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, 2025

Annual Comprehensive Financial Report

of the

Warren Hills Regional School District
Board of Education

Washington, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Warren Hills Regional School District
Board of Education

WARREN HILLS REGIONAL SCHOOL DISTRICT
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INTRODUCTORY SECTION

WARREN HILLS REGIONAL SCHOOL DISTRICT

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Earl C. Clymer
Superintendent of Schools

Donnamarie Palmiere
Business Administrator

www.warrenhills.org

November 26, 2025

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, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

2) ECONOMIC CONDITION AND OUTLOOK During the 2024-25 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.

In July 2023, the District experienced a major disaster with a flood that caused extensive damage to the spillway, parking lot, Excel Building and the Administration Building. The District has worked with FEMA and the USDA NRCS to recover over $1,000,000 of the costs associated with this disaster.

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS: In the 2024-25 school year, we maintained the district focus on Professional Learning Communities (PLC's) implementation, utilized OnCourse 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. The district transitioned all faculty to the Warren Hills Evaluation Model (NJDOE Approved) and away from the Marzano system in an effort to provide more direct, valuable feedback to our faculty. 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 18 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. teaching strategies, differentiated instruction, web page design, blogging, and podcasting.

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, co-teaching strategies, differentiated instruction, web page design, blogging, and podcasting. Several of the presenters were in-house members who did turn-key training.

The District Evaluation Advisory Committee (DEAC) met to finalize the transition to the new Warren Hills Evaluation Model. Training for faculty & administration on the new evaluation system was embedded in the PD days.

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 NJSLA, 1:1 Technology implementation, 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 over the year including the boiler replacement at the middle school, drainage work, parking lot, fencing, spillway and wall repairs at the Administration and Excel Buildings.

As for the district's Advanced Placement courses, Warren Hills offered 18 Advanced Placements (AP) courses, more than any other high school in Warren County. A faculty driven AP PLC was established to enhance student achievement. Professional development included learning a new AP resource, Albert.io, wherein AP teachers assigned levels of difficulty and simulated AP questions. If a student missed a question, this resource identified why each selection was wrong and why the one selected was the best answer.

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

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

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

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

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and 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, 2025.

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.

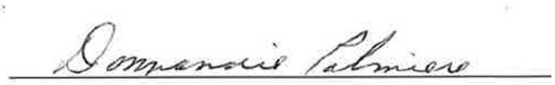
9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, 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.

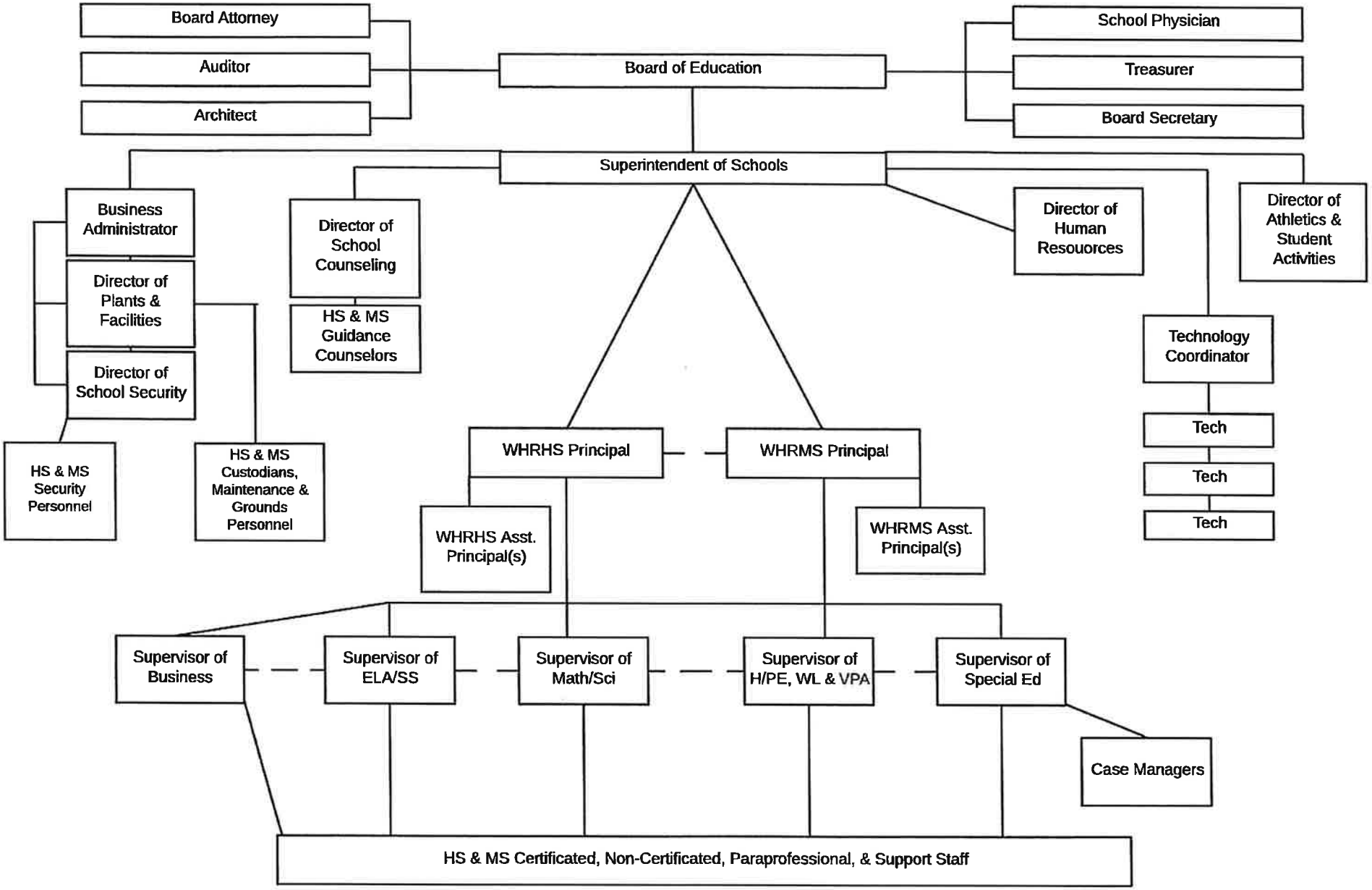
Respectfully submitted,



Earl C. Clymer III
Superintendent



Donnamarie Palmiere
Business Administrator/Board Secretary



DISTRICT ORGANIZATION CHART

WARREN HILLS REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education	Term Expires
Alfred Coscia, President	2025
Amy Kemp, Vice President	2027
Thomas Dufner	2025
Molly Fraumeni	2027
Jean Hansen	2026
Erik Heller	2026
Paula Merrill	2025
Lisa Marshall	2026
Corey Piasecki	2026

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, 2025

Audit Firm

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Mount Arlington Corporate Center
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Mount Arlington, NJ 07856

Architect

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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

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Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

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nisivoccia.com

Independent Member
BKR International

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, 2025, 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, 2025, 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 November 26, 2025 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.

