	12,497	\$ 787,823,377	\$63,041 *	*

**Source:**

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

<sup>b</sup> Personal income provided by US Dept Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

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

R Revised

P Projected

\* Current data unavailable

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

**Exhibit J-15**

<b>Employer</b>	<b>2023</b>			<b>2014</b>		
	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>
Blair Academy	150	1	N/A	-	N/A	
Gary W/ Gray Trucking	150	2		-		
A & P Food Store-Blairstown	100	3		-		
		4		-		
		5		-		
		6		-		
		7		-		
		8		-		
		9		-		
		10		-		
	<hr/>		<hr/>	<hr/>		<hr/>
	<u>400</u>		<u></u>	<u>-</u>		<u></u>

**Source:** Warren County Chamber of Commerce

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

**Exhibit J-16**

<b><u>Function/Program</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Instruction										
Regular	71.0	70.2	60.0	60.2	60.2	55.2	49.2	43.2	45.2	41.2
Special education	17.0	15.0	13.0	13.0	14.0	15.0	15.0	16.0	16.0	13.5
Other special education	10.0	10.0	8.0	8.0	9.0	10.0	8.0	7.0	7.0	7.0
Support Services:										
Student & instruction related services	22.0	21.0	20.4	20.8	20.8	20.8	19.7	18.8	18.6	18.3
General administrative services	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	2.7	2.5
School administrative services	7.0	7.0	7.0	6.8	6.8	6.8	6.6	6.5	6.5	6.5
Business administrative services	3.0	3.0	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0
Plant operations and maintenance	9.0	9.0	8.0	8.0	8.0	8.0	8.0	6.0	6.0	7.5
Pupil transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>141.0</b>	<b>137.2</b>	<b>120.4</b>	<b>120.8</b>	<b>122.8</b>	<b>119.8</b>	<b>111.0</b>	<b>102.0</b>	<b>105.0</b>	<b>99.5</b>

**Source:** District Personnel Records

**North Warren Regional School District  
Operating Statistics  
Last Ten Fiscal Years**

**Exhibit J-17**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2014	992	\$ 17,520,072	\$ 17,661	5.85%	106	9.4:1	963.8	911.3	-3.03%	94.6%
2015	946	18,068,793	19,100	8.15%	107	8.8:1	916.8	873.8	-4.87%	95.3%
2016	925	17,953,783	19,409	1.62%	101	9.1:1	884.1	839.6	-3.57%	95.0%
2017	911	18,449,623	20,252	4.34%	102	8.9:1	873.7	825.3	-1.18%	94.5%
2018	848	19,479,283	22,971	13.42%	104	8.2:1	858.0	797.3	-1.80%	92.9%
2019	826	19,997,885	24,211	5.40%	101.0	8.2:1	789.0	749.0	-8.04%	94.9%
2020	767	18,430,528	24,029	-0.75%	95.0	8.1:1	751.0	715.0	-4.82%	95.2%
2021	709	16,977,292	23,945	-0.35%	85.0	8.3:1	729.0	676.0	-2.93%	92.7%
2022	665	17,789,186	26,751	11.72%	80.0	8.3:1	658.0	604.8	-9.74%	91.9%
2023	642	18,052,502	28,119	5.12%	80.0	8.0:1	623.4	582.1	-5.26%	93.4%

**Sources:** District records and ASSA Schedules

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).



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

**Exhibit J-18**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Building</u></b>										
<b><u>High School</u></b>										
Square Feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity (Students)	960	960	960	960	960	960	960	960	960	960
Enrollment	992	946	925	911	848	826	767	709	665	642

Number of Schools at June 30, 2023  
 High School = 1

**Source:** District records, ASSA

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

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

NORTH WARREN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
Last Ten Fiscal Years Ending June 30, 2023

