

**SCHOOL DISTRICT OF
WARREN HILLS REGIONAL**

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

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

**Annual Comprehensive
Financial Report**

of the

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

Washington, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

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

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INTRODUCTORY SECTION

WARREN HILLS REGIONAL SCHOOL DISTRICT

89 Bowerstown Road
Washington, New Jersey 07882

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Earl C. Clymer
Superintendent of Schools

Donnamarie Palmiere
Business Administrator

www.warrenhills.org

October 6, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Warren Hills Regional School District (the "District") for the fiscal year ended June 30, 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 Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The Honorable President and Members of
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2) ECONOMIC CONDITION AND OUTLOOK During the 2022-23 school year, we were able to maintain the economic condition of the District. Taxpayers benefit by the fact that our budget can only increase by the maximum allowable percent permitted by the state. Because these increases are at or below the cost of living and state aid increases are comparable, each year we are in a position whereby we must continue to find ways to make the revenue we currently have go further. Since our major expenditures are fixed costs such as salaries and health benefits, and health benefits increases are beyond the cost of living, we are forced to reach into the budget and cut other items. These cuts typically affect our program negatively.

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

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS: In the 2022-23 school year, we maintained the district focus on Professional Learning Communities (PLC's) implementation, utilized LinkIt, ST Math and IXL software for Data analysis, provided time for implementation of best instructional practices and strategies and increased collaboration among faculty and administration. We also added career pathways to enhance our Concurrent Enrollment course offerings. We maintained our partnership with Centenary University to provide a second concurrent enrollment course, Social Media Marketing II. Additional courses were awarded dual enrollment status with Warren County Community College. We utilized Google Classroom and multiple technology applications to provide instruction during times of remote learning.

As for the *Five-Year Curriculum Renewal Plan 2022-2027*, the District continued its fiscal commitment to curricula review. In general, the renewal plan describes the district's policies that relate to the curriculum content, development, course adoption, course guides, and textbook adoption; describes the five phases of the curriculum renewal process; delineates a specific action plan; provides a Curricula Master Plan 2022-2027 by departments and by courses; and explains the tools in ATLAS [the online curriculum mapping software management system] and their utilization in the curriculum revision process. Many of the new materials included online editions, along with ancillary materials for teachers and students.

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

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

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

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

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

Multiple facilities projects were completed to enhance the learning environment for our students and provide fiscal savings for the district. A partial roof replacement project was completed at the high school. High school classroom locks were replaced along with a keyscan migration project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

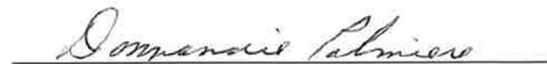
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed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

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

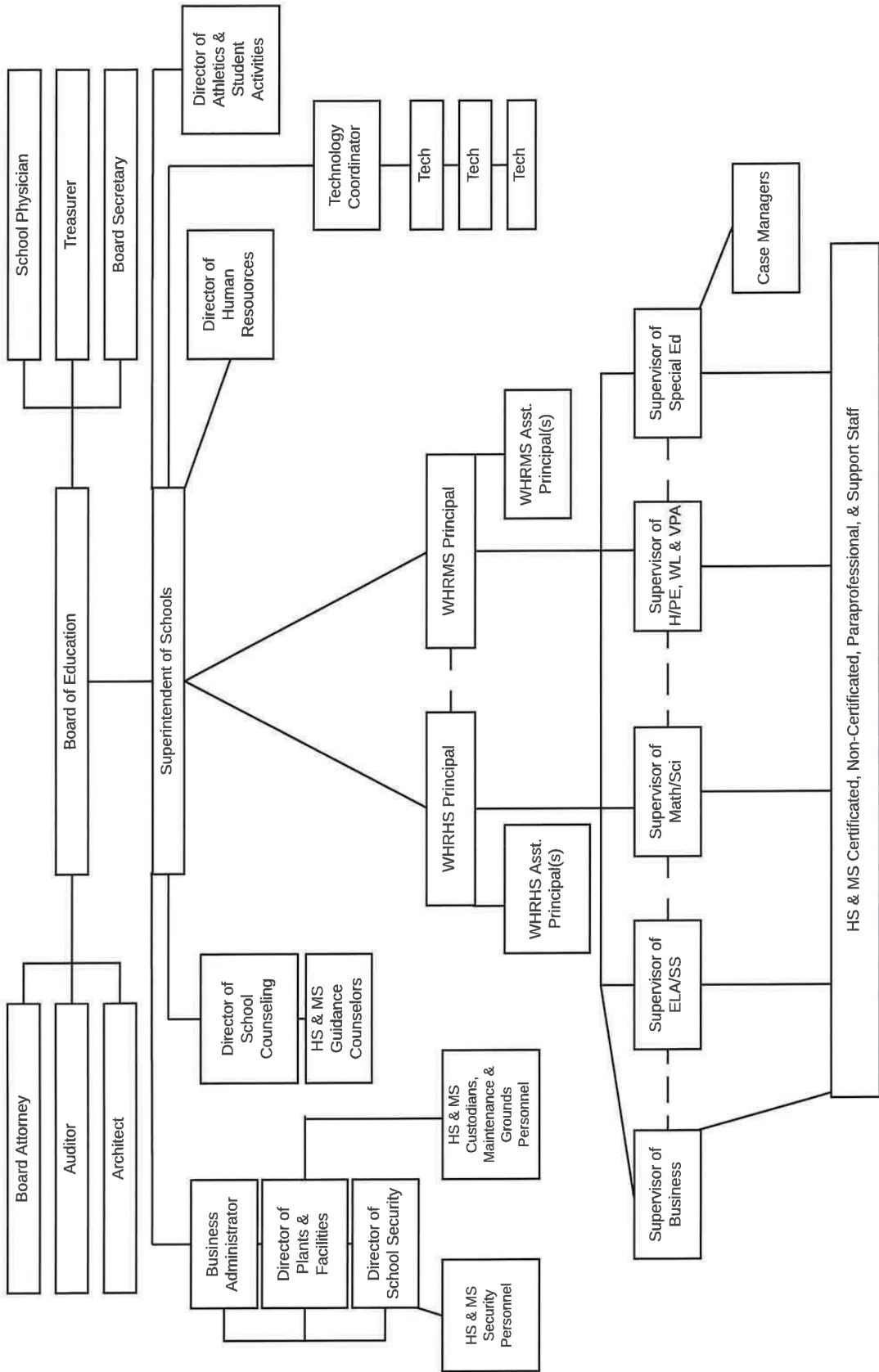
Respectfully submitted,



Earl C. Clymer III
Superintendent



Donnamarie Palmiere
Business Administrator/Board Secretary



DISTRICT ORGANIZATION CHART

**WARREN HILLS REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Molly Fraumeni, President	2024
Christopher Cannavo, Vice President	2023
Joseph Bodenschatz	2023
Alfred Coscia	2025
Thomas Dufner	2025
Jean Hansen	2023
Lisa Marshall	2023
Paula Merrill	2025
Corey Piasecki	2023

Other Officers

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
Consultants and Advisors
June 30, 2023

Audit Firm

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

Architect

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

Attorneys

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

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

Official Depositories

PNC Bank
25 West Washington Avenue
Washington, NJ 07882

Citizens Bank
55 Old Highway 22
Clinton, NJ 08809

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Warren Hills Regional School District (the "District"), in the County of Warren, as of and for the fiscal 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 District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 6, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

This section of Warren Hills Regional School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of the School District’s Financial Report

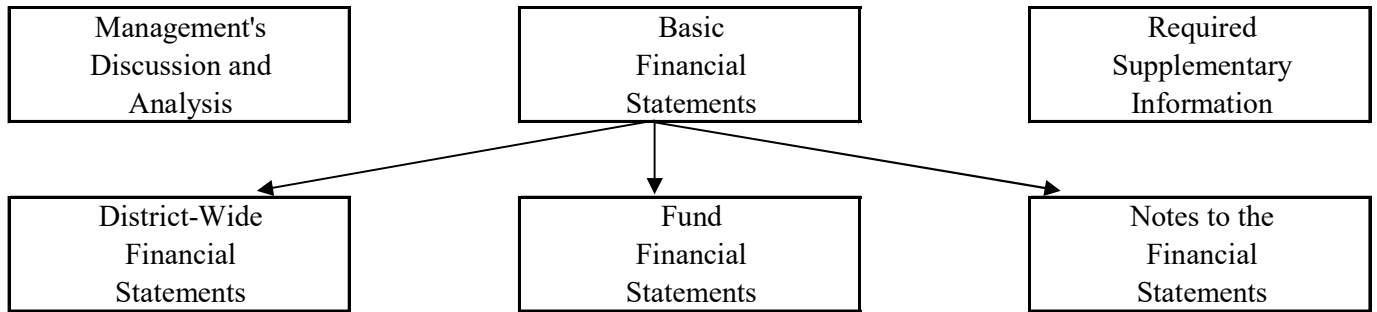


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Financial Analysis of the District as a Whole

Net Position. The net position from governmental activities increased by \$3,764,800 and the net position from business-type activities increased by \$6,640. Total combined net investment in capital assets increased by \$816,348, restricted net position increased by \$1,855,904, and unrestricted net position increased by \$1,099,188.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	Change
Current and Other Assets	\$ 12,211,891	\$ 14,087,591	\$ 442,588	\$ 458,833	\$ 12,654,479	\$ 14,546,424	
Capital Assets, Net	44,280,901	42,855,893	131,830	172,317	44,412,731	43,028,210	
Total Assets	<u>56,492,792</u>	<u>56,943,484</u>	<u>574,418</u>	<u>631,150</u>	<u>57,067,210</u>	<u>57,574,634</u>	0.89%
Deferred Outflows of Resources	<u>754,393</u>	<u>995,688</u>			<u>754,393</u>	<u>995,688</u>	31.99%
Other Liabilities	1,558,418	1,686,460	15,707	65,799	1,574,125	1,752,259	
Long-Term Liabilities	14,853,184	13,675,105			14,853,184	13,675,105	
Total Liabilities	<u>16,411,602</u>	<u>15,361,565</u>	<u>15,707</u>	<u>65,799</u>	<u>16,427,309</u>	<u>15,427,364</u>	-6.09%
Deferred Inflows of Resources	<u>3,354,546</u>	<u>1,331,770</u>			<u>3,354,546</u>	<u>1,331,770</u>	-60.30%
Net Position:							
Net Investment in Capital Assets	34,979,764	35,755,625	131,830	172,317	35,111,594	35,927,942	
Restricted	9,405,186	11,261,090			9,405,186	11,261,090	
Unrestricted/(Deficit)	<u>(6,903,913)</u>	<u>(5,770,878)</u>	<u>426,881</u>	<u>393,034</u>	<u>(6,477,032)</u>	<u>(5,377,844)</u>	
Total Net Position	<u>\$ 37,481,037</u>	<u>\$ 41,245,837</u>	<u>\$ 558,711</u>	<u>\$ 565,351</u>	<u>\$ 38,039,748</u>	<u>\$ 41,811,188</u>	9.91%

Changes in Net Position. The District's combined net position was \$41,811,188 on June 30, 2023, \$3,771,440 or 9.91% more than it was the year before (see Figure A-4). The increase in net investment in capital assets is due to the maturity of \$2,095,000 of serial bonds payable, a decrease in deferred amount on refunding of \$28,433, a paydown in financed purchases principal of \$134,302 and \$917,036 in capital assets additions; offset by \$2,301,577 in depreciation expense. The increase in restricted net position is due primarily to an increase in the capital reserve and excess surplus. The increase in unrestricted net position is due primarily to changes in net pension liability and related deferred outflows and inflows.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	Change 2022/23
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,169,956	\$ 2,494,570	\$ 184,273	\$ 491,198	\$ 2,354,229	\$ 2,985,768	
Operating Grants and Contributions	10,245,311	8,292,598	853,196	328,079	11,098,507	8,620,677	
General Revenue:							
Property Taxes	25,640,988	25,994,986			25,640,988	25,994,986	
Unrestricted State Aid	9,054,206	9,449,909			9,054,206	9,449,909	
Other	320,173	214,477	470	4,305	320,643	218,782	
Total Revenue	<u>47,430,634</u>	<u>46,446,540</u>	<u>1,037,939</u>	<u>823,582</u>	<u>48,468,573</u>	<u>47,270,122</u>	-2.47%
Expenses:							
Instruction	24,645,165	23,604,437			24,645,165	23,604,437	
Pupil and Instruction Services	8,061,344	7,849,707			8,061,344	7,849,707	
Administrative and Business	4,225,416	4,057,858			4,225,416	4,057,858	
Maintenance and Operations	3,895,824	4,105,141			3,895,824	4,105,141	
Transportation	2,716,942	3,055,031			2,716,942	3,055,031	
Other	192,605	9,566	868,332	816,942	1,060,937	826,508	
Total Expenses	<u>43,737,296</u>	<u>42,681,740</u>	<u>868,332</u>	<u>816,942</u>	<u>44,605,628</u>	<u>43,498,682</u>	-2.48%
Increase in Net Position	<u>\$ 3,693,338</u>	<u>\$ 3,764,800</u>	<u>\$ 169,607</u>	<u>\$ 6,640</u>	<u>\$ 3,862,945</u>	<u>\$ 3,771,440</u>	-2.37%

Governmental Activities

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

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

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

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

Figure A-5

Net Cost of Governmental Activities

Expense Category:	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2021/22	2021/22	2022/23	2022/23
Instruction	\$ 24,645,165	\$ 14,468,652	\$ 23,604,437	\$ 15,742,699
Pupil and Instruction Services	8,061,344	6,122,882	7,849,707	5,961,925
Administrative and Business	4,225,416	3,182,276	4,057,858	3,726,449
Maintenance and Operations	3,895,824	3,512,927	4,105,141	4,105,141
Transportation	2,716,942	1,815,741	3,055,031	2,348,792
Other	192,605	2,219,551	9,566	9,566
	<u>\$ 43,737,296</u>	<u>\$ 31,322,029</u>	<u>\$ 42,681,740</u>	<u>\$ 31,894,572</u>

Business-Type Activities

Net position from the District’s business-type activity increased by \$6,640. (Refer to Figure A-4). This was primarily due to the cease of the Seamless Summer Option Program, resulting in a decrease in the number of meals served and therefore decreases in subsidy reimbursements and food purchase costs. This was offset by an increase in both reimbursable and a la carte sales.

Financial Analysis of the District’s Funds

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

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

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

General Fund Budgetary Highlights

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

Capital Asset and Long-Term Liabilities

Figure A-6

	Capital Assets (Net of Depreciation)						Percentage Change 2022/23
	Governmental Activities		Business-Type Activities		Total School District		
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Sites	\$ 443,166	\$ 443,166			\$ 443,166	\$ 443,166	
Site Improvements	1,093,465	1,001,691			1,093,465	1,001,691	
Buildings and							
Building Improvements	41,746,815	40,482,925	\$ 92,004	\$ 86,747	41,838,819	40,569,672	
Furniture, Machinery and Equipment	997,455	928,111	39,826	85,570	1,037,281	1,013,681	
Total Capital Assets (Net of Depreciation)	<u>\$ 44,280,901</u>	<u>\$ 42,855,893</u>	<u>\$ 131,830</u>	<u>\$ 172,317</u>	<u>\$ 44,412,731</u>	<u>\$ 43,028,210</u>	-3.12%

During the fiscal year, the District acquired or constructed \$862,175 in capital additions from its governmental activities and \$54,861 in capital additions from its business-type activities (which included capital outlay expenses for equipment upgrades). The District also had \$2,301,557 in depreciation expense (\$2,287,183 from its governmental activities and \$14,374 from its business-type activities).

Long-term Liabilities

The District's long-term liabilities decreased \$1,178,079 or 7.93% as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

	Long-Term Liabilities		Percentage Change 2022/23
	Total School District		
	2021/22	2022/23	
Serial Bonds (Financed with Property Taxes)	\$ 9,309,000	\$ 7,214,000	
Unamortized Bond Issuance Premium	828,240	662,592	
Net Pension Liability	4,230,611	5,459,579	
Other Long Term Liabilities	485,333	338,934	
	<u>\$ 14,853,184</u>	<u>\$ 13,675,105</u>	-7.93%

- The District continued to pay down its bonded debt, retiring \$2,095,000 of outstanding bonds.
- The District amortized \$165,648 of bond issuance premium related to its bonded debt.
- Net pension liability increased by \$1,228,968.
- The District paid down \$134,302 in financed purchases principal during the fiscal year.
- Compensated absences decreased by a net amount of \$12,097.