November 26, 2025
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, 2025

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, 2025. 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

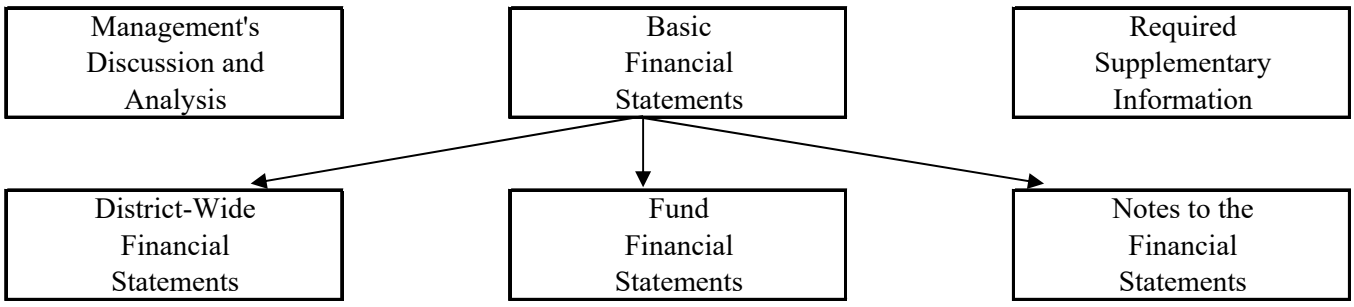

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• 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 detained 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 is it 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 District's combined net position increased by $1,440,607. Net position from governmental activities increased by $1,394,206 and net position from business-type activities increased by $46,401. Net investment in capital assets increased by $2,809,369, restricted net position decreased by $4,004,513 and unrestricted net position increased by $2,635,751.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Current and Other Assets	$13,235,642	$12,096,793	$ 504,445	$ 610,913	$13,740,087	$12,707,706	
Capital Assets, Net	41,840,561	43,019,625	152,753	136,491	41,993,314	43,156,116	
Total Assets	55,076,203	55,116,418	657,198	747,404	55,733,401	55,863,822	0.23%
Deferred Outflows of Resources	741,997	661,895			741,997	661,895	-10.80%
Other Liabilities	1,990,454	3,050,726	54,792	98,597	2,045,246	3,149,323	
Long-Term Liabilities	11,479,881	8,956,973			11,479,881	8,956,973	
Total Liabilities	13,470,335	12,007,699	54,792	98,597	13,525,127	12,106,296	-10.49%
Deferred Inflows of Resources	744,019	772,562			744,019	772,562	3.84%
Net Position:							
Net Investment in Capital Assets	36,850,860	39,676,491	152,753	136,491	37,003,613	39,812,982	
Restricted	11,452,739	7,448,226			11,452,739	7,448,226	
Unrestricted/(Deficit)	(6,699,753)	(4,126,665)	449,653	512,316	(6,250,100)	(3,614,349)	
Total Net Position	$41,603,846	$42,998,052	$ 602,406	$ 648,807	$42,206,252	$43,646,859	3.41%

Changes in Net Position. The District's combined net position was $43,646,859 on June 30, 2025, $1,440,607 or 3.41% more than the previous year (See Figure A-3). Net investment in capital assets increased mainly due to capital assets additions, paydown of principal for bonds payable and amortization of bond premium; offset by capital assets depreciation. Restricted net position decreased primarily due to decreases in the capital reserve and excess surplus. Unrestricted net position increased primarily due to the increase in resources committed for capital projects.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		%
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	Change
Revenue:							
Program Revenue:							
Charges for Services	$2,478,799	$2,464,879	$ 504,093	$ 445,593	$2,982,892	$2,910,472	
Operating Grants and Contributions	7,502,257	6,667,720	316,201	380,272	7,818,458	7,047,992	
General Revenue:							
Property Taxes	26,363,231	26,822,358			26,363,231	26,822,358	
Unrestricted State Aid	8,065,820	7,882,805			8,065,820	7,882,805	
Other	224,931	275,557	5,746	5,161	230,677	280,718	
Total Revenue	44,635,038	44,113,319	826,040	831,026	45,461,078	44,944,345	-1.14%
Expenses:							
Instruction	24,281,105	23,258,773			24,281,105	23,258,773	
Pupil and Instruction Services	7,700,962	7,533,758			7,700,962	7,533,758	
Administrative and Business	4,509,059	4,081,658			4,509,059	4,081,658	
Maintenance and Operations	4,456,439	4,534,739			4,456,439	4,534,739	
Transportation	3,296,167	3,236,274			3,296,167	3,236,274	
Other	33,297	73,911	788,985	784,625	822,282	858,536	
Total Expenses	44,277,029	42,719,113	788,985	784,625	45,066,014	43,503,738	-3.47%
Increase in Net Position	$ 358,009	$1,394,206	$ 37,055	$ 46,401	$ 395,064	$1,440,607	264.65%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District increased despite shortfalls in tuition revenue and extraordinary aid and decreases in state aid, as well as an increase in capital outlay expenses as a result of HVAC upgrade projects at both schools. However, maintaining existing programs including 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.