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
North Warren Regional School		\$ 471,136	\$ 317,468	\$ 241,595	\$ 310,157	\$ 297,053	\$ 344,525	\$ 299,120	\$ 194,820	\$ 202,612	\$ 304,129	\$ 2,982,615
Total School Facilities		471,136	317,468	241,595	310,157	297,053	344,525	299,120	194,820	202,612	304,129	2,982,615
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<b>Grand Total</b>		<u>\$ 471,136</u>	<u>\$ 317,468</u>	<u>\$ 241,595</u>	<u>\$ 310,157</u>	<u>\$ 297,053</u>	<u>\$ 344,525</u>	<u>\$ 299,120</u>	<u>\$ 194,820</u>	<u>\$ 202,612</u>	<u>\$ 304,129</u>	<u>\$ 2,982,615</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2023

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>SCHOOL ALLIANCE INSURANCE FUND (SAIF):</b>		
<b>PROPERTY SECTION -</b>		
Property-Blanket Building and Contents	\$ 500,000,000	\$ 1,000
Accounts Receivable	In Blanket Amount	1,000
Automobile Physical Damage	In Blanket Amount	1,000
Builders Risk	25,000,000	1,000
Electronic Data Processing Equipment	In Blanket Amount	1,000
Fines Arts Coverage	2,500,000	1,000
<b>LIABILITY SECTION -</b>		
Comprehensive General Liability (Per Occ)	5,000,000	None
Automobile Liability	5,000,000	None
<b>WORKERS' COMPENSATION -</b>		
Employers Liability	5,000,000	None
Supplemental Coverage	Included	None
<b>SCHOOL BOARD LEGAL LIABILITY POLICY -</b>		
First Layer	5,000,000	10,000
Excess Limits	1,000,000	None
<b>CRIME -</b>		
Blanket Employee Dishonesty	500,000	1,000
Forgery	50,000	1,000
<b>ENVIRONMENTAL IMPAIRMENT LIABILITY</b>		
Limit of Liability	1,000,000	Each Claim
<b>INDIVIDUAL BONDS:(SELECTIVE INSURANCE CO.)</b>		
Jennifer Kerr (Board Secretary)	200,000	None
Randy Wilson (Treasurer of School Monies)	250,000	None

SOURCE: District Records

# Single Audit Section

## ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA



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

#### Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Warren Regional School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the North Warren Regional School District Board of Education's basic financial statements, and have issued our report thereon dated November 29, 2023.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 29, 2023

*Anthony Ardito*

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 29, 2023



## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

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

#### **Report on Compliance for Each Major State Program**

##### ***Opinion on Each Major State Program***

We have audited the North Warren Regional School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. The North Warren Regional School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the North Warren Regional School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major State Program***

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

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

##### ***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 state programs.

-Continued-

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

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

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

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

### ***Report on Internal Control Over Compliance***

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

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.