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

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,793,299	\$ 433,347	\$ 5,226,646
Internal Balances	(100)	100	
Tax Levy Receivable	354,337		354,337
Receivables from State Government	630,745	80	630,825
Receivables from Federal Government	804,384	1,851	806,235
Receivables from Other Governments	103,156		103,156
Other Receivables	5,830		5,830
Inventories		23,455	23,455
Restricted Cash and Cash Equivalents	7,395,940		7,395,940
Capital Assets, Net:			
Sites (Land)	443,166		443,166
Depreciable Site Improvements, Buildings and Building Improvements, Furniture and Machinery and Equipment	42,412,727	172,317	42,585,044
Total Assets	<u>56,943,484</u>	<u>631,150</u>	<u>57,574,634</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amount on Refunding	113,732		113,732
Deferred Outflows Related to Pensions	881,956		881,956
Total Deferred Outflows of Resources	<u>995,688</u>		<u>995,688</u>
<u>LIABILITIES</u>			
Accrued Interest Payable	30,766		30,766
Accounts Payable	1,606,383	14,174	1,620,557
Payable to State Government	20		20
Unearned Revenue	49,291	51,625	100,916
Noncurrent Liabilities:			
Due Within One Year	2,315,543		2,315,543
Due Beyond One Year	11,359,562		11,359,562
Total Liabilities	<u>15,361,565</u>	<u>65,799</u>	<u>15,427,364</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,331,770		1,331,770
Total Deferred Inflows of Resources	<u>1,331,770</u>		<u>1,331,770</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	35,755,625	172,317	35,927,942
Restricted for:			
Capital Projects	5,508,116		5,508,116
Debt Service	118,036		118,036
Maintenance	500,000		500,000
Emergency	299,431		299,431
Excess Surplus	3,750,000		3,750,000
Unemployment Compensation	508,297		508,297
Scholarships	359,995		359,995
Student Activities	217,215		217,215
Unrestricted/(Deficit)	<u>(5,770,878)</u>	<u>393,034</u>	<u>(5,377,844)</u>
Total Net Position	<u>\$ 41,245,837</u>	<u>\$ 565,351</u>	<u>\$ 41,811,188</u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 17,669,611	\$ 1,421,340	\$ 3,848,942	\$ (12,399,329)		\$ (12,399,329)
Special Education	4,314,568	407,475	2,183,981	(1,723,112)		(1,723,112)
Other Instruction	1,620,258			(1,620,258)		(1,620,258)
Support Services:						
Tuition	1,706,522		397,482	(1,309,040)		(1,309,040)
Student & Instruction Related Services	6,143,185	346,398	1,143,902	(4,652,885)		(4,652,885)
General Administrative Services	722,133		57,056	(665,077)		(665,077)
School Administrative Services	2,011,145		224,607	(1,786,538)		(1,786,538)
Central Services	749,847		49,746	(700,101)		(700,101)
Administrative Information Technology	574,733			(574,733)		(574,733)
Plant Operations and Maintenance	4,105,141			(4,105,141)		(4,105,141)
Pupil Transportation	3,055,031	319,357	386,882	(2,348,792)		(2,348,792)
Transfer of Funds to Charter School	9,566			(9,566)		(9,566)
Total Governmental Activities	42,681,740	2,494,570	8,292,598	(31,894,572)		(31,894,572)
Business-Type Activities:						
Food Service	816,942	491,198	328,079		\$ 2,335	2,335
Total Business-Type Activities	816,942	491,198	328,079		2,335	2,335
Total Primary Government	\$ 43,498,682	\$ 2,985,768	\$ 8,620,677	(31,894,572)	2,335	(31,892,237)

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 23,801,474		\$ 23,801,474
Taxes Levied for Debt Service	2,193,512		2,193,512
Federal and State Aid not Restricted	9,449,909		9,449,909
Investment Earnings	113,209	\$ 4,305	117,514
Miscellaneous Income	101,268		101,268
Total General Revenue	35,659,372	4,305	35,663,677
Change in Net Position	3,764,800	6,640	3,771,440
Net Position - Beginning	37,481,037	558,711	38,039,748
Net Position - Ending	\$ 41,245,837	\$ 565,351	\$ 41,811,188

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

FUND FINANCIAL STATEMENTS

WARREN HILLS REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 4,675,263		\$ 118,036	\$ 4,793,299
Interfund Receivable	565,524			565,524
Tax Levy Receivable	354,337			354,337
Receivables From State Government	625,026	\$ 5,719		630,745
Receivables From Federal Government		804,384		804,384
Receivables From Other Governments	103,156			103,156
Other Receivables	5,830			5,830
Restricted Cash and Cash Equivalents	6,815,844	580,096		7,395,940
Total Assets	\$ 13,144,980	\$ 1,390,199	\$ 118,036	\$ 14,653,215
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 100	\$ 565,524		\$ 565,624
Accounts Payable	908,229	198,154		1,106,383
Payable to State Government		20		20
Unearned Revenue		49,291		49,291
Total Liabilities	908,329	812,989		1,721,318
Fund Balances:				
Restricted:				
Capital Reserve	5,508,116			5,508,116
Maintenance Reserve	500,000			500,000
Emergency Reserve	299,431			299,431
Excess Surplus for 2024-2025	2,250,000			2,250,000
Excess Surplus for 2023-2024	1,500,000			1,500,000
Unemployment Compensation	508,297			508,297
Scholarships		359,995		359,995
Student Activities		217,215		217,215
Debt Service			\$ 118,036	118,036
Assigned:				
Other Purposes	1,039,593			1,039,593
Unassigned	631,214			631,214
Total Fund Balances	12,236,651	577,210	118,036	12,931,897
Total Liabilities and Fund Balances	\$ 13,144,980	\$ 1,390,199	\$ 118,036	\$ 14,653,215

WARREN HILLS REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:	
Total Fund Balances from previous page	\$ 12,931,897
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	42,855,893
Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold.	(662,592)
Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure	113,732
Interest on Long-Term Debt is not Accrued in the Governmental Funds but Rather is Recognized as an Expenditure When Due.	(30,766)
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds	(7,552,934)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(5,459,579)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	881,956
Deferred Inflows	(1,331,770)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position.	<u>(500,000)</u>
Net Position of Governmental Activities	<u><u>\$ 41,245,837</u></u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 23,801,474		\$ 2,193,512	\$ 25,994,986
Tuition from Other LEAs	1,828,815			1,828,815
Transportation Fees from Other LEAs	319,357			319,357
Interest Earned on Capital Reserve Funds	17,960			17,960
Other Restricted Miscellaneous Revenue	20,701	\$ 348,700		369,401
Unrestricted Miscellaneous Revenue	175,816	36,288		212,104
Total - Local Sources	26,164,123	384,988	2,193,512	28,742,623
State Sources	19,307,199	43,055	17,280	19,367,534
Federal Sources	54,624	1,694,100		1,748,724
Total Revenues	45,525,946	2,122,143	2,210,792	49,858,881
EXPENDITURES:				
Current:				
Regular Instruction	10,827,787	740,524		11,568,311
Special Education Instruction	2,800,444			2,800,444
School-Sponsored/Other Instruction	1,380,185			1,380,185
Support Services and Undistributed Costs:				
Tuition	1,309,040	397,482		1,706,522
Student and Other Instruction Related Services	3,879,264	982,325		4,861,589
General Administration Services	523,564			523,564
School Administration Services	1,072,281			1,072,281
Central Services	521,016			521,016
Administrative Information Technology	499,239			499,239
Plant Operations and Maintenance	3,463,054			3,463,054
Student Transportation	2,799,531			2,799,531
Unallocated Benefits	13,616,114			13,616,114
Debt Service:				
Principal			2,095,000	2,095,000
Interest and Other Charges			115,786	115,786
Capital Outlay	1,040,677			1,040,677
Transfer of Funds to Charter School	9,566			9,566
Total Expenditures	43,741,762	2,120,331	2,210,786	48,072,879
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,784,184	1,812	6	1,786,002
Fund Balance - July 1	10,452,467	575,398	118,030	11,145,895
Fund Balance - June 30	\$ 12,236,651	\$ 577,210	\$ 118,036	\$ 12,931,897

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 1,786,002
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation.		
Depreciation expense		\$ (2,287,183)
Capital Asset Additions		<u>862,175</u>
		(1,425,008)
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		12,097
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)		
		165,648
The governmental funds report the effect of deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.		
		(28,433)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		12,656
Repayment of serial bonds payable is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		2,095,000
Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		134,302
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(1,228,968)
Changes in Deferred Outflows and Inflows Related to Pensions		<u>2,241,504</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 3,764,800</u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - <u>Enterprise Funds</u> Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 433,347
Interfund Receivable - General Fund	100
Intergovernmental Accounts Receivable:	
State	80
Federal	1,851
Inventories	23,455
Total Current Assets	<u>458,833</u>
Non-Current Assets:	
Capital Assets	540,275
Less: Accumulated Depreciation	<u>(367,958)</u>
Total Non-Current Assets	<u>172,317</u>
Total Assets	<u>631,150</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	14,174
Unearned Revenue:	
Prepaid Meals	289
Donated Commodities	8,945
Supply Chain Assistance	42,391
Total Liabilities	<u>65,799</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	172,317
Unrestricted	<u>393,034</u>
Total Net Position	<u>\$ 565,351</u>

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 264,774
Non-Reimbursable Programs	226,424
Total Operating Revenue	491,198
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	298,656
Non-Reimbursable Programs	134,179
Salaries	242,319
Benefits and Payroll Taxes	36,641
Supplies, Insurance & Other Costs	73,833
Management Fee	16,940
Depreciation Expense	14,374
Total Operating Expenses	816,942
Operating Loss	(325,744)
Non-Operating Income:	
Local Sources:	
Interest Income	4,305
State Sources:	
State School Lunch Program	11,089
State School Breakfast Program	174
Federal Sources:	
National School Lunch Program	228,720
School Breakfast Program	7,814
Supply Chain Assistance	45,162
Food Distribution Program	35,120
Total Non-Operating Income	332,384
Change in Net Position	6,640
Net Position - Beginning of Year	558,711
Net Position - End of Year	\$ 565,351

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 485,090
Payments to Food Service Contractor	(697,277)
Payment of Salaries - District Employees	(29,679)
Payments to Suppliers	(32,191)
Net Cash Used for Operating Activities	(274,057)
Cash Flows from Investing Activities:	
Interest Income	4,305
Net Cash Provided by Investing Activities	4,305
Cash Flows from Noncapital Financing Activities:	
Interfund Advanced - General Fund	(100)
State Sources	11,396
Federal Sources	336,316
Net Cash Provided by Noncapital Financing Activities	347,612
Net Increase in Cash and Cash Equivalents	22,999
Cash and Cash Equivalents, July 1	410,348
Cash and Cash Equivalents, June 30	\$ 433,347
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (325,744)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	14,374
Food Distribution Program	35,120
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue	(1,457)
Increase in Accounts Payable	9,158
(Increase) in Inventory	(5,508)
Net Cash Used for Operating Activities	\$ (274,057)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$39,771 and utilized U.S.D.A. Commodities valued at \$35,120.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

District-Wide Financial Statements:

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation (Cont'd)

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 45,501,942	\$ 2,119,141
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis Does Not:		
Prior Year Encumbrances		134,756
Cancellation of Prior Year Encumbrances		(4,248)
Current Year Encumbrances		(127,506)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,008,442	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(984,438)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 45,525,946	\$ 2,122,143
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 43,741,762	\$ 2,117,329
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		134,756
Cancellation of Prior Year Encumbrances		(4,248)
Current Year Encumbrances		(127,506)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 43,741,762	\$ 2,120,331

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

E. Cash and Cash Equivalents and Investments

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

K. Capital Assets: (Cont'd)

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

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

L. Lease Assets

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2023, the amount earned by these employees but not disbursed was \$604,177.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

P. Compensated Absences

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

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

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

Q. Lease Payable

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

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue

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

T. Fund Balance Appropriated

General Fund: Of the \$12,236,651 General Fund fund balance at June 30, 2023, \$5,508,116 is restricted in the capital reserve account; \$500,000 is restricted in the maintenance reserve account; \$299,431 is restricted in the emergency reserve account; \$508,297 is restricted in the unemployment compensation reserve account; \$3,750,000 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (the \$1,500,000 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024 and the current year excess surplus of \$2,250,000 will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025); \$1,039,593 is assigned for year end encumbrances; and \$631,214 is unassigned, which is \$984,438 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2024.

Special Revenue Fund: Of the \$577,210 Special Revenue Fund fund balance at June 30, 2023, \$359,995 is restricted for scholarships and \$217,215 is restricted for student activities.

Debt Service Fund: Of the \$118,036 restricted fund balance in the Debt Service Fund at June 30, 2023, \$118,029 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated (Cont'd)

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

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

U. Deficit Net Position

The District had a deficit in unrestricted net position from governmental activities in the amount of \$5,770,878. This is primarily a result of net pension liability and related deferred inflows and outflows of resources and compensated absences. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and deferred inflows for pensions at June 30, 2023. The District also had a deferred outflow for the deferred amount on refunding.

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

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

V. Net Position (Cont'd)

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

W. Fund Balance Restrictions, Commitments and Assignments

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2023.

X. Revenue - Exchange and Nonexchange Transactions

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions (Cont'd)

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

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

Y. Operating Revenue and Expenses

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

Z. Management Estimates

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

AA. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in this section.

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments: (Cont'd)

- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed;
or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

- (e) On the same date that the school district’s funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository

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

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking and Savings Accounts	\$ 5,226,646	\$ 7,395,940	\$ 12,622,586
	\$ 5,226,646	\$ 7,395,940	\$ 12,622,586

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$12,622,586 and the bank balance was \$13,231,524.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Beginning Balance, July 1, 2022	\$ 4,903,467
Add:	
Interest Earnings	17,960
Transfer from Unassigned Fund Balance per Board Resolution	1,578,058
Unexpended Project Balance Returned from Capital Outlay	1,916,000
Less:	
Withdrawal as per Board Resolutions	(77,297)
Budgeted Withdrawal	(2,830,072)
Ending Balance, June 30, 2023	\$ 5,508,116

The June 30, 2023 balance of local support costs of uncompleted capital projects in the District’s LRFP exceeds the balance in the capital reserve account at June 30, 2023. Withdrawals from the capital reserve were for use in DOE approved facilities projects consistent with the District’s LRFP.

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2023, the District transferred \$89,846 to the capital outlay accounts. \$12,549 was transferred to equipment which did not require County Superintendent approval. The \$77,297 transferred to facilities and construction services was a Board approved withdrawal from Capital Reserve.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 443,166			\$ 443,166
Total Capital Assets Not Being Depreciated	<u>443,166</u>			<u>443,166</u>
Capital Assets Being Depreciated:				
Site Improvements	2,287,582			2,287,582
Buildings and Building Improvements	64,904,486	\$ 646,440		65,550,926
Machinery and Equipment	3,688,060	215,735		3,903,795
Total Capital Assets Being Depreciated	<u>70,880,128</u>	<u>862,175</u>		<u>71,742,303</u>
Governmental Activities Capital Assets	<u>71,323,294</u>	<u>862,175</u>		<u>72,185,469</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,194,117)	(91,774)		(1,285,891)
Buildings and Building Improvements	(23,157,671)	(1,910,330)		(25,068,001)
Machinery and Equipment	(2,690,605)	(285,079)		(2,975,684)
	<u>(27,042,393)</u>	<u>(2,287,183)</u>		<u>(29,329,576)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 44,280,901</u>	<u>\$ (1,425,008)</u>	<u>\$ -0-</u>	<u>\$ 42,855,893</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 353,982	\$ 54,861		\$ 408,843
Buildings and Building Improvements	131,432			131,432
	<u>485,414</u>	<u>54,861</u>		<u>540,275</u>
Less Accumulated Depreciation for:				
Furniture and Equipment	(314,156)	(9,117)		(323,273)
Buildings and Building Improvements	(39,428)	(5,257)		(44,685)
	<u>(353,584)</u>	<u>(14,374)</u>		<u>(367,958)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 131,830</u>	<u>\$ 40,487</u>	<u>\$ -0-</u>	<u>\$ 172,317</u>

As of June 30, 2023, the District expended \$862,175 from its current year capital budget and depreciated \$2,287,183 from its governmental activities. The District expended \$54,861 and depreciated \$14,374 from its business-type activities during the fiscal year.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 922,853
Special Education Instruction	202,577
Student & Instruction Related Services	33,452
General Administration	66,904
School Administrative	468,345
Central Services	66,904
Administrative Information Technology	33,452
Operations and Maintenance of Plant	278,542
Pupil Transportation	214,154
	\$ 2,287,183

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023	Due Within One Year
Serial Bonds Payable	9,309,000		\$ 2,095,000	\$ 7,214,000	\$ 2,139,000
Unamortized Bond Issuance Premium	828,240		165,648	662,592	165,648
Compensated Absences Payable	351,031	\$ 93,202	105,299	338,934	10,895
Financed Purchases Payable	134,302		134,302		
Net Pension Liability	4,230,611	1,228,968		5,459,579	
	\$ 14,853,184	\$ 1,322,170	\$ 2,500,249	\$ 13,675,105	\$ 2,315,543

A. Bonds Payable:

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

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

On November 23, 2021, the District issued refunding bonds of \$8,385,000 with an interest rate of 0.92% to refund \$8,160,000 school bonds with interest rate of 4.00%-5.00%. The refunding bonds mature on February 15, 2022 through 2027 and are non-callable. The net proceeds from the issuance of the refunding bonds were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2012 refunding bonds were called on February 15, 2022. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

A. Bonds Payable: (Cont'd)

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

The District had bonds outstanding as of June 30, 2023 as follows:

Purpose	Final Maturity Date	Serial Bonds	
		Interest Rates	Amount
2009 School Bonds	02/15/24	4.13%	\$ 489,000
2021 Refunding Bonds	02/15/27	0.92%	6,725,000
			<u>\$ 7,214,000</u>

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

Fiscal Year Ending June 30,	Bonds		
	Principal	Interest	Total
2024	\$ 2,139,000	\$ 82,041	\$ 2,221,041
2025	1,675,000	46,690	1,721,690
2026	1,690,000	31,280	1,721,280
2027	1,710,000	15,732	1,725,732
	<u>\$ 7,214,000</u>	<u>\$ 175,743</u>	<u>\$ 7,389,743</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board had no bonds authorized but not issued.

C. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$10,895 and the long-term portion of compensated absences is \$328,039.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Food Service Fund.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

D. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$165,648 and is separated from the long-term portion of \$496,944.

E. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$5,459,579. See Note 8 for further information on the PERS.

F. Financed Purchases Payable

The District had a finance purchase agreement for technology equipment, a school bus and a laser engraver valued at \$648,932, which has fully matured and been repaid as of June 30, 2023. The financed purchases agreement was for a term of five years.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

District contributions to PERS amounted to \$466,073 for fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$11,487 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District's liability was \$5,459,579 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 used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was .0362%, which was an increase of .0005% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit of \$556,328. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$11,487 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 131,238
	2019	5.21		164,003
	2020	5.16		482,257
	2021	5.13		40,017
	2022	5.04	\$ 16,916	
				16,916
Difference Between Expected and Actual Experience	2018	5.63		4,997
	2019	5.21	12,537	
	2020	5.16	26,868	
	2021	5.13		13,452
	2022	5.04		16,300
				39,405
Changes in Proportion	2018	5.63	28,784	
	2019	5.21		14,644
	2020	5.16		272,406
	2021	5.13		192,456
	2022	5.04	70,884	
				99,668

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual	2019	5.00	\$ 5,401	
Investment Earnings on Pension Plan Investments	2020	5.00	162,296	
	2021	5.00	(1,012,299)	
	2022	5.00	1,070,569	
			<u>225,967</u>	
Contribution Made Subsequent to the Measurement Date	2022	1.00	<u>500,000</u>	
			<u>\$ 881,956</u>	<u>\$ 1,331,770</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ (621,690)
2024	(411,191)
2025	(180,478)
2026	263,399
2027	146
	<u>\$ (949,814)</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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:

Inflation Rate:	
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 a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

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 pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	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 Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 7,002,627	\$ 5,459,579	\$ 4,130,055

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$5,379,252 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,867,365.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$69,385,774. The net pension liability was measured as of June 30, 2022, and the total pension liability used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.134%, which was an increase of 0.002% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	69,385,774
	69,385,774
Total	\$ 69,385,774

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$1,867,365 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			3,013,097,864	19,441,140,477

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	2015	8.30	\$ 13,201,022	
	2016	8.30		\$ 21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</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	(1,687,721,983)
	<u>\$ (14,678,515,482)</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 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 Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	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 Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

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

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

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

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of Net Pension Liability Associated with the District	\$ 81,356,294	\$ 69,385,774	\$ 59,302,114

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$42,092 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$62,143 for the fiscal year ended June 30, 2023.

NOTE 9. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

The June 30, 2023 audit report for the Fund and NJSIG are not available as of the date of this report. Selected, summarized financial information for the Fund and NJSIG as of June 30, 2022 is below:

	<u>School Alliance Insurance Fund</u>	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 52,198,217	\$ 418,559,284
Total Net Position	\$ 20,990,635	\$ 184,982,708
Total Revenue	\$ 48,576,664	\$ 134,563,842
Total Expenses	\$ 48,577,544	\$ 121,403,370
Change in Net Position	\$ (880)	\$ 13,160,472
Members Dividends	\$ -0-	\$ -0-

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

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

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ -0-	\$ -0-	\$ 74,892	\$ 65,455	\$ 508,297
2021-2022	-0-	-0-	91,328	45,926	498,860
2020-2021	250,000	-0-	90,680	66,665	453,458

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

	Interfund Receivable	Interfund Payable
General Fund	\$ 565,524	\$ 100
Special Revenue Fund		565,524
Proprietary Fund - Food Service Fund	100	
	\$ 565,624	\$ 565,624

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in the Special Revenue Fund due to the timing between expenditure and reimbursement from the State of New Jersey and interest due from Student. The interfund between the General Fund and the Food Service Fund is a Supply Chain Assistance receipt not turned over to the Food Service Fund as of June 30, 2023.

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2023 were as follows:

	Governmental Fund		District Contri- bution Subsequent to the Measure- ment Date	Total Governmental Activities	Business - Type Activites
	General Fund	Special Revenue Fund			
Due to State of New Jersey		\$ 130,543	\$ 500,000	\$ 630,543	
Vendors	\$ 152,810	66,920		219,730	\$ 14,174
Payroll Deductions and Withholdings	123,829			123,829	
Summer Pay	604,177			604,177	
Accrued Salaries and Wages	27,413	691		28,104	
	\$ 908,229	\$ 198,154	\$ 500,000	\$ 1,606,383	\$ 14,174

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

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

NOTE 14. TAX CALENDAR

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

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

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

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 1,039,593	\$ 127,506	\$ 1,167,099

\$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$127,506 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

NOTE 16. EMERGENCY RESERVE ACCOUNT

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

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

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

Beginning Balance, July 1, 2022	\$ 299,431
Ending Balance, June 30, 2023	\$ 299,431

NOTE 17. MAINTENANCE RESERVE ACCOUNT

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

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

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

Beginning Balance, July 1, 2022	\$ 500,000
Ending Balance, June 30, 2023	<u>\$ 500,000</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

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.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 were 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.

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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

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

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 85,482,510
Changes for Year:	
Service Cost	3,354,313
Interest on the Total OPEB Liability	1,930,178
Difference between Actual and Expected Experience	3,455,756
Changes of Assumptions	(19,538,336)
Contributions from Members	61,335
Gross Benefit Payments by the State	(1,911,898)
Net Changes	(12,648,652)
Balance at June 30, 2022	\$ 72,833,858

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 85,608,539	\$ 72,833,858	\$ 62,595,590

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 60,201,635	\$ 72,833,858	\$ 89,427,049

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$1,532,268 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 3,781,611
	2018	9.51		3,608,734
	2019	9.29	\$ 509,498	
	2020	9.24	12,029,489	
	2021	9.24	66,710	
	2022	9.13		17,398,321
				12,605,697
Differences between Expected and Actual Experience	2018	9.51		3,411,376
	2019	9.29		5,996,827
	2020	9.24	11,211,956	
	2021	9.24		12,828,816
	2022	9.13	1,791,777	
				13,003,733
Changes in Proportion	N/A	N/A	1,720,711	2,114,938
			\$ 27,330,141	\$ 49,140,623

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (3,619,874)
2024	(3,619,875)
2025	(3,619,875)
2026	(3,128,479)
2027	(1,788,906)
Thereafter	(5,639,246)
	\$ (21,416,255)

NOTE 19. TAX ABATEMENTS

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

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

Washington Township recognized revenue in the amount of \$426,605 for 2022 from this annual service charge or payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2022 without the abatement would have been \$227,567 of which \$73,138 would have been for the regional school tax.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0390962687%	0.0381039760%	0.0404678952%	0.0391864923%	0.0403269637%	0.0400486093%	0.0371582031%	0.0357119124%	0.0361768142%
District's proportionate share of the net pension liability	\$ 7,319,891	\$ 8,553,579	\$ 11,985,430	\$ 9,121,989	\$ 7,940,178	\$ 7,216,152	\$ 6,059,531	\$ 4,230,611	\$ 5,459,579
District's covered employee payroll	\$ 2,566,399	\$ 2,648,044	\$ 2,538,487	\$ 2,689,836	\$ 2,755,294	\$ 2,605,410	\$ 2,604,486	\$ 2,674,393	\$ 2,381,600
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	285.22%	323.01%	472.15%	339.13%	288.18%	276.97%	232.66%	158.19%	229.24%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 322,304	\$ 327,592	\$ 362,047	\$ 367,521	\$ 402,749	\$ 391,073	\$ 415,880	\$ 418,228	\$ 466,073	
Contributions in relation to the contractually required contribution	(322,304)	(327,592)	(362,047)	(367,521)	(402,749)	(391,073)	(415,880)	(418,228)	(466,073)	
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
District's covered employee payroll	\$ 2,648,044	\$ 2,538,487	\$ 2,689,836	\$ 2,755,294	\$ 2,605,410	\$ 2,604,486	\$ 2,674,393	\$ 2,381,600	\$ 2,473,501	
Contributions as a percentage of covered employee payroll	12.17%	12.91%	13.46%	13.34%	15.46%	15.02%	15.55%	17.56%	18.84%	

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.1271980757%	0.1294218702%	0.1324016385%	0.1321958190%	0.1326931529%	0.1355117971%	0.1335426704%	0.1323837622%	0.1344831075%
State's proportionate share of the net pension liability attributable to the District	\$ 67,983,232	\$ 81,800,149	\$ 104,155,559	\$ 89,131,188	\$ 84,416,534	\$ 83,164,869	\$ 87,936,243	\$ 63,643,743	\$ 69,385,774
District's covered employee payroll	\$ 12,961,842	\$ 13,384,154	\$ 13,359,708	\$ 14,267,535	\$ 14,319,443	\$ 14,415,760	\$ 15,047,265	\$ 14,873,208	\$ 14,780,184
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	524.49%	611.17%	779.62%	624.71%	589.52%	576.90%	584.40%	427.91%	469.45%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 3,658,136	\$ 4,994,636	\$ 7,825,841	\$ 6,174,557	\$ 4,921,189	\$ 4,905,286	\$ 5,468,251	\$ 1,497,565	\$ 1,867,365
Contributions in relation to the contractually required contribution	(699,702)	(1,060,059)	(1,434,951)	(1,954,102)	(2,665,190)	(2,929,102)	(3,848,235)	(5,536,207)	(5,379,252)
Contribution deficiency/(excess)	\$ 2,958,434	\$ 3,934,577	\$ 6,390,890	\$ 4,220,455	\$ 2,255,999	\$ 1,976,184	\$ 1,620,016	\$ (4,038,642)	\$ (3,511,887)
District's covered employee payroll	\$ 13,384,154	\$ 13,359,708	\$ 14,267,535	\$ 14,319,443	\$ 14,415,760	\$ 15,047,265	\$ 14,873,208	\$ 14,780,184	\$ 15,767,606
Contributions as a percentage of covered employee payroll	5.23%	7.93%	10.06%	13.65%	18.49%	19.47%	25.87%	37.46%	34.12%

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

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

	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 2,784,977	\$ 2,306,309	\$ 2,087,910	\$ 2,166,942	\$ 3,773,390	\$ 3,354,313
Interest Cost	2,464,001	2,835,505	2,657,348	2,148,763	2,217,506	1,930,178
Difference between Actual and Expected Experience		(5,956,438)	(11,286,898)	15,604,315	(14,648,106)	3,455,756
Changes of Benefits Terms					(90,986)	
Changes in Assumptions	(10,285,824)	(7,741,711)	895,026	17,506,027	84,335	(19,538,336)
Member Contributions	66,321	62,347	54,622	50,570	56,691	61,335
Gross Benefit Payments	(1,801,107)	(1,803,935)	(1,842,689)	(1,668,434)	(1,746,774)	(1,911,898)
Net Change in Total OPEB Liability	(6,771,632)	(10,297,923)	(7,434,681)	35,808,183	(10,353,944)	(12,648,652)
Total OPEB Liability - Beginning	84,532,507	77,760,875	67,462,952	60,028,271	95,836,454	85,482,510
Total OPEB Liability - Ending	\$ 77,760,875	\$ 67,462,952	\$ 60,028,271	\$ 95,836,454	\$ 85,482,510	\$ 72,833,858
District's Covered Employee Payroll *	\$ 15,898,195	\$ 16,957,371	\$ 17,074,737	\$ 17,021,170	\$ 17,651,751	\$ 17,547,601
Total OPEB Liability as a Percentage of Covered Employee Payroll	489%	398%	352%	563%	484%	415%

* Covered payroll for the fiscal years ending June 30, 2017 through 2022 are based on the payroll on the June 30, 2016 through 2021 census data.

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

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 4.5% 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 rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 23,801,474		\$ 23,801,474	\$ 23,801,474	
Tuition From Other LEAs Within the State	1,759,468		1,759,468	1,828,815	\$ 69,347
Transportation Fees From Other LEAs	258,987		258,987	319,357	60,370
Unrestricted Miscellaneous Revenues	110,000		110,000	175,816	65,816
Interest Earned on Capital Reserve Funds	10,000		10,000	17,960	7,960
Other Restricted Miscellaneous Revenues	15,000		15,000	20,701	5,701
Total Revenues from Local Sources	<u>25,954,929</u>		<u>25,954,929</u>	<u>26,164,123</u>	<u>209,194</u>
Revenues from State Sources:					
Categorical Transportation Aid	380,381		380,381	380,381	
Extraordinary Aid	105,392		105,392	447,794	342,402
Categorical Special Education Aid	1,041,953		1,041,953	1,041,953	
Equalization Aid	8,754,879		8,754,879	8,754,879	
Categorical Security Aid	46,884		46,884	46,884	
Excess Nonpublic School Transportation Costs				6,240	6,240
Supplemental Stabilization Aid				553,212	553,212
TPAF Post Retirement Contributions (Non-Budgeted)				1,432,722	1,432,722
TPAF Pension Contributions (Non-Budgeted)				5,379,252	5,379,252
TPAF Non-Contributory Insurance (Non-Budgeted)				74,631	74,631
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,542	1,542
Reimbursed TPAF Social Security Contributions				1,163,705	1,163,705
Total Revenues from State Sources	<u>10,329,489</u>		<u>10,329,489</u>	<u>19,283,195</u>	<u>8,953,706</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	31,707		31,707	49,214	17,507
Family First Coronavirus Response Act				5,410	5,410
Total Revenues from Federal Sources	<u>31,707</u>		<u>31,707</u>	<u>54,624</u>	<u>22,917</u>
TOTAL REVENUE	<u>36,316,125</u>		<u>36,316,125</u>	<u>45,501,942</u>	<u>9,185,817</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	\$ 3,117,575	\$ 7,658	\$ 3,125,233	\$ 3,123,572	\$ 1,661
Grades 9-12 - Salaries of Teachers	7,020,593	(83,669)	6,936,924	6,902,344	34,580
Regular Programs - Home Instruction:					
Salaries of Teachers	77,000		77,000	68,057	8,943
Other Purchased Services (400-500 series)	35,000		35,000	12,819	22,181
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	81,521	(6,989)	74,532	60,060	14,472
Purchased Professional-Educational Services	16,600		16,600	6,231	10,369
Purchased Technical Services	29,500	(609)	28,891	25,548	3,343
Other Purchased Services (400-500 series)	258,220	(108,307)	149,913	141,513	8,400
General Supplies	406,496	(6,338)	400,158	315,553	84,605
Textbooks	145,376	38,570	183,946	167,106	16,840
Other Objects	8,850	395	9,245	4,984	4,261
Total Regular Programs - Instruction	11,196,731	(159,289)	11,037,442	10,827,787	209,655
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	346,907	88,552	435,459	381,452	54,007
Other Salaries for Instruction	81,878	(19,000)	62,878	62,354	524
Other Purchased Services (400-500 series)	300		300		300
General Supplies	1,200		1,200	828	372
Textbooks	2,500		2,500		2,500
Other Objects	100		100		100
Total Learning and/or Language Disabilities	432,885	69,552	502,437	444,634	57,803

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 240,923	\$ 22,571	\$ 263,494	\$ 263,494	
Other Salaries for Instruction	27,876	(7,057)	20,819	260	\$ 20,559
General Supplies	1,000	250	1,250	1,207	43
Textbooks	1,000	857	1,857	1,772	85
Other Objects	100		100		100
Total Behavioral Disabilities	270,899	16,621	287,520	266,733	20,787
Multiple Disabilities:					
Salaries of Teachers	439,015	(30,000)	409,015	313,078	95,937
Other Salaries for Instruction	177,104	155,657	332,761	332,761	
Purchased Professional-Educational Services	24,000	(857)	23,143		23,143
Purchased Technical Services	500		500	363	137
Other Purchased Services (400-500 series)	3,100	252	3,352	1,052	2,300
General Supplies	9,000	(802)	8,198	6,282	1,916
Textbooks	2,000		2,000	908	1,092
Other Objects	400		400		400
Total Multiple Disabilities	655,119	124,250	779,369	654,444	124,925
Resource Room/Resource Center:					
Salaries of Teachers	1,315,390	(34,638)	1,280,752	1,280,752	
Other Salaries for Instruction	255,036	(114,605)	140,431	140,431	
Other Purchased Services (400-500 series)	800		800		800
General Supplies	1,000		1,000		1,000
Textbooks	1,000		1,000	153	847
Other Objects	500		500		500
Total Resource Room/Resource Center	1,573,726	(149,243)	1,424,483	1,421,336	3,147