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

	Total Cost of Services 2023/24	Net Cost of Services 2023/24	Total Cost of Services 2024/25	Net Cost of Services 2024/25
Expense Category:				
Instruction	$ 24,281,105	$ 17,251,654	$ 23,258,773	$ 17,368,427
Pupil and Instruction Services	7,700,962	5,742,757	7,533,758	6,035,591
Administrative and Business	4,509,059	4,213,294	4,081,658	3,862,475
Maintenance and Operations	4,456,439	4,456,439	4,534,739	3,728,396
Transportation	3,296,167	2,598,532	3,236,274	2,517,714
Other	33,297	33,297	73,911	73,911
	$ 44,277,029	$ 34,295,973	$ 42,719,113	$ 33,586,514

Business-Type Activities

Net position from the District's business-type activity increased by $46,401. (Refer to Figure A-4). This was primarily due to an increase in subsidy reimbursements as a result of an increase in the number of free/reduced meals claimed.

Financial Analysis of the District's Funds

Despite the District's decrease in financial position on a fund basis, the District continues to exercise fiscal responsibility and efficiency in discretionary purchases.

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)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Sites	$ 443,166	$ 443,166			$ 443,166	$ 443,166	
Site Improvements	1,550,870	1,653,782			1,550,870	1,653,782	
Construction in Progress		2,272,891				2,272,891	
Buildings and Building Improvements	39,071,070	37,943,831	$ 81,490	$ 76,233	39,152,560	38,020,064	
Furniture, Machinery and Equipment	775,455	705,955	71,263	60,258	846,718	766,213	
Total Capital Assets (Net of Depreciation)	$ 41,840,561	$ 43,019,625	$ 152,753	$ 136,491	$ 41,993,314	$ 43,156,116	2.77%

The $1,162,802 increase in capital assets was attributable to $3,526,994 in additions ($3,526,994 from its governmental activities, which included various improvements and construction in progress, and $-0- from its business-type activities); offset by $2,364,192 in current year depreciation ($2,347,930 from its governmental and $16,262 from its business-type activities) during the year. (More detailed information about the District's capital assets is presented in Note 5 to the financial statements.)

Long-term Liabilities

The District's long-term liabilities decreased $2,522,908 or 21.98% 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

	Total School District		Percentage Change
	2023/24	2024/25	2023/24
Serial Bonds (Financed with Property Taxes)	$ 5,075,000	$ 3,400,000	
Unamortized Bond Issuance Premium	496,944	331,296	
Net Pension Liability	5,094,277	4,429,534	
Compensated Absences Payable	813,660	796,143	
	$ 11,479,881	$ 8,956,973	-21.98%

- The District continued to pay down its bonded debt, retiring $1,675,000 of outstanding bonds.
- The District amortized $165,648 of bond issuance premium related to its bonded debt.
- Net pension liability decreased by $664,743.
- Compensated absences decreased by a net amount of $17,517.

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 health benefits.
- Impact of accountability regulations.
- Impact of the continued loss of state aid.
- Impact of fuel costs and transportation.
- Increasing costs of special education students and outside placements.

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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 7,128,854	$ 571,586	$ 7,700,440
Receivables from State Government	361,663	8	361,671
Receivables from Federal Government	32,088	478	32,566
Receivables from Other Governments	6,551		6,551
Other Receivables	8,531	20,346	28,877
Inventories		18,495	18,495
Restricted Cash and Cash Equivalents	4,559,106		4,559,106
Capital Assets, Net:			
Sites (Land) and Construction in Progress	2,716,057		2,716,057
Depreciable Site Improvements, Buildings and Building Improvements, Furniture and Machinery and Equipment	40,303,568	136,491	40,440,059
Total Assets	55,116,418	747,404	55,863,822
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	56,866		56,866
Deferred Outflows Related to Pensions	605,029		605,029
Total Deferred Outflows of Resources	661,895		661,895
LIABILITIES			
Accrued Interest Payable	11,730		11,730
Accounts Payable	2,983,896	90,135	3,074,031
Payable to State Government	7,389		7,389
Unearned Revenue	47,711	8,462	56,173
Noncurrent Liabilities:			
Due Within One Year	1,883,689		1,883,689
Due Beyond One Year	7,073,284		7,073,284
Total Liabilities	12,007,699	98,597	12,106,296
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	772,562		772,562
Total Deferred Inflows of Resources	772,562		772,562
NET POSITION			
Net Investment in Capital Assets	39,676,491	136,491	39,812,982
Restricted for:			
Capital Projects	2,726,944		2,726,944
Debt Service	8		8
Maintenance	500,000		500,000
Emergency	240,431		240,431
Excess Surplus	2,896,532		2,896,532
Unemployment Compensation	467,199		467,199
Scholarships	354,422		354,422
Student Activities	262,690		262,690
Unrestricted/(Deficit)	(4,126,665)	512,316	(3,614,349)
Total Net Position	$ 42,998,052	$ 648,807	$ 43,646,859

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, 2025

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 16,864,211	$ 1,385,099	$ 2,244,665	$ (13,234,447)		$ (13,234,447)
Special Education	4,601,649	444,948	1,815,635	(2,341,066)		(2,341,066)
Other Special Instruction	216			(216)		(216)
Other Instruction	1,792,697			(1,792,697)		(1,792,697)
Support Services:						
Tuition	1,814,669		410,423	(1,404,246)		(1,404,246)
Student & Instruction Related Services	5,719,089	308,875	778,868	(4,631,346)		(4,631,346)
General Administrative Services	778,076		39,720	(738,356)		(738,356)
School Administrative Services	1,827,900		146,483	(1,681,417)		(1,681,417)
Central Services	772,859		32,980	(739,879)		(739,879)
Administrative Information Technology	702,823			(702,823)		(702,823)
Plant Operations and Maintenance	4,534,739		806,343	(3,728,396)		(3,728,396)
Pupil Transportation	3,236,274	325,957	392,603	(2,517,714)		(2,517,714)
Transfer of Funds to Charter School	73,911			(73,911)		(73,911)
Total Governmental Activities	42,719,113	2,464,879	6,667,720	(33,586,514)		(33,586,514)
Business-Type Activities:						
Food Service	784,625	445,593	380,272		$ 41,240	41,240
Total Business-Type Activities	784,625	445,593	380,272		41,240	41,240
Total Primary Government	$ 43,503,738	$ 2,910,472	$ 7,047,992	(33,586,514)	41,240	(33,545,274)