-Continued-



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

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 29, 2023

*Anthony Ardito*

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 29, 2023

NORTH WARREN REGIONAL SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/Walkover Amount	Cash Received	Budgetary Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education:</b>															
<b>Special Revenue Fund:</b>															
IDEA Part B, Basic Regular	84.027	H027A220100	233,570	7/1/22	6/30/23	\$ (167,029)		\$ 375,450	\$ (198,015)			\$ (25,149)	\$ 35,555		\$ 198,015
American Rescue Plan-IDEA Basic Special Education Cluster	84.027X	H027X220100	31,096	3/13/20	9/30/24	(31,096)		31,096	-			-	-		31,096
						(198,125)	-	406,546	(198,015)	-	-	(25,149)	35,555	-	229,111
Title I	84.010	S010A220030	35,602	7/1/22	6/30/23	(28,949)		61,416	-			(3,135)	3,135	\$ 32,467	-
Title II Part A	84.367	S367B220027	15,444	7/1/22	6/30/23	(18,886)		19,586	(17,959)			(20,659)	3,400		12,044
Title IV	84.424A	S424B220027	10,000	7/1/22	6/30/23	(12,800)		18,300	(5,877)			(4,500)	4,123		5,877
Total ESEA						(60,635)	-	99,302	(23,836)	-	-	(28,294)	10,658	32,467	17,921
American Rescue Plan-ESSER III	84.425U	S425U220027	419,928	3/13/20	9/30/24	(71,358)		115,841	(138,426)	\$ (44,484)		(304,087)	165,660		254,268
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	53,737	3/13/20	9/30/24	(1,794)		1,794	(6,656)			(51,943)	45,287		8,450
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	40,000	3/13/20	9/30/24	(21,000)		-	-			(40,000)	19,000		21,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	40,000	3/13/20	9/30/24	-		21,000	(19,000)			(19,000)	21,000		19,000
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	45,000	3/13/20	9/30/24	(44,484)		-	(20,366)	44,484		(45,000)	24,634		20,366
American Rescue Plan-Additional or Comp. Sp Ed and Rel Svcs (ACSERS)	84.425U	S425U220027	43,259	3/13/20	9/30/24	-		43,259	(43,258)			-	1		43,258
CRRSA ESSER II	84.425D	S425D220027	186,847	3/13/20	9/30/23	(63,155)		55,654	(118,218)			(131,193)	5,474		181,373
CRRSA Learning	84.425D	S425D220027	25,000	3/13/20	9/30/23	(6,615)		8,068	(12,453)			(16,932)	5,932		19,068
CRRSA Mental Health	84.425D	S425D220027	45,000	3/13/20	9/30/23	(36,553)		42,599	(6,047)			(2,401)	2,400		42,600
Total Education Stabilization Fund						(244,959)	-	288,215	(364,424)	-	-	(610,556)	289,388	-	609,383
<b>Total Special Revenue Fund</b>						<b>(503,719)</b>	<b>-</b>	<b>794,063</b>	<b>(586,275)</b>	<b>-</b>	<b>-</b>	<b>(663,999)</b>	<b>335,601</b>	<b>32,467</b>	<b>866,906</b>
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Education:</b>															
<b>Enterprise Fund:</b>															
<b>Child Nutrition Cluster:</b>															
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	5,887	7/1/21	6/30/22	2,729			(2,729)						5,887
National School Lunch Program (Food Distribution)	10.555	231NJ304N1199	11,899	7/1/22	6/30/23			11,899	(7,108)				4,791		7,108
National School Lunch Program	10.555	221NJ304N1099	303,207	7/1/21	6/30/22	(55,799)		55,799							303,207
National School Lunch Program	10.555	231NJ304N1199	50,107	7/1/22	6/30/23			47,917	(50,107)			(2,190)			50,107
Supply Chain Assistance	10.555	231NJ344N8903	44,385	7/1/21	6/30/22			44,385	(44,385)						44,385
<b>Total Enterprise Fund</b>						<b>(53,070)</b>	<b>-</b>	<b>160,000</b>	<b>(104,329)</b>	<b>-</b>	<b>-</b>	<b>(2,190)</b>	<b>4,791</b>	<b>-</b>	<b>410,694</b>
<b>Total Federal Financial Awards</b>						<b>\$ (556,789)</b>	<b>-</b>	<b>\$ 954,063</b>	<b>\$ (690,604)</b>	<b>-</b>	<b>-</b>	<b>\$ (666,189)</b>	<b>\$ 340,392</b>	<b>32,467</b>	<b>\$1,277,600</b>