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	\$ 27,600		\$ 27,600	\$ 13,297	\$ 14,303
Total Home Instruction	27,600		27,600	13,297	14,303
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,960,229	\$ 61,180	3,021,409	2,800,444	220,965
Bilingual Education - Instruction:					
Other Purchased Services (400-500 series)	500	140	640		640
General Supplies	2,000	(140)	1,860		1,860
Total Bilingual Education - Instruction	2,500		2,500		2,500
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	184,614	8,717	193,331	190,556	2,775
Purchased Services (300-500 series)	23,200	94	23,294	17,581	5,713
Supplies and Materials	12,424	3,010	15,434	15,253	181
Other Objects	10,900	(2,000)	8,900	8,876	24
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	231,138	9,821	240,959	232,266	8,693
School-Sponsored Athletics - Instruction:					
Salaries	953,461	(33,065)	920,396	891,328	29,068
Purchased Services (300-500 series)	210,228	(13,305)	196,923	157,200	39,723
Supplies and Materials	90,525	9,887	100,412	68,713	31,699
Other Objects	55,690	(7,022)	48,668	30,678	17,990
Total School-Sponsored Athletics - Instruction	1,309,904	(43,505)	1,266,399	1,147,919	118,480
TOTAL INSTRUCTION	15,700,502	(131,793)	15,568,709	15,008,416	560,293
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular		1,156	1,156	1,156	
Tuition to Other LEAs Within the State-Special	606,338	8,977	615,315	547,291	68,024

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction: (Cont'd)					
Tuition to County Voc. School Dist.-Regular	\$ 8,230		\$ 8,230	\$ 8,230	
Tuition to County Voc. School Dist.-Special	8,230		8,230		\$ 8,230
Tuition to CSSD & Reg. Day Schools	84,607	\$ 6,624	91,231	90,986	245
Tuition to Priv. Sch. for the Handicap. Within State	1,516,166	(162,465)	1,353,701	621,107	732,594
Tuition - State Facilities	40,270		40,270	40,270	
Total Undistributed Expenditures - Instruction	2,263,841	(145,708)	2,118,133	1,309,040	809,093
Undistributed Expenditures - Health Services:					
Salaries	311,923	5,044	316,967	314,017	2,950
Purchased Professional and Technical Services	23,652	(378)	23,274	14,846	8,428
Other Purchased Services (400-500 series)	2,642		2,642	2,085	557
Supplies and Materials	7,700	378	8,078	5,925	2,153
Other Objects	125		125		125
Total Undist. Expenditures - Health Services	346,042	5,044	351,086	336,873	14,213
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	181,140	64,639	245,779	226,135	19,644
Purchased Professional - Educational Services	458,460	(1,100)	457,360	180,666	276,694
Supplies and Materials	1,500	(549)	951	483	468
Total Undist. Expend. - Speech, OT, PT, Related Svcs	641,100	62,990	704,090	407,284	296,806
Undist.Expend. - Other Supp.Serv.Students - Extra.Serv.:					
Salaries	672,799	(120,793)	552,006	536,253	15,753
Purchased Professional - Educational Services	329,778		329,778	173,025	156,753
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	1,002,577	(120,793)	881,784	709,278	172,506

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 705,509	\$ 108,986	\$ 814,495	\$ 814,493	\$ 2
Salaries of Secretarial and Clerical Assistants	159,132		159,132	159,132	
Other Salaries	27,516		27,516	17,367	10,149
Purchased Professional - Educational Services	5,600	723	6,323	6,323	
Other Purchased Services (400-500 series)	37,000	(1,568)	35,432	10,951	24,481
Supplies and Materials	3,190		3,190	1,869	1,321
Other Objects	675	845	1,520	925	595
Total Undist Expend. - Guidance	938,622	108,986	1,047,608	1,011,060	36,548
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	527,043		527,043	509,535	17,508
Salaries of Secretarial and Clerical Assistants	153,332	(21,000)	132,332	130,957	1,375
Other Salaries	15,479		15,479	11,725	3,754
Purchased Professional - Educational Services	4,600		4,600	4,447	153
Other Purchased Services (400-500 series)	6,250		6,250	4,750	1,500
Supplies and Materials	6,350	1,400	7,750	6,284	1,466
Other Objects	5,550		5,550	1,235	4,315
Total Undist Expend. - Child Study Team	718,604	(19,600)	699,004	668,933	30,071
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	337,005	1,150	338,155	338,154	1
Salaries of Secretarial and Clerical Assistants	58,040	(55,957)	2,083	2,083	
Purchased Professional - Educational Services	500	(55)	445		445
Other Purchased Services (400-500 series)	3,300	55	3,355	2,591	764
Supplies and Materials	750		750	750	
Other Objects	2,550		2,550	2,535	15
Total Undist. Expend. - Improv. of Inst. Serv.	402,145	(54,807)	347,338	346,113	1,225

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	\$ 228,559	\$ 548	\$ 229,107	\$ 229,107	
Salaries of Technology Coordinators	110,330		110,330	109,549	\$ 781
Purchased Professional and Technical Services	3,950		3,950	3,950	
Other Purchased Services (400-500 series)	4,265	275	4,540	4,122	418
Supplies and Materials	14,740		14,740	9,737	5,003
Other Objects	750	(275)	475	110	365
Total Undist Expend - Edu. Media Serv./Sch. Library	362,594	548	363,142	356,575	6,567
Undist.Expend. - Instructional Staff Training Services:					
Other Salaries	21,360	21,741	43,101	43,101	
Purchased Professional - Educational Service	2,000		2,000		2,000
Other Purchased Services (400-500 series)	250		250	47	203
Total Undist.Expend. - Instructional Staff Training Services	23,610	21,741	45,351	43,148	2,203
Undist. Expend. - Support Serv. - Gen. Admin.:					
Salaries	260,604		260,604	252,499	8,105
Legal Services	182,500		182,500	92,148	90,352
Audit Fees	93,615	2,050	95,665	48,115	47,550
Architectural/Engineering Services	25,000	(9,047)	15,953		15,953
Other Purchased Professional Services	57,933	6,997	64,930	40,630	24,300
Purchased Technical Services	350		350	261	89
Communications / Telephone	41,485		41,485	41,210	275
BOE Other Purchased Services	11,196		11,196	3,880	7,316
Other Purch. Serv. (400-500 series other than 530 & 585)	31,700	(2,833)	28,867	11,767	17,100
General Supplies	10,000	2,818	12,818	12,324	494
BOE In-house training/ Meeting Supplies	1,000		1,000	213	787
Judgments Against The School District	350	1,973	2,323	2,323	
Miscellaneous Expenditures	2,580	43	2,623	2,623	

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - Gen. Admin.:					
BOE Membership Dues and Fees	\$ 18,000	\$ (2,000)	\$ 16,000	\$ 15,571	\$ 429
Total Undist. Expend. - Support Serv. - Gen. Admin.	<u>736,313</u>	<u>1</u>	<u>736,314</u>	<u>523,564</u>	<u>212,750</u>
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	726,883	2,486	729,369	729,365	4
Salaries of Secretarial and Clerical Assistants	241,686	7,781	249,467	249,466	1
Other Salaries		6,692	6,692	6,512	180
Purchased Professional and Technical Services	8,935	(180)	8,755	6,838	1,917
Other Purchased Services (400-500 series)	57,125	(15)	57,110	52,235	4,875
Supplies and Materials	25,850	170	26,020	23,401	2,619
Other Objects	4,954	(155)	4,799	4,464	335
Total Undist. Expend. - Support Serv. - School Adm.	<u>1,065,433</u>	<u>16,779</u>	<u>1,082,212</u>	<u>1,072,281</u>	<u>9,931</u>
Undist. Expend. - Central Services:					
Salaries	518,542	(17,215)	501,327	500,486	841
Purchased Professional Services	18,050		18,050	14,038	4,012
Miscellaneous Purchased Services (400-500 series other than 594)	3,875		3,875	1,809	2,066
Supplies and Materials	3,500		3,500	3,498	2
Other Objects	1,335		1,335	1,185	150
Total Undist. Expend. - Central Services	<u>545,302</u>	<u>(17,215)</u>	<u>528,087</u>	<u>521,016</u>	<u>7,071</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	217,591	567	218,158	218,157	1
Purchased Technical Services	46,350		46,350	33,105	13,245
Other Purchased Services (400-500 series)	295,044		295,044	240,677	54,367
Supplies and Materials	61,551	(2,334)	59,217	5,940	53,277
Other Objects	1,845		1,845	1,360	485
Total Undist. Expend. - Admin. Info. Technology	<u>622,381</u>	<u>(1,767)</u>	<u>620,614</u>	<u>499,239</u>	<u>121,375</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	\$ 345,121	\$ 30	\$ 345,151	\$ 335,522	\$ 9,629
Cleaning, Repair, and Maintenance Services	197,665	8,772	206,437	187,774	18,663
General Supplies	78,914	1,157	80,071	74,168	5,903
Other Objects	3,000		3,000	1,410	1,590
Total Undist. Expend.- Required Maint. for School Facilities	624,700	9,959	634,659	598,874	35,785
Undist. Expend. - Custodial Services:					
Salaries	760,022	(20,500)	739,522	728,000	11,522
Purchased Professional and Technical Services	19,694		19,694	13,793	5,901
Cleaning, Repair, and Maintenance Services	61,478	(2,578)	58,900	55,021	3,879
Other Purchased Property Services	71,500	(2,000)	69,500	60,768	8,732
Insurance	307,725	30,292	338,017	338,017	
Miscellaneous Purchased Services	1,350	475	1,825	1,621	204
General Supplies	92,583	21,819	114,402	109,316	5,086
Energy (Natural Gas)	270,000		270,000	210,042	59,958
Energy (Electricity)	602,475	(10,670)	591,805	315,794	276,011
Energy (Oil)	15,000	5,000	20,000	16,691	3,309
Other Objects	350		350	283	67
Total Undist. Expend. - Custodial Services	2,202,177	21,838	2,224,015	1,849,346	374,669
Care and Upkeep of Grounds:					
Salaries	154,511		154,511	153,252	1,259
Cleaning, Repair, and Maintenance Services	106,500	52,587	159,087	116,550	42,537
General Supplies	97,800	(56,088)	41,712	35,062	6,650
Total Care And Upkeep Of Grounds	358,811	(3,501)	355,310	304,864	50,446

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Salaries	\$ 481,485	\$ 66,203	\$ 547,688	\$ 506,527	\$ 41,161
Purchased Professional and Technical Services	134,000	1,522	135,522	135,522	
Cleaning, Repair, and Maintenance Services	53,063	8,404	61,467	61,074	393
General Supplies	7,467		7,467	6,847	620
Total Security	676,015	76,129	752,144	709,970	42,174
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	3,861,703	104,425	3,966,128	3,463,054	503,074
Undist. Expend. - Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch) - Special Ed.	75,000	25,797	100,797	100,797	
Management Fee - ESC&CTSA Transportation Program	38,000	(2,980)	35,020	35,020	
Cleaning, Repair, and Maint. Services	22,500	7,128	29,628	28,421	1,207
Lease Purchase Payments - School Buses	19,376		19,376	19,375	1
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	30,000	(8,236)	21,764	21,649	115
Contr Serv.-Aid in Lieu of Payments-Charter Sch Stud.		1,000	1,000	142	858
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	8,000	(1,000)	7,000	6,132	868
Contract. Serv.(Bet. Home & Sch.) - Vendors	617,401	77,436	694,837	683,513	11,324
Contract. Serv.(Oth. than Bet. Home & Sch.) - Vendors	82,500	(39,685)	42,815	38,863	3,952
Contract. Serv.(Bet. Home & Sch.) - Joint Agreements	478,171	137,042	615,213	599,284	15,929
Contract. Serv.(Spl. Ed. Students) - Vendors	207,625	49,372	256,997	254,876	2,121
Contract. Serv.(Reg. Students) - ESCs & CTSA	25,000	(10,649)	14,351	14,351	
Contract. Serv.(Spl. Ed. Students) - ESCs & CTSA	843,118	35,262	878,380	878,380	
Misc. Purchased Serv. - Transportation	110,480	(8,020)	102,460	102,457	3
General Supplies	1,000		1,000	809	191
Transportation Supplies	20,000	(4,882)	15,118	14,712	406
Other Objects	1,450	(281)	1,169	750	419
Total Undist. Expend. - Student Trans. Serv.	2,579,621	257,304	2,836,925	2,799,531	37,394

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 470,000	\$ 10,996	\$ 480,996	\$ 480,996	
Other Retirement Contributions - PERS	449,000	17,107	466,107	466,073	\$ 34
Other Retirement Contributions - Regular	44,000		44,000	42,092	1,908
Unemployment Compensation	100,000	(100,000)			
Workers Compensation	240,377	(15,521)	224,856	224,856	
Health Benefits	4,030,214	(20,896)	4,009,318	3,891,103	118,215
Tuition Reimbursement	135,000	(63,808)	71,192	68,770	2,422
Other Employee Benefits	341,852		341,852	311,934	29,918
Unused Sick Payment to Terminated/Retired Staff	5,000	73,438	78,438	78,438	
TOTAL UNALLOCATED BENEFITS	<u>5,815,443</u>	<u>(98,684)</u>	<u>5,716,759</u>	<u>5,564,262</u>	<u>152,497</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,432,722	(1,432,722)
TPAF Pension Contributions (Non-Budgeted)				5,379,252	(5,379,252)
TPAF Non-Contributory Insurance (Non-Budgeted)				74,631	(74,631)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,542	(1,542)
Reimbursed TPAF Social Security Contributions				1,163,705	(1,163,705)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>8,051,852</u>	<u>(8,051,852)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>5,815,443</u>	<u>(98,684)</u>	<u>5,716,759</u>	<u>13,616,114.0</u>	<u>(7,899,355)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>21,925,331</u>	<u>119,244</u>	<u>22,044,575</u>	<u>27,683,103</u>	<u>(5,638,528)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>37,625,833</u>	<u>(12,549)</u>	<u>37,613,284</u>	<u>42,691,519</u>	<u>(5,078,235)</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	\$ 38,485	\$ 10,215	\$ 48,700	\$ 48,700	
Undistributed Expenditures:					
Admin. Info. Tech.	9,336	2,334	11,670	11,670	
Security	50,346		50,346	50,346	
Total Equipment	<u>98,167</u>	<u>12,549</u>	<u>110,716</u>	<u>110,716</u>	
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	1,156		1,156		\$ 1,156
Construction Services	3,161,611	77,297	3,238,908	744,106	2,494,802
Assessment for Debt Service on SDA Funding	185,855		185,855	185,855	
Total Facilities Acquisition and Construction Serv.	<u>3,348,622</u>	<u>77,297</u>	<u>3,425,919</u>	<u>929,961</u>	<u>2,495,958</u>
TOTAL CAPITAL OUTLAY	<u>3,446,789</u>	<u>89,846</u>	<u>3,536,635</u>	<u>1,040,677</u>	<u>2,495,958</u>
Transfer of Funds to Charter Schools	13,666		13,666	9,566	4,100
TOTAL EXPENDITURES	<u>41,086,288</u>	<u>77,297</u>	<u>41,163,585</u>	<u>43,741,762</u>	<u>(2,578,177)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(4,770,163)</u>	<u>(77,297)</u>	<u>(4,847,460)</u>	<u>1,760,180</u>	<u>6,607,640</u>
Fund Balance, July 1	11,460,909		11,460,909	11,460,909	
Fund Balance, June 30	<u>\$ 6,690,746</u>	<u>\$ (77,297)</u>	<u>\$ 6,613,449</u>	<u>\$ 13,221,089</u>	<u>\$ 6,607,640</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025	\$ 2,250,000				
Excess Surplus - Restricted For 2023-2024	1,500,000				
Capital Reserve	5,508,116				
Maintenance Reserve	500,000				
Emergency Reserve	299,431				
Unemployment Compensation	508,297				
Assigned Fund Balance:					
Year End Encumbrances	1,039,593				
Unassigned Fund Balance	1,615,652				
	13,221,089				
Reconciliation to Governmental Funds Statement (GAAP):					
Last two State Aid Payments not Recognized on GAAP basis			(984,438)		
Fund Balance per Governmental Funds (GAAP)			\$ 12,236,651		

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 400,502	\$ 400,502	\$ 377,224	\$ (23,278)
State Sources		53,090	53,090	52,969	(121)
Federal Sources	\$ 479,433	1,898,044	2,377,477	1,688,948	(688,529)
Total Revenues	479,433	2,351,636	2,831,069	2,119,141	(711,928)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	118,040	117,875	235,915	235,915	
Other Salaries for Instruction		357,170	357,170		357,170
Purchased Professional and Technical Services		10,000	10,000		10,000
Purchased Professional and Educational Services		17,065	17,065	13,853	3,212
Other Purchased Services	24,934	(24,934)			
Tuition	327,911	121,409	449,320	449,320	
General Supplies		412,702	412,702	340,710	71,992
Textbooks		924	924	916	8
Other Objects		1,613	1,613	540	1,073
Total Instruction	470,885	1,013,824	1,484,709	1,041,254	443,455
Support Services:					
Salaries of Other Professional Staff		308,358	308,358	137,937	170,421
Other Salaries		171,804	171,804	134,395	37,409
Personal Services - Employee Benefits		131,718	131,718	130,543	1,175
Purchased Professional and Technical Services		177,899	177,899	149,945	27,954
Purchased Professional and Educational Services	8,548	(8,548)			
Cleaning, Repair and Maintenance Services		43,350	43,350	43,350	
Other Purchased Services		5,723	5,723	1,819	3,904
Travel		14,475	14,475	14,255	220
Supplies and Materials		137,333	137,333	109,943	27,390
Other Objects		7,000	7,000	7,000	
Scholarships Awarded		6,878	6,878	6,878	
Student Activities		340,010	340,010	340,010	
Total Support Services	8,548	1,336,000	1,344,548	1,076,075	268,473
Total Expenditures	\$ 479,433	\$ 2,349,824	\$ 2,829,257	\$ 2,117,329	\$ 711,928
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ -0-	\$ 1,812	\$ 1,812	\$ 1,812	\$ -0-