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	$ 25,100,668		$ 25,100,668
Taxes Levied for Debt Service	1,721,690		1,721,690
Federal and State Aid not Restricted	7,882,805		7,882,805
Investment Earnings	136,960	$ 5,161	142,121
Miscellaneous Income	138,597		138,597
Total General Revenue	34,980,720	5,161	34,985,881
Change in Net Position	1,394,206	46,401	1,440,607
Net Position - Beginning	41,603,846	602,406	42,206,252
Net Position - Ending	$ 42,998,052	$ 648,807	$ 43,646,859

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 4,355,821	$ 27,862	$ 2,745,163	$ 8	$ 7,128,854
Interfund Receivable	3,142				3,142
Receivables From State Government	361,663				361,663
Receivables From Federal Government		32,088			32,088
Receivables From Other Governments	6,551				6,551
Other Receivables	8,531				8,531
Restricted Cash and Cash Equivalents	3,934,574	624,532			4,559,106
Total Assets	$ 8,670,282	$ 684,482	$ 2,745,163	$ 8	$ 12,099,935
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		$ 3,142			$ 3,142
Accounts Payable	1,197,148	9,128	$ 1,302,620		2,508,896
Payable to State Government		7,389			7,389
Unearned Revenue		47,711			47,711
Total Liabilities	1,197,148	67,370	1,302,620		2,567,138
Fund Balances:					
Restricted:					
Capital Reserve	2,726,944				2,726,944
Maintenance Reserve	500,000				500,000
Emergency Reserve	240,431				240,431
Excess Surplus for 2026-2027	1,250,000				1,250,000
Excess Surplus for 2025-2026	1,646,532				1,646,532
Unemployment Compensation	467,199				467,199
Scholarships		354,422			354,422
Student Activities		262,690			262,690
Debt Service				$ 8	8
Committed:					
Capital Projects Fund			1,442,543		1,442,543
Assigned:					
For Subsequent Year's Expenditures					
Other Purposes	642,028				642,028
Total Fund Balances	7,473,134	617,112	1,442,543	8	9,532,797
Total Liabilities and Fund Balances	$ 8,670,282	$ 684,482	$ 2,745,163	$ 8	$ 12,099,935

WARREN HILLS REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(Continued)

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:	
Total Fund Balances from previous page	$ 9,532,797
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	43,019,625
Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold.	(331,296)
Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure	56,866
Interest on Long-Term Debt is not Accrued in the Governmental Funds but Rather is Recognized as an Expenditure When Due.	(11,730)
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds	(4,196,143)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(4,429,534)
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	605,029
Deferred Inflows	(772,562)
District contributions subsequent to the measurment 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.	(475,000)
Net Position of Governmental Activities	$ 42,998,052

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	$ 25,100,668			$ 1,721,690	$ 26,822,358
Tuition from Other LEAs	1,830,047				1,830,047
Transportation Fees from Other LEAs	325,957				325,957
Interest Earned on Capital Reserve Funds	39,884				39,884
Other Restricted Miscellaneous Revenue	11,490	$ 308,875			320,365
Unrestricted Miscellaneous Revenue	224,183	30,509			254,692
Total - Local Sources	27,532,229	339,384		1,721,690	29,593,303
State Sources	17,988,079	26,743			18,014,822
Federal Sources	822,058	1,053,131			1,875,189
Total Revenues	46,342,366	1,419,258		1,721,690	49,483,314
EXPENDITURES:					
Current:					
Regular Instruction	11,198,411	227,925			11,426,336
Special Education Instruction	3,163,823				3,163,823
Other Special Instruction	216				216
School-Sponsored/Other Instruction	1,521,579				1,521,579
Support Services and Undistributed Costs:					
Tuition	1,404,246	410,423			1,814,669
Student and Other Instruction Related Services	4,023,697	520,139			4,543,836
General Administration Services	616,629				616,629
School Administration Services	1,074,966				1,074,966
Central Services	557,695				557,695
Administrative Information Technology	701,818				701,818
Plant Operations and Maintenance	3,819,752				3,819,752
Student Transportation	2,902,009				2,902,009
Unallocated Benefits	14,293,440				14,293,440
Debt Service:					
Principal				1,675,000	1,675,000
Interest and Other Charges				46,690	46,690
Capital Outlay	998,920	229,034	$ 2,272,891		3,500,845
Transfer of Funds to Charter School	73,911				73,911
Total Expenditures	46,351,112	1,387,521	2,272,891	1,721,690	51,733,214
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(8,746)	31,737	(2,272,891)		(2,249,900)
OTHER FINANCING SOURCES/(USES):					
Transfers	(3,715,434)		3,715,434		
Total Other Financing Sources/(Uses)	(3,715,434)		3,715,434	-0-	-0-
Net Change in Fund Balances	(3,724,180)	31,737	1,442,543		(2,249,900)
Fund Balance - July 1	11,197,314	585,375		8	11,782,697
Fund Balance - June 30	$ 7,473,134	$ 617,112	$ 1,442,543	$ 8	$ 9,532,797

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, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ (2,249,900)
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 differ from depreciation.		
Depreciation expense	$ (2,347,930)	
Capital Asset Additions	3,526,994	
		1,179,064
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 (+).		17,517
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 (+).		5,779
Repayment of serial bonds payable is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		1,675,000
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		664,743
Changes in Deferred Outflows and Inflows Related to Pensions		(35,212)
Change in Net Position of Governmental Activities (A-2)		$ 1,394,206

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, 2025

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 571,586
Intergovernmental Accounts Receivable:	
State	8
Federal	478
Other Accounts Receivable	20,346
Inventories	18,495
Total Current Assets	610,913
Non-Current Assets:	
Capital Assets	540,275
Less: Accumulated Depreciation	(403,784)
Total Non-Current Assets	136,491
Total Assets	747,404
LIABILITIES:	
Current Liabilities:	
Accounts Payable	90,135
Unearned Revenue:	
Donated Commodities	8,462
Total Liabilities	98,597
NET POSITION:	
Investment in Capital Assets	136,491
Unrestricted	512,316
Total Net Position	$ 648,807