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

NORTH WARREN REGIONAL SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education:</b>															
<b>General Fund:</b>															
Equalization Aid	23-495-034-5123-078	7/1/22-6/30/23	\$ 1,088,107			\$ 1,088,107	\$ (1,088,107)							*	
School Choice Aid	23-495-034-5123-068	7/1/22-6/30/23	12,902			12,902	(12,902)							*	\$ 107,946 \$ 1,088,107
Transportion Aid	23-495-034-5123-014	7/1/22-6/30/23	24,106			24,106	(24,106)							*	1,280 12,902
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	607,635			607,635	(607,635)							*	2,391 24,106
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	79,019			79,019	(79,019)							*	60,281 607,635
Supplemental Stabilization Aid	23-100-034-5120-494	7/1/22-6/30/23	487,929			487,929	(487,929)							*	7,839 79,019
Extra-Ordinary Aid	23-495-034-5123-044	7/1/22-6/30/23	272,177				(272,177)			\$ (272,177)				*	487,929
Extra-Ordinary Aid	22-495-034-5123-044	7/1/21-6/30/22	243,471	\$ (243,471)		243,471	-							*	272,177
Non-Public Transportation Aid	23-100-034-5123-068	7/1/22-6/30/23	11,856				(11,856)			(11,856)				*	243,471
Non-Public Transportation Aid	22-100-034-5123-068	7/1/21-6/30/22	10,199	(10,199)		10,199								*	11,856
On-behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	2,139,258			2,139,258	(2,139,258)							*	10,199
On-behalf TPAF Pension PMR	23-495-034-5094-001	7/1/22-6/30/23	561,978			561,978	(561,978)							*	2,139,258
On-behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	428			428	(428)							*	561,978
Reimb.TPAF Soc.Sec.Contrib.	23-495-034-5094-003	7/1/22-6/30/23	418,223	(96,949)		482,252	(418,223)			(32,920)				*	428
<b>Total General Fund</b>				<b>(350,619)</b>		<b>5,737,284</b>	<b>(5,703,618)</b>			<b>(316,953)</b>				*	<b>418,223</b>
<b>Special Revenue Fund:</b>															
SDA Grant - Emergent and Capital Aid	Not Available	7/1/21-6/30/22	21,216							(21,216)	\$ 21,216			*	-
School Climate Change Pilot	Not Available	4/1/23-6/30/23	6,660			6,660	(6,660)							*	6,660
<b>Total Special Revenue Fund</b>				<b>-</b>	<b>-</b>	<b>6,660</b>	<b>(6,660)</b>	<b>-</b>	<b>-</b>	<b>(21,216)</b>	<b>21,216</b>	<b>-</b>	<b>-</b>	*	<b>6,660</b>
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat. School Lunch Prog. (State Share)	23-100-010-3350-023	7/1/22-6/30/23	2,566			2,457	(2,566)			(109)				*	2,566
Nat. School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22	6,999	(1,284)		1,284								*	6,999
<b>Total Enterprise Fund</b>				<b>(1,284)</b>		<b>3,741</b>	<b>(2,566)</b>			<b>(109)</b>				*	<b>9,565</b>
<b>Total State Financial Assistance</b>				<b>\$ (351,903)</b>	<b>-</b>	<b>\$ 5,747,685</b>	<b>\$ (5,712,844)</b>	<b>-</b>	<b>-</b>	<b>\$ (338,278)</b>	<b>\$ 21,216</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>\$ 179,737 \$ 5,973,513</b>
<b>Less On-behalf TPAF Pension Amounts:</b>															
On-behalf TPAF Pension	23-495-034-5094-002						2,139,258								
On-behalf TPAF Pension PMR	23-495-034-5094-001						561,978								
On-behalf TPAF Pension LTD Ins	23-495-034-5094-004						428								
<b>Total State Expenditures Subject to Major Program Determination</b>							<b>\$ (3,011,180)</b>								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and NJ OMB 15-08*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$92,696 for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
 JUNE 30, 2023

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 5,796,314	\$ 5,796,314
Special Revenue Fund	586,275	6,660	592,935
Food Service Fund	<u>104,329</u>	<u>2,566</u>	<u>106,895</u>
Total Financial Assistance	<u>\$ 690,604</u>	<u>\$ 5,805,540</u>	<u>\$ 6,496,144</u>

**NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_ Yes  No

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

Noncompliance material to financial statements noted? \_\_\_ Yes  No

**Federal Awards**

**Not Applicable**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No

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

Type of auditor's report issued on compliance for major programs: N/A

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

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? \_\_\_ Yes \_\_\_ No

NORTH WARREN REGIONAL  
SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**State Financial Assistance Section**

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

Auditee qualified as low-risk auditee? x yes    no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

23-495-034-5122-078	Equalization Aid (State Aid Cluster)
23-495-034-5122-089	Special Education Aid (State Aid Cluster)
23-495-034-5122-084	Security Aid (State Aid Cluster)
23-495-034-5122-068	School Choice Aid (State Aid Cluster)
23-495-034-5123-044	Extraordinary Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Section II-Financial Statement Findings**

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

**Financial Statement**      N/A

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

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

**Federal Awards**              N/A

**State Awards**                N/A



SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**STATUS OF PRIOR YEAR FINDINGS**

N/A

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