WARREN HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
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
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 45,501,942	\$ 2,119,141
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		134,756
Cancellation of Prior Year Encumbrances		(4,248)
Current Year Encumbrances		(127,506)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,008,442	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(984,438)	
	<u>\$ 45,525,946</u>	<u>\$ 2,122,143</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 43,741,762	\$ 2,117,329
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		134,756
Cancellation of Prior Year Encumbrances		(4,248)
Current Year Encumbrances		(127,506)
	<u>\$ 43,741,762</u>	<u>\$ 2,120,331</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		

WARREN HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WARREN HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP				
	ESSER III	Learning Accelerated	Summer Learning and Enrichment	Comprehensive Beyond the Day School	Mental Health
REVENUES:					
Local Sources					
State Sources					
Federal Sources	\$ 485,030	\$ 116,827	\$ 5,473	\$ 13,661	\$ 38,150
Total Revenues	485,030	116,827	5,473	13,661	38,150
EXPENDITURES:					
Instruction:					
Salaries of Teachers	6,973				
Purchased Professional and Educational Services					
Tuition					
General Supplies	267,110				
Textbooks					
Other Objects					
Total Instruction	274,083				
Support Services:					
Salaries of Other Professional Staff	137,937				38,150
Other Salaries					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services	73,010	43,077			
Cleaning, Repair and Maintenance Services					
Other Purchased Services					
Travel			1,097	722	
Supplies and Materials				5,939	
Other Objects			4,376		
Scholarships Awarded				7,000	
Student Activities					
Total Support Services	210,947	116,827	5,473	13,661	38,150
Total Expenditures	\$ 485,030	\$ 116,827	\$ 5,473	\$ 13,661	\$ 38,150

WARREN HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ACSERS	SDA				Textbooks	Nonpublic		Technology Initiative
		Local Donations	Emergent Needs and Capital Maintenance	School Climate Change Pilot	Nursing				
REVENUES:									
Local Sources		\$ 28,524							
State Sources	\$ 238,616		\$ 43,350	\$ 6,559	\$ 916	\$ 1,563	\$ 581		
Federal Sources									
Total Revenues	238,616	28,524	43,350	6,559	916	1,563	581		
EXPENDITURES:									
Instruction:									
Salaries of Teachers	130,172								
Purchased Professional and Educational Services									
Tuition	51,838	2,883			916		581		
General Supplies		540							
Textbooks									
Other Objects									
Total Instruction	182,010	3,423			916		581		
Support Services:									
Salaries of Other Professional Staff									
Other Salaries		4,000							
Personal Services - Employee Benefits									
Purchased Professional and Technical Services	56,606								
Cleaning, Repair and Maintenance Services			43,350						
Other Purchased Services									
Travel		750							
Supplies and Materials		20,351		6,559					
Other Objects									
Scholarships Awarded									
Student Activities									
Total Support Services	56,606	25,101	43,350	6,559		1,563			
Total Expenditures	\$ 238,616	\$ 28,524	\$ 43,350	\$ 6,559	\$ 916	\$ 1,563	\$ 581		

WARREN HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CRRSA					Totals
	ESSER II	Learning Acceleration	Mental Health	Student Activities	Scholarship	
REVENUES:						
Local Sources				\$ 346,398	\$ 2,302	\$ 377,224
State Sources	\$ 67,357	\$ 3,710	\$ 43,526			52,969
Federal Sources						1,683,948
Total Revenues	<u>67,357</u>	<u>3,710</u>	<u>43,526</u>	<u>346,398</u>	<u>2,302</u>	<u>2,114,141</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						235,915
Purchased Professional and Educational Services						13,853
Tuition						449,320
General Supplies	57,182	196				340,710
Textbooks						916
Other Objects						540
Total Instruction	<u>57,182</u>	<u>196</u>				<u>1,041,254</u>
Support Services:						
Salaries of Other Professional Staff						137,937
Other Salaries	10,175	3,514				134,395
Personal Services - Employee Benefits						130,543
Purchased Professional and Technical Services			43,526			43,350
Cleaning, Repair and Maintenance Services						1,819
Other Purchased Services						14,255
Travel						109,943
Supplies and Materials						7,000
Other Objects					6,878	6,878
Scholarships Awarded						
Student Activities				340,010		340,010
Total Support Services	<u>10,175</u>	<u>3,514</u>	<u>43,526</u>	<u>340,010</u>	<u>6,878</u>	<u>926,130</u>
Total Expenditures	<u>\$ 67,357</u>	<u>\$ 3,710</u>	<u>\$ 43,526</u>	<u>\$ 340,010</u>	<u>\$ 6,878</u>	<u>\$ 1,967,384</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 433,347
Interfund Receivable - General Fund	100
Intergovernmental Accounts Receivable:	
State	80
Federal	1,851
Inventories	23,455

Total Current Assets	<u>458,833</u>
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Non-Current Assets:

Capital Assets	540,275
Less: Accumulated Depreciation	<u>(367,958)</u>

Total Non-Current Assets	<u>172,317</u>
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Total Assets	<u>631,150</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	14,174
Unearned Revenue:	
Prepaid Meals	289
Donated Commodities	8,945
Supply Chain Assistance	42,391

Total Liabilities	<u>65,799</u>
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NET POSITION:

Investment in Capital Assets	172,317
Unrestricted	<u>393,034</u>

Total Net Position	<u>\$ 565,351</u>
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WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 264,774
Non-Reimbursable Programs	226,424
	<hr/>
Total Operating Revenue	491,198
	<hr/>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	298,656
Non-Reimbursable Programs	134,179
Salaries	242,319
Benefits and Payroll Taxes	36,641
Supplies, Insurance and Other Costs	73,833
Management Fee	16,940
Depreciation Expense	14,374
	<hr/>
Total Operating Expenses	816,942
	<hr/>
Operating Loss	(325,744)
Non-Operating Income:	
Local Sources:	
Interest Income	4,305
State Sources:	
State School Lunch Program	11,089
State School Breakfast Program	174
Federal Sources:	
National School Lunch Program	228,720
School Breakfast Program	7,814
Supply Chain Assistance	45,162
Food Distribution Program	35,120
	<hr/>
Total Non-Operating Income	332,384
	<hr/>
Change in Net Position	6,640
Net Position - Beginning of Year	558,711
	<hr/>
Net Position - End of Year	\$ 565,351
	<hr/> <hr/>

WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 485,090
Payments to Food Service Contractor	(697,277)
Payment of Salaries - District Employees	(29,679)
Payments to Suppliers	(32,191)
	<hr/>
Net Cash Used for Operating Activities	(274,057)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	4,305
	<hr/>
Net Cash Provided by Investing Activities	4,305
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(54,861)
	<hr/>
Net Cash Used for Capital and Related Financing Activities	(54,861)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Interfund Advanced - General Fund	(100)
State Sources	11,396
Federal Sources	336,316
	<hr/>
Net Cash Provided by Noncapital Financing Activities	347,612
	<hr/>
Net Increase in Cash and Cash Equivalents	22,999
Cash and Cash Equivalents, July 1	410,348
	<hr/>
Cash and Cash Equivalents, June 30	\$ 433,347
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (325,744)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	14,374
Food Distribution Program	35,120
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue	(1,457)
Increase in Accounts Payable	9,158
(Increase) in Inventory	(5,508)
	<hr/>
Net Cash Used for Operating Activities	\$ (274,057)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$39,771 and utilized U.S.D.A. Commodities valued at \$35,120.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

WARREN HILLS REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2022	Matured	Balance June 30, 2023
			Date	Amount				
2009 School Bonds	03/19/09	\$ 5,494,000	2/15/24	\$ 489,000	4.13%	\$ 959,000	\$ 470,000	\$ 489,000
2021 Refunding Bonds	11/23/21	8,385,000	2/15/24	1,650,000	0.92%	8,350,000	1,625,000	6,725,000
			2/15/25	1,675,000	0.92%			
			2/15/26	1,690,000	0.92%			
			2/15/27	1,710,000	0.92%			
						<u>\$ 9,309,000</u>	<u>\$ 2,095,000</u>	<u>\$ 7,214,000</u>

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,193,512		\$ 2,193,512	\$ 2,193,512	
State Sources:					
Debt Service Aid - Type II	17,280		17,280	17,280	
Total Revenues	<u>2,210,792</u>		<u>2,210,792</u>	<u>2,210,792</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	115,792		115,792	115,786	\$ 6
Redemption of Principal	2,095,000		2,095,000	2,095,000	
Total Regular Debt Service	<u>2,210,792</u>		<u>2,210,792</u>	<u>2,210,786</u>	<u>6</u>
Total Expenditures	<u>2,210,792</u>		<u>2,210,792</u>	<u>2,210,786</u>	<u>6</u>
Excess of Revenues Over Expenditures				6	6
Fund Balance, July 1	<u>118,030</u>		<u>118,030</u>	<u>118,030</u>	
Fund Balance, June 30	<u>\$ 118,030</u>	<u>\$ -0-</u>	<u>\$ 118,030</u>	<u>\$ 118,036</u>	<u>\$ 6</u>
<u>Recapitulation:</u>					
Restricted for Subsequent Year's Expenditures				\$ 118,029	
Restricted				<u>7</u>	
				<u>\$ 118,036</u>	

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
Technology Equipment, School Bus and Laser Engraver	3.049%	\$ 648,932	<u>\$ 134,302</u>	<u>\$ 134,302</u>	<u> </u>
			<u>\$ 134,302</u>	<u>\$ 134,302</u>	<u>\$ -0-</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 27,224,466	\$ 28,561,105	\$ 28,369,778	\$ 29,912,495	\$ 32,722,525	\$ 32,516,063	\$ 33,915,031	\$ 33,931,054	\$ 34,979,764	\$ 35,755,625
Restricted	10,315,660	10,278,076	9,918,463	5,983,676	6,316,779	7,092,172	6,107,372	7,343,615	9,405,186	11,261,090
Unrestricted/(Deficit)	(7,707,076)	(8,735,277)	(8,976,705)	(7,220,439)	(10,142,604)	(9,435,383)	(8,877,114)	(7,486,970)	(6,903,913)	(5,770,878)
Total Governmental Activities Net Position	\$ 29,833,050	\$ 30,103,904	\$ 29,311,536	\$ 28,675,732	\$ 28,896,700	\$ 30,172,852	\$ 31,145,289	\$ 33,787,699	\$ 37,481,037	\$ 41,245,837
Business-Type Activities										
Investment in Capital Assets	\$ 97,892	\$ 210,733	\$ 207,992	\$ 188,880	\$ 179,572	\$ 156,203	\$ 151,198	\$ 146,474	\$ 131,830	\$ 172,317
Unrestricted	296,984	150,661	150,056	165,435	195,512	228,674	216,556	242,630	426,881	393,034
Total Business-Type Activities Net Position	\$ 394,876	\$ 361,394	\$ 358,048	\$ 354,315	\$ 375,084	\$ 384,877	\$ 367,754	\$ 389,104	\$ 558,711	\$ 565,351
District-Wide										
Net Investment in Capital Assets	\$ 27,322,358	\$ 28,771,838	\$ 28,577,770	\$ 30,101,375	\$ 32,902,097	\$ 32,672,266	\$ 34,066,229	\$ 34,077,528	\$ 35,111,594	\$ 35,927,942
Restricted	10,315,660	10,278,076	9,918,463	5,983,676	6,316,779	7,092,172	6,107,372	7,343,615	9,405,186	11,261,090
Unrestricted/(Deficit)	(7,410,092)	(8,584,616)	(8,826,649)	(7,055,004)	(9,947,092)	(9,206,709)	(8,660,558)	(7,244,340)	(6,477,032)	(5,377,844)
Total District Net Position	\$ 30,227,926	\$ 30,465,298	\$ 29,669,584	\$ 29,030,047	\$ 29,271,784	\$ 30,557,729	\$ 31,513,043	\$ 34,176,803	\$ 38,039,748	\$ 41,811,188

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 13,729,532	\$ 16,281,883	\$ 17,809,990	\$ 19,221,023	\$ 20,142,991	\$ 18,100,336	\$ 19,336,881	\$ 17,970,847	\$ 17,659,151	\$ 17,669,611
Special Education	3,915,065	4,160,158	4,929,289	6,295,881	6,303,643	5,257,584	4,871,984	4,995,440	4,618,852	4,314,568
Other Special Education	33,356	41,319	3,096	1,394	543	4,451		140		
Other Instruction	1,382,796	1,488,898	1,383,084	1,494,982	1,547,884	1,665,498	1,734,227	1,533,811	1,634,082	1,620,258
Support Services:										
Tuition	1,908,152	2,237,895	2,008,981	1,980,295	1,865,297	2,271,794	2,599,919	2,260,739	2,040,842	1,706,522
Student & Instruction Related Services	4,659,362	5,446,900	5,400,837	5,840,622	5,978,620	6,083,930	6,451,512	5,993,553	5,829,512	6,143,185
General Administrative Services	760,728	663,082	997,805	936,556	738,475	878,842	848,863	1,065,870	749,284	722,133
School Administrative Services	1,751,868	2,007,473	2,215,171	2,366,439	2,159,265	1,978,273	1,881,828	1,811,557	1,653,673	2,011,145
Central Services	550,739	658,195	563,814	612,895	752,855	680,797	766,767	701,182	649,906	749,847
Administrative Information Technology	312,120	356,401	362,002	368,677	413,741	471,743	533,762	594,060	600,689	574,733
Plant Operations And Maintenance	3,177,264	3,209,050	3,583,254	3,831,444	3,969,045	3,807,849	3,667,671	3,629,704	3,633,204	4,105,141
Pupil Transportation	1,661,141	1,792,485	2,416,108	2,134,332	2,098,835	2,308,667	2,238,320	1,946,923	2,448,410	3,055,031
Capital Outlay	193,019	196,063								
Interest On Long-Term Debt	1,004,164	724,466	685,332	634,505	580,298	520,140	446,894	375,714	172,807	
Transfer of Funds to Charter School							71,554	26,721	19,798	9,566
Unallocated Depreciation							1,972,799	1,997,397	2,026,946	
Total Governmental Activities Expenses	35,814,041	40,274,021	43,380,436	47,615,452	48,447,899	45,927,303	47,422,981	44,903,518	43,737,296	42,681,740
Business-Type Activities:										
Food Service	495,675	505,094	507,071	511,090	535,831	584,899	507,561	223,686	868,332	816,942
Total Business-Type Activities Expense	495,675	505,094	507,071	511,090	535,831	584,899	507,561	223,686	868,332	816,942
Total District Expenses	\$ 36,309,716	\$ 40,779,115	\$ 43,887,507	\$ 48,126,542	\$ 48,983,730	\$ 46,512,202	\$ 47,930,542	\$ 45,127,204	\$ 44,605,628	\$ 43,498,682
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction										
Student & Instruction Related Services	\$ 1,499,897	\$ 1,617,275	\$ 1,584,567	\$ 1,474,957	\$ 1,478,606	\$ 1,865,869	\$ 1,967,004	\$ 1,810,517	\$ 1,630,792	\$ 1,828,815
Pupil Transportation	266,536	257,971	261,360	277,700	278,531	282,737	279,270	249,909	243,503	346,398
Operating Grants and Contributions	4,452,207	7,832,917	9,461,362	12,349,618	13,778,495	11,065,769	11,094,200	10,715,813	10,245,311	8,292,598
Capital Grants and Contributions				470,444						
Total Governmental Activities Program Revenues	6,218,640	9,708,163	11,307,289	14,572,719	15,535,632	13,214,375	13,340,474	12,984,958	12,415,267	10,787,168