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

Exhibit B-5

WARREN HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	$ 233,230
Non-Reimbursable Programs	212,363
Total Operating Revenue	445,593
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	218,940
Non-Reimbursable Programs	199,351
Salaries	217,337
Benefits and Payroll Taxes	73,786
Supplies, Insurance & Other Costs	40,484
Management Fee	18,465
Depreciation Expense	16,262
Total Operating Expenses	784,625
Operating Loss	(339,032)
Non-Operating Income:	
Local Sources:	
Interest Income	5,161
State Sources:	
State School Lunch Program	11,178
State Extended Income Eligibilty - Lunch	6,612
State School Breakfast Program	178
Federal Sources:	
National School Lunch Program	278,807
School Breakfast Program	9,781
P-EBT Reimbursement	643
Supply Chain Assistance	35,158
Food Distribution Program	37,915
Total Non-Operating Income	385,433
Change in Net Position	46,401
Net Position - Beginning of Year	602,406
Net Position - End of Year	$ 648,807

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, 2025

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	$ 435,461
Payments to Food Service Contractor	(602,253)
Payments to Suppliers	(38,042)
Net Cash Used for Operating Activities	(204,834)
Cash Flows from Investing Activities:	
Interest Income	5,161
Net Cash Provided by Investing Activities	5,161
Cash Flows from Noncapital Financing Activities:	
State Sources	17,967
Federal Sources	289,009
Net Cash Provided by Noncapital Financing Activities	306,976
Net Increase in Cash and Cash Equivalents	107,303
Cash and Cash Equivalents, July 1	464,283
Cash and Cash Equivalents, June 30	$ 571,586
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	$ (339,032)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	16,262
Food Distribution Program	37,915
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue	(3,437)
Increase in Accounts Payable	82,400
(Increase) in Other Accounts Receivable	(9,918)
Decrease in Inventory	10,976
Net Cash Used for Operating Activities	$ (204,834)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at $34,478 and utilized U.S.D.A. Commodities valued at $37,915.

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

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.

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.

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.

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, 2025 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.

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

D. Budgets/Budgetary Control (Cont'd)

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.

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	$ 46,265,605	$ 1,249,918
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		170,364
Cancellation of Prior Year Encumbrances		(655)
Current Year Encumbrances		(369)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	940,930	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(864,169)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 46,342,366	$ 1,419,258

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: (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 46,351,112	$ 1,218,181
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		170,364
Cancellation of Prior Year Encumbrances		(655)
Current Year Encumbrances		(369)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 46,351,112	$ 1,387,521

	Capital Projects Fund	
	Revenue	Fund Balance
Revenue and Other Financing Sources / Committed Fund Balance	$ 6,192,390	$ 3,919,499
	6,192,390	3,919,499
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Revenue Recognized on a GAAP Basis	(2,476,956)	$ (2,476,956)
Revenue and Other Financing Sources/Fund Balance per Governmental Funds (GAAP)	$ 3,715,434	$ 1,442,543

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.

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

E. Cash and Cash Equivalents and Investments (Cont'd)

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.

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.

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

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, 2025.

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:

	Estimated Useful Life
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.

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

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, 2025, the amount earned by these employees but not disbursed was $720,613.

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.

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

T. Fund Balance Appropriated

General Fund: Of the $7,473,134 General Fund fund balance at June 30, 2025, $2,726,944 is restricted in the capital reserve account; $500,000 is restricted in the maintenance reserve account; $240,431 is restricted in the emergency reserve account; $467,199 is restricted in the unemployment compensation reserve account; $2,896,532 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 $1,646,532 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2026 and the current year excess surplus of $1,250,000 will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2027); $642,028 is assigned for year end encumbrances, which is $20,334 less on a budgetary basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026; and $-0- is unassigned, which is $843,835 more 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, 2026.

Special Revenue Fund: Of the $617,112 Special Revenue Fund fund balance at June 30, 2025, $354,422 is restricted for scholarships and $262,690 is restricted for student activities.

Capital Projects Fund: The $1,442,543 fund balance in the Capital Projects Fund at June 30, 2025 is committed.

Debt Service Fund: The $8 fund balance in the Debt Service Fund at June 30, 2025 is restricted for subsequent year's expenditures.

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 $4,126,665. 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.

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

V. Net Position (Cont'd)

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, 2025. 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.

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.

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.

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 committed resources at June 30, 2025 for capital projects.

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, 2025 on the budgetary basis.

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

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.

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.

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 of the note on investments.

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.

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

Investments:

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

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

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

(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

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

Investments: (Cont'd)

(9) Deposit of funds in accordance with the following conditions:

(a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

(b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

(c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(d) The designated public depository acts as custodian for the school district with respect to these deposits; and

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

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		
	Unrestricted	Restricted	Total
Checking and Savings Accounts	$ 7,700,440	$ 4,559,106	$ 12,259,546
	$ 7,700,440	$ 4,559,106	$ 12,259,546

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was $12,259,546 and the bank balance was $13,033,283.

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.

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Beginning Balance, July 1, 2024		$ 5,779,038
Add:	Interest Earnings	39,884
	FEMA Reimbursements	806,343
	Transfer from Unassigned Fund Balance per Board Resolution	735,953
	Unexpended Project Balance Returned from Capital Outlay	594,113
Less:	Withdrawal as per Board Resolutions	(216,020)
	Withdrawal as per Board Resolutions - Transfer to Capital Projects Fund	(2,298,700)
	Budgeted Withdrawal	(1,296,933)
	Budgeted Withdrawal - Transfer to Capital Projects Fund	(1,416,734)
Ending Balance, June 30, 2025		$ 2,726,944

The June 30, 2025 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, 2025. Withdrawals from the capital reserve were for use in DOE approved facilities projects consistent with the District's LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	$ 443,166			$ 443,166
Construction in Progress		$ 2,272,891		2,272,891
Total Capital Assets Not Being Depreciated	443,166	2,272,891		2,716,057
Capital Assets Being Depreciated:				
Site Improvements	2,928,535	211,984		3,140,519
Buildings and Building Improvements	66,078,604	890,789		66,969,393
Machinery and Equipment	4,039,436	151,330		4,190,766
Total Capital Assets Being Depreciated	73,046,575	1,254,103		74,300,678
Governmental Activities Capital Assets	73,489,741	3,526,994		77,016,735
Less Accumulated Depreciation for:				
Site Improvements	(1,377,665)	(109,072)		(1,486,737)
Buildings and Building Improvements	(27,007,534)	(2,018,028)		(29,025,562)
Machinery and Equipment	(3,263,981)	(220,830)		(3,484,811)
	(31,649,180)	(2,347,930)		(33,997,110)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 41,840,561	$ 1,179,064	$ -0-	$ 43,019,625