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

UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Business-Type Activities:										
Charges for Services										
Food Service	\$ 322,227	\$ 314,224	\$ 333,333	\$ 337,333	\$ 390,697	\$ 422,737	\$ 337,620	\$ 1,021	\$ 184,273	\$ 491,198
Operating Grants and Contributions	148,608	156,602	169,880	169,184	163,613	168,910	150,190	243,601	853,196	328,079
Total Business Type Activities Program Revenues	470,835	470,826	503,213	506,517	554,310	591,647	487,810	244,622	1,037,469	819,277
Total District Program Revenues	\$ 6,689,475	\$ 10,178,989	\$ 11,810,502	\$ 15,079,236	\$ 16,089,942	\$ 13,806,022	\$ 13,828,284	\$ 13,229,580	\$ 13,452,736	\$ 11,606,445
Net (Expense)/Revenue										
Governmental Activities	\$ (29,595,401)	\$ (30,565,858)	\$ (32,073,147)	\$ (33,042,733)	\$ (32,912,267)	\$ (32,712,928)	\$ (34,082,507)	\$ (31,918,560)	\$ (31,322,029)	\$ (31,894,572)
Business-Type Activities	(24,840)	(34,268)	(3,858)	(4,573)	18,479	6,748	(19,751)	20,936	169,137	2,335
Total District-Wide Net Expense	\$ (29,620,241)	\$ (30,600,126)	\$ (32,077,005)	\$ (33,047,306)	\$ (32,893,788)	\$ (32,706,180)	\$ (34,102,258)	\$ (31,897,624)	\$ (31,152,892)	\$ (31,892,237)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 19,031,621	\$ 19,412,253	\$ 19,800,498	\$ 20,646,591	\$ 21,298,059	\$ 21,988,883	\$ 22,428,661	\$ 22,877,234	\$ 23,334,779	\$ 23,801,474
Taxes Levied for Debt Service	2,105,862	1,964,506	2,011,364	2,155,917	2,189,882	2,243,148	2,294,727	2,300,028	2,306,209	2,193,512
Federal and State Aid not Restricted	9,384,348	9,387,427	9,380,077	9,461,106	9,464,714	9,454,395	9,368,456	9,280,855	9,054,206	9,449,909
Investment Earnings	45,826	44,819	39,444	48,474	83,483	105,415	77,716	17,974	18,221	113,209
Miscellaneous Income	138,920	27,650	49,216	94,773	95,579	195,027	92,922	84,879	301,952	101,268
Transfers	251	57	180	68	1,518	2,212	2,723			
Total Governmental Activities	30,706,828	30,836,712	31,280,779	32,406,929	33,133,235	33,989,080	34,265,205	34,560,970	35,015,367	35,659,372
Business-Type Activities:										
Investment Earnings	817	786	512	840	2,290	3,045	2,628	414	470	4,305
Total Business-Type Activities	817	786	512	840	2,290	3,045	2,628	414	470	4,305
Total District-Wide	\$ 30,707,645	\$ 30,837,498	\$ 31,281,291	\$ 32,407,769	\$ 33,135,525	\$ 33,992,125	\$ 34,267,833	\$ 34,561,384	\$ 35,015,837	\$ 35,663,677
Change in Net Position:										
Governmental Activities	\$ 1,111,427	\$ 270,854	\$ (792,368)	\$ (635,804)	\$ 220,968	\$ 1,276,152	\$ 182,698	\$ 2,642,410	\$ 3,693,338	\$ 3,764,800
Business-Type Activities	(24,023)	(33,482)	(3,346)	(3,733)	20,769	9,793	(17,123)	21,350	169,607	6,640
Total District	\$ 1,087,404	\$ 237,372	\$ (795,714)	\$ (639,537)	\$ 241,737	\$ 1,285,945	\$ 165,575	\$ 2,663,760	\$ 3,862,945	\$ 3,771,440

Source: School District Financial Reports

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 10,035,904	\$ 10,128,625	\$ 9,871,141	\$ 5,936,354	\$ 6,316,778	\$ 7,092,171	\$ 5,497,075	\$ 6,773,210	\$ 8,711,758	\$ 10,565,844
Assigned	824,020	685,570	622,613	3,072,549	355,105	1,007,425	1,458,527	1,761,728	940,091	1,039,593
Unassigned	21,407							758,080	800,618	631,214
Total General Fund	\$ 10,881,331	\$ 10,814,195	\$ 10,493,754	\$ 9,008,903	\$ 6,671,883	\$ 8,099,596	\$ 6,955,602	\$ 9,293,018	\$ 10,452,467	\$ 12,236,651
All Other Governmental Funds:										
Restricted	\$ 279,756	\$ 179,756	\$ 47,322	\$ 47,322	\$ 1	\$ 1	\$ 610,297	\$ 570,405	\$ 693,428	\$ 695,246
Committed	933,263									
Unassigned, Reported In:										
Capital Projects Fund (Deficit)		(30,305)	(57,834)							
Total All Other Governmental Funds/(Deficit)	\$ 1,213,019	\$ 149,451	\$ (10,512)	\$ 47,322	\$ 1	\$ 1	\$ 610,297	\$ 570,405	\$ 693,428	\$ 695,246
Total All Funds:										
Restricted	\$ 10,315,660	\$ 10,308,381	\$ 9,918,463	\$ 5,983,676	\$ 6,316,779	\$ 7,092,172	\$ 6,107,372	\$ 7,343,615	\$ 9,405,186	\$ 11,261,090
Committed	933,263									
Assigned	824,020	685,570	622,613	3,072,549	355,105	1,007,425	1,458,527	1,761,728	940,091	1,039,593
Unassigned/(Deficit)	21,407	(30,305)	(57,834)					758,080	800,618	631,214
Total All Governmental Funds	\$ 12,094,350	\$ 10,963,646	\$ 10,483,242	\$ 9,056,225	\$ 6,671,884	\$ 8,099,597	\$ 7,565,899	\$ 9,863,423	\$ 11,145,895	\$ 12,931,897

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 21,137,483	\$ 21,376,759	\$ 21,811,862	\$ 22,802,508	\$ 23,487,941	\$ 24,232,031	\$ 24,723,388	\$ 25,177,262	\$ 25,640,988	\$ 25,994,986
Tuition Charges	1,499,897	1,617,275	1,584,567	1,474,957	1,478,606	1,865,869	1,967,004	1,810,517	1,630,792	1,828,815
Transportation Fees from Other LEAs	266,536	257,971	261,360	277,700	278,531	282,737	279,270	249,909	243,503	319,357
Interest Earnings	18,173	18,003	18,854	14,737	33,043	19,300	26,636	2,245	4,577	17,960
Other Restricted Miscellaneous Revenue	11,131	3,149	12,063	10,931	35,320	15,551	16,095	238,280	354,936	369,401
Unrestricted Miscellaneous Revenue	156,217	54,322	66,603	118,352	116,504	278,118	180,704	75,831	287,748	212,104
State Sources	13,290,259	13,685,984	14,265,030	15,238,346	15,593,047	16,317,191	16,374,341	17,689,521	19,467,473	19,367,534
Federal Sources	545,521	572,921	632,972	651,159	609,153	630,105	626,881	998,101	1,103,521	1,748,724
Total Revenue	36,925,217	37,586,384	38,653,311	40,588,690	41,632,145	43,640,902	44,194,319	46,241,666	48,733,538	49,858,881
Expenditures										
Instruction										
Regular Instruction	9,929,359	10,209,236	10,445,191	10,439,908	10,407,091	9,955,182	10,839,689	10,291,458	11,079,297	11,568,311
Special Education Instruction	2,959,441	2,831,246	2,983,944	3,558,648	3,380,550	2,858,119	2,621,035	2,825,203	2,903,433	2,800,444
Other Special Instruction	26,480	34,344	3,096	1,394	543	4,451			140	
Other Instruction	1,148,890	1,229,904	1,151,253	1,223,820	1,277,220	1,359,368	1,404,200	1,231,365	1,409,834	1,380,185
Support Services:										
Tuition	1,908,152	2,237,895	2,008,981	1,980,295	1,865,297	2,271,794	2,599,919	2,260,739	2,040,842	1,706,522
Student & Instruction Related Services	3,584,677	3,762,933	4,040,591	4,072,879	4,213,092	4,258,134	4,453,773	4,298,452	4,507,728	4,861,589
General Administration Services	636,191	532,428	717,249	715,768	524,448	673,745	634,905	857,220	599,008	523,564
School Administration Services	1,275,743	1,288,241	1,211,865	1,264,949	1,147,085	1,086,741	1,031,984	1,054,641	1,036,813	1,072,281
Central Services	415,757	468,591	379,234	384,207	485,248	462,785	514,012	459,360	466,241	521,016
Administrative Information Technology	303,709	347,210	319,849	381,695	357,788	505,436	463,953	519,694	551,660	499,239
Plant Operations And Maintenance	2,794,520	2,818,202	2,934,826	3,343,597	3,942,754	3,239,572	3,109,037	3,118,884	3,178,886	3,463,054
Pupil Transportation	1,580,793	1,711,448	1,807,548	1,895,355	1,929,470	1,985,154	1,963,553	1,782,937	2,381,691	2,799,531
Unallocated Benefits	7,174,221	7,668,082	8,065,335	8,761,017	9,837,218	10,807,248	11,169,096	12,419,749	13,506,301	13,616,114
Capital Outlay	858,723	1,495,739	2,408,979	3,139,680	2,395,867	1,136,307	2,331,723	480,398	1,564,002	1,040,677
Transfer of Funds to Charter School							71,554	26,721	19,798	9,566
Debt Service:										
Principal	1,180,000	1,185,000	1,285,000	1,365,000	1,500,000	1,565,000	1,690,000	1,765,000	1,890,000	2,095,000
Interest And Other Charges	943,021	896,646	858,509	808,009	754,333	695,297	622,046	552,321	315,392	115,786
Total Expenditures	36,719,677	38,717,145	40,621,450	43,336,221	44,018,004	42,864,333	45,520,479	43,944,142	47,451,066	48,072,879
Excess (Deficiency) Of Revenues	205,540	(1,130,761)	(1,968,139)	(2,747,531)	(2,385,859)	776,569	(1,326,160)	2,297,524	1,282,472	1,786,002
Over (Under) Expenditures										

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources/(Uses)										
Refunding Bonds Issued									\$ 8,385,000	
Serial Bonds Defeased									(8,160,000)	
Bond Issuance Costs									(54,400)	
Deferred Amount on Refunding									(170,600)	
Financed Purchases (Non-Budgeted)										
Transfers	\$ 251	\$ 57	\$ 1,487,555	\$ 1,320,446	\$ 1,518	\$ 648,932	\$ 2,723			
			68			2,212				
Total Other Financing Sources/(Uses)	\$ 251	\$ 57	\$ 1,487,735	\$ 1,320,514	\$ 1,518	\$ 651,144	\$ 2,723			
Net Change In Fund Balances	\$ 205,791	\$ (1,130,704)	\$ (480,404)	\$ (1,427,017)	\$ (2,384,341)	\$ 1,427,713	\$ (1,323,437)	\$ 2,297,524	\$ 1,282,472	\$ 1,786,002
Debt Service As A Percentage Of										
Noncapital Expenditures	5.92%	5.59%	5.35%	5.35%	5.46%	5.35%	5.27%	5.30%	4.79%	4.68%

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

Fiscal Year Ending June 30	Tuition	Transportation Fees	Interest on Investments	Use of Facilities/ Rentals	Miscellaneous	Total
2014	\$ 1,499,897	\$ 266,536	\$ 45,826	\$ 11,131	\$ 127,789	\$ 1,951,179
2015	1,617,275	257,971	44,819	3,149	24,501	1,947,715
2016	1,584,567	261,360	39,444	12,063	37,153	1,934,587
2017	1,474,957	277,700	48,474	10,931	83,842	1,895,904
2018	1,478,606	278,531	83,483	35,320	60,259	1,936,199
2019	1,865,869	282,737	105,415	15,551	179,476	2,449,048
2020	1,967,004	279,270	77,716	16,095	76,827	2,416,912
2021	1,810,517	249,909	17,974	4,469	80,410	2,163,279
2022	1,630,792	243,503	18,221	9,711	292,241	2,194,468
2023	1,828,815	319,357	113,209	11,264	90,004	2,362,649

Source: Warren Hills Regional School District records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
<u>Franklin Township</u>													
2013	\$ 4,130,400	\$ 286,559,100	\$ 53,823,900	\$ 5,102,815	\$ 32,526,600	\$ 30,969,000	\$ 306,300	\$ 413,418,115	\$ 39,090,620	\$ 914,996	\$ 414,333,111	\$ 0.94	\$ 398,392,069
2014	4,128,700	287,884,400	52,492,300	5,039,395	32,514,600	30,829,000	306,300	413,194,695	39,090,620	692,328	413,887,023	0.94	413,887,023
2015	4,181,700	289,296,400	51,344,000	4,894,295	32,364,200	30,829,000	306,300	413,215,895	39,428,320	463,886	413,679,781	0.99	389,508,561
2016	4,403,700	288,535,000	52,484,600	5,050,195	32,273,800	30,829,000	306,300	413,882,595	39,306,220	440,526	414,323,121	0.97	385,027,582
2017	4,217,600	288,396,600	52,274,300	5,065,195	32,611,100	30,837,300	306,300	413,708,395	39,462,320	434,313	414,142,708	1.04	410,504,041
2018	3,934,500	287,479,100	53,345,700	5,078,095	32,380,700	30,837,300	306,300	413,361,695	39,814,020	815,456	414,177,151	1.02	407,562,602
2019	3,936,700	287,178,600	53,290,100	5,059,695	32,276,700	30,837,300	306,300	412,885,395	39,950,720	819,631	413,705,026	1.06	404,895,366
2020	3,848,300	286,851,817	53,593,700	5,066,095	32,276,700	30,837,300	306,300	412,780,212	39,582,820	822,139	413,602,351	1.04	403,686,458
2021	4,888,700	286,866,217	53,618,900	5,043,995	32,216,200	30,837,300	306,300	413,777,612	40,030,820	830,444	414,608,056	1.08	416,170,130
2022	5,009,800	286,364,317	53,360,000	5,118,495	32,610,800	30,805,300	306,300	413,575,012	40,525,220	744,496	414,319,508	1.12	454,145,389
<u>Township of Mansfield</u>													
2013	\$ 11,751,900	\$ 424,374,700	\$ 54,693,000	\$ 2,782,050	\$ 90,238,000	\$ 16,099,500	\$ 40,656,000	\$ 640,595,150	\$ 67,675,180	\$ 1,315,776	\$ 641,910,926	\$ 0.92	\$ 725,936,357
2014	10,220,500	404,138,600	54,345,900	3,544,000	108,831,100	17,129,400	66,001,000	664,210,500	72,990,900	1,017,159	665,227,659	0.87	684,976,372
2015	10,653,600	404,308,500	54,221,800	3,476,790	108,509,200	17,493,500	66,001,000	664,664,390	72,720,600	954,436	665,618,826	0.90	693,428,255
2016	9,501,000	408,991,800	52,751,300	4,246,265	116,176,000	17,323,500	66,001,000	674,990,865	68,900,700	862,441	675,853,306	0.96	715,449,372
2017	16,515,150	409,053,900	52,604,700	3,342,165	115,894,250	17,323,500	60,062,400	674,796,065	68,448,400	804,295	675,600,360	1.01	719,190,103
2018	13,782,200	410,640,200	51,939,900	3,345,415	115,863,850	17,323,500	60,062,400	672,957,465	68,442,100	291,360	673,248,825	1.08	728,428,211
2019	15,066,700	413,661,400	49,904,500	3,214,625	114,656,750	17,323,500	59,623,400	673,450,875	70,398,700		673,450,875	1.11	747,260,207
2020	14,091,700	418,485,800	52,498,400	3,103,225	113,307,150	17,323,500	59,623,400	678,433,175	71,098,300		678,433,175	1.16	756,719,409
2021	13,159,600	427,702,900	50,547,600	2,892,200	113,333,150	17,323,500	59,623,400	684,582,350	71,609,700		684,582,350	1.18	762,024,119
2022	13,732,900	441,785,600	50,920,100	3,157,800	113,356,250	17,323,500	59,623,400	699,899,550	70,176,800		699,899,550	1.10	811,971,724
<u>Washington Borough</u>													
2013	\$ 3,861,800	\$ 283,660,960	\$ 437,600	\$ 5,300	\$ 45,295,800	\$ 16,323,400	\$ 19,350,900	\$ 368,935,760	\$ 30,736,425	\$ 1,973,565	\$ 370,909,325	\$ 1.09	\$ 475,996,770
2014	3,519,500	285,790,960	437,600	5,300	45,255,400	16,323,400	19,350,900	370,683,060	31,893,625	1,807,822	372,490,882	1.12	463,639,899
2015	2,340,900	290,037,560	437,600	10,100	43,632,300	14,766,600	18,450,900	369,675,960	33,944,425	1,968,788	371,644,748	1.08	443,330,536
2016	1,792,100	287,893,160	437,600	10,100	44,069,600	13,894,600	18,389,700	366,486,860	33,266,625	1,948,907	368,435,767	1.15	441,651,116
2017	1,338,300	288,717,900	437,600	10,100	43,451,500	13,714,300	18,773,700	366,443,400	33,421,225	1,876,471	368,319,871	1.25	457,795,613
2018	1,773,000	288,213,500	437,600	10,100	42,956,700	12,327,300	19,077,700	364,795,900	32,402,625	1,854,447	366,650,347	1.36	463,852,200
2019	1,493,000	288,856,300	437,600	10,100	43,863,300	12,327,300	19,461,700	366,449,300	31,933,325		366,449,300	1.33	456,250,143
2020	1,568,200	289,085,200	437,600	5,300	43,909,900	11,677,300	19,461,700	366,145,200	32,061,025		366,145,200	1.34	447,698,821
2021	1,697,300	288,863,272	437,600	3,700	44,349,900	11,622,300	19,525,700	366,499,772	31,642,025		366,499,772	1.31	452,498,068
2022	1,733,800	289,204,372	437,600	3,700	45,138,400	11,607,100	19,525,700	367,650,672	31,649,225		367,650,672	1.46	508,250,334