NOTE 5. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	$ 408,843			$ 408,843
Buildings and Building Improvements	131,432			131,432
	540,275			540,275
Less Accumulated Depreciation for:				
Furniture and Equipment	(337,580)	$ (11,005)		(348,585)
Buildings and Building Improvements	(49,942)	(5,257)		(55,199)
	(387,522)	(16,262)		(403,784)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	$ 152,753	$ (16,262)	$ -0-	$ 136,491

As of June 30, 2025, the District expended $3,526,994 from its current year capital budget, which included $2,272,891 of construction projects in progress and depreciated $2,347,930 from its governmental activities. The District expended $-0- and depreciated $16,262 from its business-type activities during the fiscal year.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 974,405
Special Education Instruction	213,901
Student & Instruction Related Services	23,904
General Administration	47,807
School Administration	334,619
Central Services	47,807
Administrative Information Technology	23,904
Operations and Maintenance of Plant	398,566
Pupil Transportation	283,017
	$ 2,347,930

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2025, the District transferred $28,189 to the capital outlay accounts. $18,189 was transferred to equipment, which did not require County Superintendent approval, and $10,000 was transferred to facilities acquisition and construction services, which did require County Superintendent approval.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025	Due Within One Year
Serial Bonds Payable	$ 5,075,000		$ 1,675,000	$ 3,400,000	$ 1,690,000
Unamortized Bond Issuance Premium	496,944		165,648	331,296	165,648
Compensated Absences Payable	813,660	$ 50,378	67,895	796,143	28,041
Net Pension Liability	5,094,277		664,743	4,429,534	
	$ 11,479,881	$ 50,378	$ 2,573,286	$ 8,956,973	$ 1,883,689

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 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 rates 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.

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, 2025 as follows:

Serial Bonds

Purpose	Final Maturity Date	Interest Rates	Amount
2021 Refunding Bonds	02/15/27	0.92%	$ 3,400,000

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

Fiscal Year Ending June 30,	Bonds Principal	Interest	Total
2026	$ 1,690,000	$ 31,280	$ 1,721,280
2027	1,710,000	15,732	1,725,732
	$ 3,400,000	$ 47,012	$ 3,447,012

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

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the Board had no bonds authorized but not issued.

C. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is $28,041 and is separated from the long-term portion of $768,102.

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, 2025, 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 used to liquidate the serial bonds payable.

D. Unamortized Bond Premium

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

E. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is $-0- and the long-term portion is $4,429,534. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

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.nj.gov/treasury/pensions/annual-reports.shtml.

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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 have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being 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 is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to $443,582 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $14,281 to the PERS for normal pension benefits on behalf of the District.

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

NOTE 8. PENSION PLANS (Cont'd)

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

Special Funding Situation

Under N.J.SA. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of $4,429,534 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was .0326% for PERS, which was a decrease of .003% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension benefit of $185,953 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of $14,281 and the District recognized pension expense and revenue in the same amount in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

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)

At June 30, 2025, the District reported deferred outflows and 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	2020	5.16		$ 32,190
	2021	5.13	$ 5,503	
	2022	5.04		18,208
			5,503	50,398
Difference Between Expected and	2020	5.16	1,794	
Actual Experience	2021	5.13		4,377
	2022	5.04		7,416
	2023	5.08	22,785	
	2024	5.08	64,153	
			88,732	11,793
Changes in Proportion	2020	5.16		20,178
	2021	5.13		69,480
	2022	5.04	35,794	
	2023	5.08		101,653
	2024	5.08		313,675
			35,794	504,986
Net Difference Between Projected and Actual	2021	5.00		304,058
Investment Earnings on Pension Plan	2022	5.00		(482,342)
Investments	2023	5.00		125,080
	2024	5.00		258,589
				205,385
Contribution Made Subsequent to the Measurement Date	2024	1.00	475,000	
			$ 605,029	$ 772,562

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)

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

Fiscal Year Ending June 30,	Total
2025	$ (362,074)
2026	45,188
2027	(192,903)
2028	(127,851)
2029	(4,893)
	$ (642,533)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 8. PENSION PLANS (Cont'd)

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

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, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

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, 2024 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, 2024	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	$ 5,875,953	$ 4,429,534	$ 3,184,976

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.nj.gov/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

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 2024, 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 2025, the State of New Jersey contributed $5,464,023 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of $234,920.

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

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

At June 30, 2025, the District reported a liability of $64,399,769 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.130%, which was a decrease of 0.001% as of June 30, 2023.

NOTE 8. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	64,399,769
Total	$ 64,399,769

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of $234,920 and the District recognized a pension benefit and expense for that same amount in the fiscal year ended June 30, 2025 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	2017	8.30		$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			671,623,600	9,874,858,005
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			436,488,877	266,879,466

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual	2021	5.00		$ 888,658,452
Investment Earnings on Pension Plan	2022	5.00		(1,659,667,329)
Investments	2023	5.00		357,972,332
	2024	5.00		816,400,864
				403,364,319
			$ 1,108,112,477	$ 10,545,101,790

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

Fiscal Year Ending June 30,	Total
2025	$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	$ (9,436,989,313)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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.

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

The actuarial assumptions used in the July 1, 2023 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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2024 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, 2024		
	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	$ 76,548,243	$ 64,399,769	$ 54,168,458

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.

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

For DCRP, the District recognized pension expense of $38,570 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to $66,501 for the fiscal year ended June 30, 2025.

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.

The June 30, 2025 audit report for NJSIG is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2025 and NJSIG as of June 30, 2024 is below:

	School Alliance Insurance Fund	New Jersey Schools Insurance Group
Total Assets	$ 63,434,477	$ 452,862,436
Total Net Position	$ 20,906,962	$ 208,313,945
Total Revenue	$ 60,413,430	$ 187,698,949
Total Expenses	$ 58,915,231	$ 178,093,729
Change in Net Position	$ 1,498,199	$ 7,005,220
Members Dividends	$ -0-	$ 2,600,000

NOTE 9. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

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:

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2024-2025	$ -0-	$ -0-	$ 107,283	$ 91,439	$ 467,199
2023-2024	-0-	-0-	61,450	118,392	451,355
2022-2023	-0-	-0-	74,892	65,455	508,297

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	$ 3,142	
Special Revenue Fund		$ 3,142
	$ 3,142	$ 3,142

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES (Cont'd)

The interfund receivable in the Special Revenue fund is Student Activities deposits deposited in the General Fund, offset by interest due to the General Fund.

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2025 were as follows:

	Governmental Fund			District Contribution		
	General Fund	Special Revenue Fund	Capital Projects Fund	Subsequent to the Measure-ment Date	Total Governmental Activities	Business-Type Activites
Due to State of New Jersey				$ 475,000	$ 475,000	
Vendors	$ 230,038	$ 9,128	$ 1,302,620		1,541,786	$ 90,135
Payroll Deductions and Withholdings	220,039				220,039	
Summer Pay	720,613				720,613	
Accrued Salaries & Wages	26,458				26,458	
	$ 1,197,148	$ 9,128	$ 1,302,620	$ 475,000	$ 2,983,896	$ 90,135

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.

NOTE 14. TAX CALENDAR (Cont'd)

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

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2025, 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	Capital Projects Fund	Total Governmental Funds
$ 662,362	$ 369	$ 2,242,259	$ 2,904,990

$642,028 is assigned in the General Fund for year-end encumbrances, which is $20,334 less than the actual year-end encumbrances on a budgetary basis due to the final two state aid payments not being recognized on the GAAP basis until the subsequent year. $-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is $369 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized in the Special Revenue Fund on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The $2,242,259 year-end encumbrances in the Capital Projects Fund are included in the $1,442,543 of committed fund balance on the GAAP basis.

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.

NOTE 16. EMERGENCY RESERVE ACCOUNT (Cont'd)

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.

Beginning Balance, July 1, 2024	$	240,431
Ending Balance, June 30, 2025	$	240,431

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.

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, 2024	$	500,000
Add: Transfer from Unassigned Fund Balance per Board Resolution		500,000
Less: Budgeted Withdrawal		(500,000)
Ending Balance, June 30, 2025	$	500,000

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.

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 local 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.nj.gov/ treasury/pensions/gasb-notices-opeb.shtml.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	219,185
Total	372,741

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

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 - 5.65% 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, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

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 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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 3.93%. This represents the municipal bond return 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, 2023	$ 74,842,891
Changes for Year:	
Service Cost	2,541,610
Interest on the Total OPEB Liability	2,773,172
Difference between Actual and Expected Experience	(169,193)
Changes of Assumptions	6,302,705
Contributions from Members	72,520
Gross Benefit Payments by the State	(2,117,916)
Net Changes	9,402,898
Balance at June 30, 2024	$ 84,245,789

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, 2024, 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	$ 98,669,862	$ 84,245,789	$ 72,518,732

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 Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	$ 70,177,356	$ 84,245,789	$ 102,570,852

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of $2,013,002 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, 2024, the State had deferred outflows and 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		$ 1,615,635
	2018	9.51		1,972,427
	2019	9.29	$ 311,194	
	2020	9.24	8,027,446	
	2021	9.24	47,417	
	2022	9.13		12,883,274
	2023	9.30	117,001	
	2024	9.33	5,627,174	
			14,130,232	16,471,336
Differences between Expected and Actual Experience	2018	9.51		1,864,557
	2019	9.29		3,662,779
	2020	9.24	7,481,895	
	2021	9.24		9,118,602
	2022	9.13	1,326,792	
	2023	9.30		1,086,895
	2024	9.33	200,408	
			9,009,095	15,732,833
Changes in Proportion	N/A	N/A	1,205,565	2,780,532
			$ 24,344,892	$ 34,984,701

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

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

Fiscal Year Ending June 30,	Total
2025	$ (2,988,296)
2026	(2,505,705)
2027	(1,190,130)
2028	312,787
2029	(2,171,761)
Thereafter	(521,737)
	$ (9,064,842)

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 $1,431,574 for 2024 from this annual service charge or payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid for 2024 without the abatement would have been $2,737,918 of which $1,233,857 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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0381039760%	0.0404678952%	0.0391864923%	0.0403269637%	0.0400486093%	0.0371582031%	0.0357119124%	0.0361768142%	0.0351708502%	0.0325987600%
District's proportionate share of the net pension liability	$ 8,553,579	$ 11,985,430	$ 9,121,989	$ 7,940,178	$ 7,216,152	$ 6,059,531	$ 4,230,611	$ 5,459,579	$ 5,094,277	$ 4,429,534
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	$ 2,603,144
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	323.01%	472.15%	339.13%	288.18%	276.97%	232.66%	158.19%	229.24%	205.95%	170.16%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 327,592	$ 362,047	$ 367,521	$ 402,749	$ 391,073	$ 415,880	$ 418,228	$ 466,073	$ 470,068	$ 443,582
Contributions in relation to the contractually required contribution	(327,592)	(362,047)	(367,521)	(402,749)	(391,073)	(415,880)	(418,228)	(466,073)	(470,068)	(443,582)
Contribution deficiency/(excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered employee payroll	$2,538,487	$2,689,836	$2,755,294	$2,605,410	$2,604,486	$2,674,393	$2,381,600	$2,473,501	$2,603,144	$2,692,288
Contributions as a percentage of covered employee payroll	12.91%	13.46%	13.34%	15.46%	15.02%	15.55%	17.56%	18.84%	18.06%	16.48%