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 10,364,300	\$ 558,903,101	\$ 26,397,900	\$ 2,399,300	\$ 75,759,900	\$ 3,445,900	\$ 1,780,300	\$ 679,050,701	\$ 57,457,248	\$ 1,216,440	\$ 680,267,141	1.07	\$ 784,880,638
2014	10,399,600	557,929,101	26,422,900	2,410,900	75,491,100	3,445,900	1,780,300	677,879,801	58,674,448	984,686	678,864,487	1.11	741,130,019
2015	11,107,000	557,507,301	25,814,400	2,465,700	77,247,900	3,445,900	1,780,300	679,368,501	56,679,148	100	679,368,601	1.14	730,164,989
2016	10,778,500	557,463,501	26,272,400	2,595,000	77,981,800	3,445,900	1,685,900	680,223,001	59,366,048	930,263	681,153,264	1.18	725,063,215
2017	10,670,500	556,977,408	26,323,600	2,585,000	78,268,768	3,573,300	1,685,900	680,084,476	59,588,748	951,010	681,035,486	1.13	700,881,018
2018	12,816,000	556,398,608	27,193,200	2,402,100	80,465,968	3,573,300	1,685,900	684,535,076	60,747,948	971,693	685,506,769	1.14	698,845,642
2019	10,168,100	555,469,808	27,501,100	2,427,100	80,528,968	3,573,300	1,685,900	681,354,276	63,843,548		681,354,276	1.17	708,550,380
2020	13,806,700	555,632,808	27,780,600	2,490,200	82,543,268	3,523,300	1,685,900	687,462,776	61,381,448		687,462,776	1.18	724,471,996
2021	12,816,500	554,709,808	28,315,700	2,388,800	82,543,268	3,523,300	1,685,900	685,983,276	61,826,048		685,983,276	1.20	730,278,125
2022	10,576,700	555,091,408	28,404,200	2,406,000	82,427,968	3,523,300	1,686,700	684,116,276	82,824,848		684,116,276	1.21	777,634,630

Washington Township

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

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

b Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessors

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

TOWNSHIP OF FRANKLIN

Year Ended December 31,	Warren Hills Regional Board of Education							Total Direct and Overlapping Tax Rate
	Direct Rate			Local School District	Overlapping Rates		Warren County	
	Basic Rate ^a	Debt Service ^b	Total Direct		Township of Franklin			
				General Obligation				
2013	\$ 0.85	\$ 0.09	\$ 0.94	\$ 0.94	\$ 0.22	\$ 0.69	\$ 2.79	
2014	0.85	0.09	0.94	0.96	0.25	0.72	2.86	
2015	0.90	0.09	0.99	0.96	0.27	0.73	2.95	
2016	0.87	0.09	0.97	0.95	0.26	0.71	2.89	
2017	0.95	0.10	1.04	0.94	0.27	0.76	3.02	
2018	0.92	0.09	1.02	0.94	0.27	0.72	2.95	
2019	0.96	0.10	1.06	0.96	0.29	0.70	3.01	
2020	0.94	0.09	1.04	0.98	0.30	0.69	3.00	
2021	0.98	0.10	1.08	0.97	0.31	0.70	3.07	
2022	1.03	0.09	1.12	0.98	0.32	0.75	3.17	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

TOWNSHIP OF MANSFIELD

Year Ended December 31,	Warren Hills Regional Board of Education							Total Direct and Overlapping Tax Rate
	Direct Rate			Local School District	Overlapping Rates		Warren County	
	Basic Rate ^a	Debt Service ^b	Total Direct		Township of Mansfield			
2013	\$ 0.83	\$ 0.09	\$ 0.92	\$ 0.79	\$ 0.59	\$ 0.81	\$ 3.10	
2014	0.79	0.08	0.87	0.79	0.61	0.79	3.05	
2015	0.81	0.08	0.90	0.84	0.61	0.81	3.15	
2016	0.87	0.09	0.96	0.83	0.62	0.81	3.22	
2017	0.92	0.09	1.01	0.85	0.62	0.81	3.29	
2018	0.98	0.10	1.08	0.87	0.63	0.79	3.37	
2019	1.01	0.10	1.11	0.88	0.64	0.79	3.42	
2020	1.06	0.11	1.16	0.89	0.64	0.78	3.48	
2021	1.08	0.11	1.18	0.92	0.64	0.78	3.51	
2022	1.01	0.09	1.10	0.91	0.70	0.78	3.49	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

BOROUGH OF WASHINGTON

Year Ended December 31,	Warren Hills Regional Board of Education							Total Direct and Overlapping Tax Rate
	Direct Rate			Local School District	Overlapping Rates		Warren County	
	Basic Rate ^a	Debt Service ^b	Total Direct		Borough of Washington	Warren County		
				General Obligation				
2013	\$ 0.99	\$ 0.11	\$ 1.09	\$ 1.15	\$ 1.48	\$ 0.85	\$ 4.57	
2014	1.02	0.10	1.12	1.23	1.46	0.89	4.70	
2015	0.98	0.10	1.08	1.26	1.46	0.86	4.66	
2016	1.05	0.11	1.15	1.33	1.47	0.85	4.80	
2017	1.13	0.12	1.25	1.35	1.49	0.88	4.97	
2018	1.23	0.13	1.36	1.43	1.54	0.86	5.19	
2019	1.21	0.12	1.33	1.46	1.54	0.83	5.16	
2020	1.22	0.12	1.34	1.49	1.54	0.80	5.16	
2021	1.19	0.12	1.31	1.49	1.44	0.80	5.04	
2022	1.33	0.12	1.46	1.47	1.43	0.87	5.24	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

TOWNSHIP OF WASHINGTON

Year Ended December 31,	Warren Hills Regional Board of Education							Total Direct and Overlapping Tax Rate
	Direct Rate			Local School District	Overlapping Rates		Warren County	
	Basic Rate ^a	Debt Service ^b	Total Direct		Township of Washington			
2013	\$ 0.96	\$ 0.11	\$ 1.07	\$ 0.80	\$ 0.58	\$ 0.82	\$ 3.28	
2014	1.01	0.10	1.11	0.86	0.60	0.84	3.41	
2015	1.03	0.10	1.14	0.88	0.61	0.84	3.46	
2016	1.07	0.11	1.18	0.89	0.62	0.81	3.51	
2017	1.03	0.11	1.13	0.91	0.66	0.78	3.49	
2018	1.03	0.11	1.14	0.92	0.71	0.74	3.51	
2019	1.06	0.11	1.17	0.95	0.74	0.74	3.60	
2020	1.07	0.11	1.18	0.96	0.75	0.74	3.63	
2021	1.10	0.11	1.20	0.97	0.77	0.74	3.68	
2022	1.11	0.10	1.21	1.00	0.79	0.77	3.77	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

Township of Franklin

	2022		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2013		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Transcontinental Gas	\$ 17,917,900	1	4.32%
ISE America	9,981,100	2	2.41%
Franklin Realty Group LLC	9,275,200	3	2.24%
The Franklin Realty Group LLC	5,958,100	4	1.44%
Viking Development Company, LLC	2,313,400	5	0.56%
J.W.D Farms, LLC	1,950,700	6	0.47%
Elizabethtown Gas Company	1,451,700	7	0.35%
Individual Taxpayer #1	1,290,600	8	0.31%
Victaulic Reh, LLC	1,122,300	9	0.27%
Individual Taxpayer #2	1,109,100	10	0.27%
Total	\$ 52,370,100		12.64%

Source: Municipal Tax Assessor

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

Township of Mansfield

	2022		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2013		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

Source: Municipal Tax Assessor

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

Borough of Washington

	2022		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2013		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Warren Washington Associates	\$ 5,500,000	1	1.48%
BASF Corporation Tax Dept.	4,722,000	2	1.27%
Twist Beauty Packaging	4,052,900	3	1.09%
Washington Plaza Associates	3,400,000	4	0.92%
Bell Atlantic	3,266,765	5	0.88%
Washington Gardens LLC	2,950,000	6	0.80%
Washington Heights LLC	2,000,000	7	0.54%
Individual Taxpayer #1	1,939,800	8	0.52%
Midtown/Limited, Inc.	1,755,200	9	0.47%
Rural Housing Service	1,740,000	10	0.47%
Total	\$ 31,326,665		8.44%

Source: Municipal Tax Assessor

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

Township of Washington

<u>Taxpayer</u>	<u>2022</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Hawk Pointe, LLC	\$ 12,025,600	1	1.76%
Asbury Farms	7,489,468	2	1.09%
Washington Shopping Centers, Inc.	6,541,500	3	0.96%
Desapio Properties #3, LLC	3,376,800	4	0.49%
Johnson Family Holdings LLC	3,342,700	5	0.49%
Ed Mark 31, LLC	3,243,900	6	0.47%
Individual Taxpayer #1	3,134,900	7	0.46%
Prime Storage	2,291,700	8	0.33%
I. C. Washington Inc.	1,875,400	9	0.27%
Witte Holdings, LLC	1,805,100	10	0.26%
Total	<u>\$ 45,127,068</u>		<u>6.60%</u>

<u>Taxpayer</u>	<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Asbury Farms (including Golf Course)	\$ 12,649,400	1	1.86%
Washington Shopping Center, Inc.	7,965,900	2	1.17%
Desapio Properties, LLC	3,499,300	3	0.51%
Ed Mark 31 LLC (Rossi)	3,243,900	4	0.48%
Fitzgibbon, Smith & Smith	3,134,900	5	0.46%
Village Supermarket (Shop-Rite)	2,778,200	6	0.41%
Washington Realty LLC	2,221,700	7	0.33%
Individual Taxpayer #1	1,900,000	8	0.28%
I. C. Washington Inc.	1,875,400	9	0.28%
Individual Taxpayer #2	1,862,899	10	0.27%
Total	<u>\$ 41,131,599</u>		<u>6.05%</u>

Note: Individual taxpayers in 2022 and 2013 may be different.

Source: Municipal Tax Assessor

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

Township of Franklin

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 3,906,105	\$ 3,906,105	100.00%	\$ -0-
2015	3,872,361	3,872,361	100.00%	-0-
2016	4,115,045	4,115,045	100.00%	-0-
2017	4,000,955	3,699,065	92.45%	301,890
2018	4,322,787	4,322,787	100.00%	-0-
2019	4,209,762	4,209,762	100.00%	-0-
2020	4,373,344	4,373,344	100.00%	-0-
2021	4,293,095	4,293,095	100.00%	-0-
2022	4,480,320	4,480,320	100.00%	-0-
2023	4,643,902	4,289,565	92.37%	354,337

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

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

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

Township of Mansfield

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 5,885,165	\$ 5,885,165	100.00%	\$ -0-
2015	5,760,359	5,760,359	100.00%	-0-
2016	5,963,789	5,963,789	100.00%	-0-
2017	6,485,164	6,485,164	100.00%	-0-
2018	6,830,105	6,830,105	100.00%	-0-
2019	7,249,195	7,249,195	100.00%	-0-
2020	7,488,779	7,488,779	100.00%	-0-
2021	7,891,789	7,891,789	100.00%	-0-
2022	8,090,359	8,090,359	100.00%	-0-
2023	7,714,411	7,714,411	100.00%	-0-

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

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

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

Borough of Washington

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 4,059,242	\$ 4,059,242	100.00%	\$ -0-
2015	4,181,857	4,181,857	100.00%	-0-
2016	3,997,626	3,997,626	100.00%	-0-
2017	4,253,257	4,253,257	100.00%	-0-
2018	4,606,303	4,258,233	92.44%	348,070
2019	4,976,154	4,976,154	100.00%	-0-
2020	4,868,343	4,868,343	100.00%	-0-
2021	4,896,233	4,896,233	100.00%	-0-
2022	4,810,816	4,810,816	100.00%	-0-
2023	5,350,699	5,350,699	100.00%	-0-

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

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

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

Township of Washington

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 7,286,970	\$ 7,286,970	100.00%	\$ -0-
2015	7,562,181	6,532,098	86.38%	1,030,083
2016	7,735,402	6,682,089	86.38%	1,053,313
2017	8,063,132	6,954,737	86.25%	1,108,395
2018	7,728,746	6,644,743	85.97%	1,084,003
2019	7,796,920	7,207,323	92.44%	589,597
2020	7,992,922	7,388,668	92.44%	604,254
2021	8,096,145	8,096,145	100.00%	-0-
2022	8,259,493	8,259,493	100.00%	-0-
2023	8,285,974	8,285,974	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Financed Purchases	Bond Anticipation Notes (BANs)	Business-Type Activities Financed Purchases				
2014	\$ 21,329,000	\$ -0-	\$ 64,742	\$ -0-	\$ -0-	\$ 21,393,742	1.92%	\$ 906.02	
2015	20,144,000	-0-	-0-	-0-	-0-	20,144,000	1.74%	852.19	
2016	18,859,000	-0-	989,943	-0-	-0-	19,848,943	1.66%	842.81	
2017	17,494,000	-0-	1,506,624	-0-	-0-	19,000,624	1.58%	811.89	
2018	15,994,000	-0-	722,685	-0-	-0-	16,716,685	1.35%	717.15	
2019	14,429,000	-0-	943,177	-0-	-0-	15,372,177	1.20%	660.01	
2020	12,739,000	-0-	607,370	-0-	-0-	13,346,370	1.01%	574.58	
2021	10,974,000	-0-	264,630	-0-	-0-	11,238,630	0.80%	483.69	
2022	9,309,000	-0-	134,302	-0-	-0-	9,443,302	0.60%	381.39	
2023	7,214,000	-0-	-0-	-0-	-0-	7,214,000	0.46%	291.36	

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 21,329,000	\$ -0-	\$ 21,329,000	2.02%	\$ 903.27
2015	20,144,000	-0-	20,144,000	1.89%	852.19
2016	18,859,000	-0-	18,859,000	1.77%	800.77
2017	17,494,000	-0-	17,494,000	1.63%	747.51
2018	15,994,000	-0-	15,994,000	1.50%	686.14
2019	14,429,000	-0-	14,429,000	1.35%	619.51
2020	12,739,000	-0-	12,739,000	1.19%	548.43
2021	10,974,000	-0-	10,974,000	1.02%	472.30
2022	9,309,000	-0-	9,309,000	1.27%	378.28
2023	7,214,000	-0-	7,214,000	0.97%	291.36

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

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

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

Source: School District Financial Reports

WARREN HILLS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Township of Franklin	\$ 4,195,918	100.00%	\$ 4,195,918
Township of Mansfield	390,000	100.00%	390,000
Borough of Washington	3,578,680	100.00%	3,578,680
Township of Washington	7,780,312	100.00%	7,780,312
Warren County General Obligation Debt :			
Franklin Township Share	830,000	3.74%	31,072
Mansfield Township Share	830,000	6.69%	55,554
Washington Borough Share	830,000	4.19%	34,774
Washington Township Share	830,000	6.41%	53,205
Subtotal, Overlapping Debt			16,119,515
Warren Hills Regional School District Direct Debt			9,309,000
Total Direct And Overlapping Debt			<u>\$ 25,428,515</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023					
	Franklin Township	Mansfield Township	Washington Borough	Washington Township	Total
Equalized valuation basis:					
2020	\$ 412,161,969	\$ 753,647,162	\$ 449,202,797	\$ 730,023,124	\$ 2,345,035,052
2021	451,426,590	792,707,677	503,710,517	777,935,219	2,525,780,003
2022	492,234,006	910,853,136	555,195,820	903,720,312	2,862,003,274
	<u>\$ 1,355,822,565</u>	<u>\$ 2,457,207,975</u>	<u>\$ 1,508,109,134</u>	<u>\$ 2,411,678,655</u>	<u>\$ 7,732,818,329</u>
Average Equalized Valuation of Taxable Property					<u>\$ 2,577,606,110</u>
Debt Limit (3.5% of average equalization value ^a)					\$ 90,216,214
Net Bonded School Debt as of June 30, 2023					<u>7,214,000</u>
Legal Debt Margin					<u>\$ 83,002,214</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 83,474,401	\$ 81,113,720	\$ 78,626,732	\$ 78,924,432	\$ 79,418,289	\$ 106,353,635	\$ 106,768,537	\$ 81,264,859	\$ 83,796,946	\$ 90,216,214
Total Net Debt Applicable to Limit	21,329,000	20,144,000	18,859,000	17,494,000	15,994,000	14,429,000	12,739,000	10,974,000	9,309,000	7,214,000
Legal Debt Margin	\$ 62,145,401	\$ 60,969,720	\$ 59,767,732	\$ 61,430,432	\$ 63,424,289	\$ 91,924,635	\$ 94,029,537	\$ 70,290,859	\$ 74,487,946	\$ 83,002,214
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	25.55%	24.83%	23.99%	22.17%	20.14%	13.57%	11.93%	13.50%	11.11%	8.00%

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

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

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

Township of Franklin

Year	Population ^a	Warren County Per Capita Personal Income ^c	Personal Income (thousands of dollars) ^b	Unemployment Rate ^d
2014	3,096	\$ 48,887	\$ 151,354,152	6.70%
2015	3,076	50,741	156,079,316	5.10%
2016	3,060	51,503	157,599,180	4.90%
2017	3,046	53,149	161,891,854	4.50%
2018	3,041	54,973	167,172,893	4.00%
2019	3,029	56,956	172,519,724	3.30%
2020	3,026	60,525	183,148,650	7.60%
2021	2,976	63,041	187,610,016	4.70%
2022	2,996	63,041 **	188,870,836 ***	3.30%
2023	2,996 *	63,041 **	188,870,836 ***	N/A

* - Latest population data available (2022) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2021) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Warren County per capita personal income (2021) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

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

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

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

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

Township of Mansfield

Year	Population ^a	Warren County Per Capita Personal Income ^c	Personal Income (thousands of dollars) ^b	Unemployment Rate ^d
2014	7,508	\$ 48,887	\$ 367,043,596	5.40%
2015	7,481	50,741	379,593,421	4.80%
2016	7,431	51,503	382,718,793	4.10%
2017	7,386	53,149	392,558,514	3.50%
2018	7,379	54,973	405,645,767	3.30%
2019	7,372	56,956	419,879,632	2.70%
2020	7,384	60,525	446,916,600	7.70%
2021	7,811	63,041	492,413,251	4.30%
2022	7,839	63,041 **	494,178,399 ***	2.90%
2023	7,839 *	63,041 **	494,178,399 ***	N/A

* - Latest population data available (2022) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2021) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Warren County per capita personal income (2021) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

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

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

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

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

Borough of Washington

Year	Population ^a	Warren County Per Capita Personal Income ^c	Personal Income (thousands of dollars) ^b	Unemployment Rate ^d
2014	6,552	\$ 48,887	\$ 320,307,624	6.40%
2015	6,534	50,741	331,541,694	5.70%
2016	6,498	51,503	334,666,494	5.30%
2017	6,496	53,149	345,255,904	5.20%
2018	6,486	54,973	356,554,878	4.70%
2019	6,460	56,956	367,935,760	4.20%
2020	6,459	60,525	390,930,975	10.50%
2021	7,314	63,041	461,081,874	6.20%
2022	7,345	63,041 **	463,036,145 ***	4.00%
2023	7,345 *	63,041 **	463,036,145 ***	N/A

* - Latest population data available (2022) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2021) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Warren County per capita personal income (2021) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

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

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

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

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

Township of Washington

Year	Population ^a	Warren County Per Capita Personal Income ^c	Personal Income (thousands of dollars) ^b	Unemployment Rate ^d
2014	6,482	\$ 48,887	\$ 316,885,534	5.30%
2015	6,460	50,741	327,786,860	4.80%
2016	6,414	51,503	330,340,242	3.90%
2017	6,382	53,149	339,196,918	3.70%
2018	6,385	54,973	351,002,605	3.40%
2019	6,367	56,956	362,638,852	3.20%
2020	6,366	60,525	385,302,150	7.70%
2021	6,508	63,041	410,270,828	4.90%
2022	6,580 *	63,041 **	414,809,780 ***	3.10%
2023	6,580 *	63,041 **	414,809,780 ***	N/A

* - Latest population data available (2022) was used for calculation purposes.

** - Latest Warren County per capita personal income available (2021) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Warren County per capita personal income (2021) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

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

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

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

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

Employer	2023		
	Employees	Rank	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Employer	2014		
	Employees	Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Source: New Jersey Department of Labor

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

<u>Function/Program</u>	<u>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>
Instruction										
Regular	129.0	116.5	113.5	118.5	121.7	125.8	123.1	126.0	118.8	119.6
Special Education	20.0	23.0	23.0	51.1	53.0	41.2	38.0	40.2	40.7	41.5
Other Special Education	3.0	3.0	3.0	3.0					2.0	3.0
Other Instruction	9.0	6.0	5.0	3.0	2.6	3.6	3.6	3.6	3.6	3.6
Support Services:										
Student and Instruction Related Services	35.0	36.0	34.0	40.5	60.0	56.2	57.9	48.6	49.2	51.4
School Administrative Services	15.0	15.0	15.0	13.0	14.0	11.0	11.0	12.0	11.0	11.0
General and Business Administrative Services	2.0	2.0	2.0	9.0	8.0	8.6	9.0	10.0	9.0	10.0
Plant Operations and Maintenance	29.0	29.0	25.0	21.7	27.3	26.8	25.2	24.0	23.0	24.0
Other Support Services	5.0	5.0	5.0	8.5	8.5	10.5	10.3	9.0	12.9	12.6
Total	247.0	235.5	225.5	265.3	295.1	283.7	278.1	273.4	270.2	276.7

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	High School				
2014	1,856	\$ 33,737,933	\$ 18,178	3.75%	165	1:10	1:11	1,856	1,764	0.32%	95.04%
2015	1,880	35,139,760	18,691	2.83%	149	1:10	1:11	1,880	1,779	1.29%	94.63%
2016	1,883	36,068,962	19,155	2.48%	145	1:10	1:11	1,873	1,813	-0.37%	96.80%
2017	1,853	38,023,532	20,520	7.13%	161	1:10	1:11	1,853	1,752	-1.07%	94.55%
2018	1,789	39,367,804	22,005	7.24%	175	1:10	1:11	1,802	1,702	-2.75%	94.45%
2019	1,750	39,467,729	22,553	2.49%	176	1:10	1:11	1,711	1,614	-5.05%	94.33%
2020	1,746	40,876,710	23,412	3.81%	179	1:10	1:10	1,744	1,676	1.93%	96.10%
2021	1,723	41,146,423	23,881	2.00%	182	1:12	1:10	1,729	1,619	-0.86%	93.64%
2022	1,637	43,681,672	26,684	11.74%	179	1:14	1:05	1,572	1,467	-9.08%	93.32%
2023	1,565	44,821,416	28,640	7.33%	177	1:47	1:05	1,568	1,443	-0.25%	92.03%

Note: Enrollment based on annual October district count.

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

Source: Warren Hills Regional School District records

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

<u>District Building</u>	<u>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>
Middle School (1931); Additions in 1956/1967/2007										
Square Feet	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129	92,129
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	634	586	589	628	581	544	556	543	515	469
High School (1967); Additions in 1989/2008										
Square Feet	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910	227,910
Capacity (students)	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591
Enrollment	1,222	1,294	1,294	1,225	1,208	1,206	1,190	1,180	1,122	1,096
Board Office/Project Excel (Unknown)										
Square Feet	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954	18,954
Capacity (students)	98	98	98	98	98	98	98	98	98	98
Enrollment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

Number of Schools at June 30, 2023

 Middle School = 1

 High School = 1

 Other = 1

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

Source: Warren Hills Regional School District records

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

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

Fiscal Year Ended June 30,	High School	Middle School	Board Office/ Project Excel	Total
2014	\$ 217,738	\$ 161,329	\$ 84,885	\$ 463,952
2015	321,991	135,317	84,483	541,791
2016	296,551	124,535	103,597	524,683
2017	346,391	156,056	134,187	636,634
2018	489,421	364,998	252,603	1,107,022
2019	319,202	111,393	225,424	656,019
2020	252,992	197,658	242,263	692,913
2021	226,976	135,051	214,303	576,330
2022	195,134	125,738	307,235	628,107
2023	189,345	133,850	275,679	598,874

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

Source: Warren Hills Regional School District records

WARREN HILLS REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023

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

Source: Warren Hills Regional School District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren Hills Regional School District (the "District"), in the County of Warren, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Warren Hills Regional School District
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Report on Compliance and Other Matters

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

Purpose of this Report

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

October 6, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Warren Hills Regional School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

The Honorable President and Members
of the Board of Education
Warren Hills Regional School District
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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

October 6, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Assistance Listing Number	Federal Grantor/Program or Cluster Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Cancellation of Prior Year Encumbrances	Balance at June 30, 2023		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor						Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education:															
Passed-through State Department of Education:															
Special Revenue Fund:															
Elementary and Secondary Education Act:															
	Title I														
84-010	ESEA546523	7/1/22-9/30/23		\$ 183,301			\$ 105,833	\$ (161,803)					\$ (55,970)		
84-010	ESEA546522	7/1/21-9/30/22		191,765			113,331	(43,073)	\$ 1						
84-010	ESEA546523	7/1/22-9/30/23		20,000			14,193	(20,580)					(6,387)		
84-010	ESEA546522	7/1/21-9/30/22		15,843				(2,566)			\$ 2,566				
	Subtotal - Title I						233,357	(225,456)	1		2,566		(62,357)		
84-367	ESEA546523	7/1/22-9/30/23		34,884			40,619	(40,384)							
84-367	ESEA546522	7/1/21-9/30/22		64,039			9,454	(2,958)							
	Subtotal - Title IIA						50,073	(43,342)							
84-365	ESEA359021	7/1/20-9/30/21		340											
	Subtotal - Title III - Immigrant														
84-424	ESEA546523	7/1/22-9/30/23		12,294			5,318	(5,318)							
84-424	ESEA546522	7/1/21-9/30/22		10,685			5,907								
	Subtotal - Title IV						11,225	(5,318)							
	Subtotal - Title IV														
Special Education Cluster:															
84-027	IDEA546523	7/1/22-9/30/23		397,482			397,482	(397,482)							
84-027X	IDEA546522	7/1/21-9/30/22		79,308			15,540								
	Total Special Education Cluster						413,022	(397,482)							
Education Stabilization Fund:															
COVID 19 - CRRSA:															
84-425D	S425D210027	3/13/20-9/30/23		479,758			292,923	(67,357)	(1)				(2,341)		
84-425D	S425D210027	3/13/20-9/30/23		30,789			30,703	(3,710)					(86)		
84-425D	S425D210027	3/13/20-9/30/23		45,000			8,103	(43,526)					(35,563)		
	Subtotal - Title I						156,801	(485,030)					(388,518)		
84-425U	S425U210027	3/13/20-9/30/24		1,078,226				(116,827)					(116,827)		
84-425U	S425U210027	3/13/20-9/30/24		132,885			1,097	(5,473)					(4,376)		
84-425U	S425U210027	3/13/20-9/30/24		40,000			723	(13,661)					(12,938)		
84-425U	S425U210027	3/13/20-9/30/24		40,000				(43,150)					(43,150)		
84-425U	S425U210027	3/13/20-9/30/24		45,000											
84-425W	N/A	4/23/21-9/30/23		8,278			498,628	(778,734)	(1)				(603,799)		
	Subtotal - Title IV						498,628	(778,734)	(1)				(603,799)		
	Total Education Stabilization Fund						1,206,305	(1,450,332)			2,566		(666,156)		235
	Total U.S. Department of Education														

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenses	Adjust- ment	Repayment of Prior Years' Balances	Cancellation of Prior Year Encum- brances	Balance at June 30, 2023		Amounts Provided to Subre- cipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor						Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Treasury:															
Passed-through State Department of Education:															
Special Revenue Fund:															
Additional or Compensatory Special Education and Related Services (ACRSERS)	21.027	SLFRF- DOEISES	7/1/22-6/30/23	\$ 239,173				\$ (238,616)					\$ (238,616)		
Total U.S. Department of Treasury															
Total Special Revenue Fund					\$ (424,460)	\$ 192	\$1,206,305	(1,688,948)		\$ (192)	\$ 2,566	(904,772)	\$ 235		
U.S. Department of Agriculture:															
Passed-through State Department of Agriculture:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	39,771			39,771	(30,826)						8,945	
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	26,131				(4,294)							
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	7,814			7,501	(7,814)					(313)		
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	228,720			227,182	(228,720)					(1,538)		
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	788,338			14,080	(45,162)						42,391	
Supply Chain Assistance	10.555	N/A	7/1/22-6/30/23	87,453			87,553	(316,816)					(1,851)	51,336	
Total Child Nutrition Cluster					(14,080)	4,294	376,087	(316,816)					(1,851)	51,336	
Total U.S. Department of Agriculture					(14,080)	4,294	376,087	(316,816)					(1,851)	51,336	
U.S. Department of Health and Human Services:															
General Fund:															
Medicaid Cluster:															
Medical Assistance Program	93.778	N/A	7/1/22-6/30/23	49,214			49,214	(49,214)							
Medical Assistance Program	93.778	N/A	7/1/21-6/30/22	42,970			3,244								
Family First Coronavirus Response Act	93.778	N/A	7/1/22-6/30/23	5,410			5,410	(5,410)							
Total U.S. Department of Health and Human Services/Total Medicaid Cluster					(3,244)		57,868	(54,624)							
Total Federal Awards					\$ (441,784)	\$ 4,294	\$1,640,260	\$ (2,060,388)	\$ -0-	\$ (192)	\$ 2,566	\$ (906,623)	\$ 51,571	\$ -0-	
N/A - Not Applicable/Available															

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

WARREN HILLS REGIONAL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Project Number	Grant or State	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
					Budgetary Accounts Receivable	Due to Grantor	GAAP Accounts Receivable				Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures	
State Department of Education:														
General Fund Aid:														
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 8,754,879	\$ 7,911,906	\$ (8,754,879)		\$ (842,973)	\$ 8,754,879			\$ (842,973)	\$ 8,754,879		
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,041,953	941,627	(1,041,953)		(100,326)	1,041,953			(100,326)	1,041,953		
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	46,884	42,370	(46,884)		(4,514)	46,884			(4,514)	46,884		
Supplemental Stabilization Aid	23-495-034-5120-148	7/1/22-6/30/23	553,212	553,212	(553,212)			553,212				553,212		
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	447,794	343,756	(447,794)			447,794			(447,794)	447,794		
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	380,381	6,240	(380,381)			380,381			(36,625)	380,381		
Reimbursement of Nonpublic School Transportation Costs	23-495-034-5120-003	7/1/22-6/30/23	1,163,705	992,713	(6,240)			6,240			(6,240)	6,240		
Reimbursed TPAF Social Security	23-495-034-5094-001	7/1/22-6/30/23	1,432,722	1,432,722	(1,432,722)			1,432,722			(170,992)	1,432,722		
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-002	7/1/22-6/30/23	5,379,252	5,379,252	(5,379,252)			5,379,252				5,379,252		
On-Behalf TPAF Pension Contributions	23-495-034-5094-004	7/1/22-6/30/23	74,631	74,631	(74,631)			74,631				74,631		
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5120-078	7/1/21-6/30/22	8,930,272	865,971	(1,542)			1,542				1,542		
Equalization Aid	22-495-034-5120-014	7/1/21-6/30/22	380,381	(36,886)				36,886				380,381		
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	1,041,953	(101,039)				101,039				1,041,953		
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	46,884	(4,546)				4,546				46,884		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	768,101	(768,101)				768,101				768,101		
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	8,990	(8,990)				8,990				8,990		
Reimbursement of Nonpublic School Transportation Costs	22-495-034-5120-014	7/1/21-6/30/22	1,113,458	(79,521)				79,521				1,113,458		
Reimbursed TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	17,280	(1,865,054)				19,538,785			(625,026)	(1,609,464)	31,592,066	
Subtotal - General Fund														
Debt Service Fund Aid:														
Debt Service Aid - State Support	23-100-034-5120-125	7/1/22-6/30/23	17,280	17,280	(17,280)									
Special Revenue Fund Aid:														
N.J. Nonpublic Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	924	924	(916)			8				916		
N.J. Nonpublic Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	420									381		
N.J. Nonpublic Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	1,568	\$ 39	(1,563)			\$ (39)				1,563		
N.J. Nonpublic Technology Initiative	23-100-034-5120-373	7/1/22-6/30/23	588		(581)							581		
N.J. Nonpublic Technology Initiative	22-100-034-5120-373	7/1/21-6/30/22	294	26	(26)							268		
Climate Awareness Education Grant	23-100-034-5063-359	7/1/22-6/30/23	6,660		(6,559)							6,559		
School Development Authority:														
Emergent & Capital Maintenance Needs	N/A	7/1/22-6/30/23	43,350	43,350	(43,350)							43,350		
Subtotal - Special Revenue Fund														
Total State Department of Education														

WARREN HILLS REGIONAL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Enterprise Fund:												
State Department of Agriculture:												
COVID - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	\$ 16,584	\$ (213)	\$ 213						\$ 16,584	
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	11,089		11,015	(11,089)						
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	174		168	(174)						
Total State Department of Agriculture				(213)	11,396	(11,263)				(80)		
Total State Awards				\$ (1,865,267)	\$ 65	\$ 19,613,891	\$ (19,364,707)	\$ (65)	\$ (630,825)	\$ 20	\$ (1,616,103)	\$ 31,690,811
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(1,432,722)			1,432,722						
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(5,379,252)			5,379,252						
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(74,631)			74,631						
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(1,542)			1,542						
Subtotal - On-Behalf TPAF Pension System Contributions						6,888,147						
Total State Awards Subject to Single Audit Major Program Determination						\$ (12,476,560)						

N/A - Not Applicable/Available

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Warren Hills Regional Board of Education, under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,004 for the General Fund and \$3,002 for the Special Revenue Fund (which includes \$7,764 related to local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented on the following page.

WARREN HILLS REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 54,624	\$ 19,307,199	\$ 19,361,823
Special Revenue Fund	1,694,100	43,055	1,737,155
Debt Service Fund		17,280	17,280
Food Service Fund	<u>316,816</u>	<u>11,263</u>	<u>328,079</u>
Total Awards	<u>\$ 2,065,540</u>	<u>\$ 19,378,797</u>	<u>\$ 21,444,337</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2023.

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following federal and state awards:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
IDEA, Part B, Basic	84.027	7/1/22-9/30/23	\$ 397,482	\$ 397,482
Education Stabilization Fund:				
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	479,758	67,357
Learning Acceleration	84.425D	3/13/20-9/30/23	30,789	3,710
Mental Health	84.425D	3/13/20-9/30/23	45,000	43,526
COVID 19 - ARP:				
ESSER III	84.425U	3/13/20-9/30/24	1,078,226	485,030
Learning Acceleration	84.425U	3/13/20-9/30/24	132,885	116,827
Summer Learning and Enrichment	84.425U	3/13/20-9/30/24	40,000	5,473
Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	13,661
Mental Health	84.425U	3/13/20-9/30/24	45,000	43,150

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

Summary of Auditors' Results: (Cont'd)

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

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
General Fund State Aid:				
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 8,754,879	\$ 8,754,879
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,041,953	1,041,953
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	46,884	46,884
Supplemental Stabilization Aid				
Stabilization Aid	23-495-034-5120-148	7/1/22-6/30/23	553,212	553,212

- The threshold used for distinguishing between federal and state Type A and Type B programs was \$750,000.
- The District was determined to not be a "low-risk" auditee for both state and federal programs.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

The District had no prior year audit findings.