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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.1294218702%	0.1324016385%	0.1321958190%	0.1326931529%	0.1355117971%	0.1335426704%	0.1323837622%	0.1344831075%	0.1315844492%	0.1302976842%
State's proportionate share of the net pension liability attributable to the District	$ 81,800,149	$ 104,155,559	$ 89,131,188	$ 84,416,534	$ 83,164,869	$ 87,936,243	$ 63,643,743	$ 69,385,774	$ 67,151,057	$ 64,399,769
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	$ 15,716,162
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	611.17%	779.62%	624.71%	589.52%	576.90%	584.40%	427.91%	469.45%	425.88%	409.77%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 4,994,636	$ 7,825,841	$ 6,174,557	$ 4,921,189	$ 4,905,286	$ 5,468,251	$ 1,497,565	$ 1,867,365	$ 1,649,706	$ (234,920)
Contributions in relation to the contractually required contribution	(1,060,059)	(1,434,951)	(1,954,102)	(2,665,190)	(2,929,102)	(3,848,235)	(5,536,207)	(5,379,252)	(5,552,419)	(5,464,023)
Contribution deficiency/(excess)	$ 3,934,577	$ 6,390,890	$ 4,220,455	$ 2,255,999	$ 1,976,184	$ 1,620,016	$ (4,038,642)	$ (3,511,887)	$ (3,902,713)	$ (5,698,943)
District's covered employee payroll	$13,359,708	$14,267,535	$14,319,443	$14,415,760	$15,047,265	$14,873,208	$14,780,184	$15,767,606	$15,716,162	$16,273,286
Contributions as a percentage of covered employee payroll	7.93%	10.06%	13.65%	18.49%	19.47%	25.87%	37.46%	34.12%	35.33%	33.58%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	$ 2,784,977	$ 2,306,309	$ 2,087,910	$ 2,166,942	$ 3,773,390	$ 3,354,313	$ 2,582,613	$ 2,541,610
Interest Cost	2,464,001	2,835,505	2,657,348	2,148,763	2,217,506	1,930,178	2,635,875	2,773,172
Difference between Actual and Expected Experience		(5,956,438)	(11,286,898)	15,604,315	(14,648,106)	3,455,756	(1,373,147)	(169,193)
Changes in Benefits Terms					(90,986)			
Changes in Assumptions	(10,285,824)	(7,741,711)	895,026	17,506,027	84,335	(19,538,336)	150,852	6,302,705
Member Contributions	66,321	62,347	54,622	50,570	56,691	61,335	67,548	72,520
Gross Benefit Payments	(1,801,107)	(1,803,935)	(1,842,689)	(1,668,434)	(1,746,774)	(1,911,898)	(2,054,708)	(2,117,916)
Net Change in Total OPEB Liability	(6,771,632)	(10,297,923)	(7,434,681)	35,808,183	(10,353,944)	(12,648,652)	2,009,033	9,402,898
Total OPEB Liability - Beginning	84,532,507	77,760,875	67,462,952	60,028,271	95,836,454	85,482,510	72,833,858	74,842,891
Total OPEB Liability - Ending	$ 77,760,875	$ 67,462,952	$ 60,028,271	$ 95,836,454	$ 85,482,510	$ 72,833,858	$ 74,842,891	$ 84,245,789
District's Covered Employee Payroll *	$ 15,898,195	$ 16,957,371	$ 17,074,737	$ 17,021,170	$ 17,651,751	$ 17,547,601	$ 17,161,784	$ 18,241,107
Total OPEB Liability as a Percentage of Covered Employee Payroll	489%	398%	352%	563%	484%	415%	436%	462%

* Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 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, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

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, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	$ 25,100,668		$ 25,100,668	$ 25,100,668	
Tuition From Other LEAs Within the State	2,008,046		2,008,046	1,830,047	$ (177,999)
Transportation Fees From Other LEAs	326,691		326,691	325,957	(734)
Unrestricted Miscellaneous Revenues	110,000		110,000	224,183	114,183
Interest Earned on Capital Reserve Funds	10,000		10,000	39,884	29,884
Other Restricted Miscellaneous Revenues	15,687		15,687	11,490	(4,197)
Total Revenues from Local Sources	27,571,092		27,571,092	27,532,229	(38,863)
Revenues from State Sources:					
Categorical Transportation Aid	380,381		380,381	380,381	
Extraordinary Aid	350,000		350,000	292,512	(57,488)
Categorical Special Education Aid	1,041,953		1,041,953	1,041,953	
Equalization Aid	7,614,949		7,614,949	7,614,949	
Categorical Security Aid	46,884		46,884	46,884	
Excess Nonpublic School Transportation Costs				10,274	10,274
Stabilized School Budget Aid		$ 135,779	135,779	135,779	
Menstraul Product Reimbursement				94	94
TPAF Post Retirement Contributions (Non-Budgeted)				1,616,369	1,616,369
TPAF Pension Contributions (Non-Budgeted)				5,464,023	5,464,023
TPAF Non-Contributory Insurance (Non-Budgeted)				67,685	67,685
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,876	1,876
Reimbursed TPAF Social Security Contributions				1,238,539	1,238,539
Total Revenues from State Sources	9,434,167	135,779	9,569,946	17,911,318	8,341,372
Revenues from Federal Sources:					
Medicaid Reimbursement	31,279		31,279	15,715	(15,564)
FEMA Reimbursements				806,343	806,343
Total Revenues from Federal Sources	31,279		31,279	822,058	790,779
TOTAL REVENUE	37,036,538	135,779	37,172,317	46,265,605	9,093,288

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	$ 3,318,726	$ (35,710)	$ 3,283,016	$ 3,228,657	$ 54,359
Grades 9-12 - Salaries of Teachers	7,166,083	84,972	7,251,055	7,203,664	47,391
Regular Programs - Home Instruction:					
Salaries of Teachers	72,000	6,977	78,977	77,519	1,458
Other Purchased Services (400-500 series)	25,000	(6,610)	18,390	13,732	4,658
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	106,592	(33,741)	72,851	62,951	9,900
Unused Vacation Payment to Terminated/Retired Staff	5,000	24,977	29,977	29,977	
Purchased Professional-Educational Services	11,050		11,050	3,508	7,542
Purchased Technical Services	29,725		29,725	23,492	6,233
Other Purchased Services (400-500 series)	136,797	(98,827)	37,970	29,927	8,043
General Supplies	361,391	(55,010)	306,381	246,372	60,009
Textbooks	347,440	(1,250)	346,190	273,100	73,090
Other Objects	11,223	172	11,395	5,512	5,883
Total Regular Programs - Instruction	11,591,027	(114,050)	11,476,977	11,198,411	278,566
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	392,740	(52,364)	340,376	340,376	
Other Salaries for Instruction	82,281	3,915	86,196	64,895	21,301
Other Purchased Services (400-500 series)	300		300		300
General Supplies	2,200		2,200	1,012	1,188
Textbooks	3,000		3,000	697	2,303
Other Objects	100		100		100
Total Learning and/or Language Disabilities	480,621	(48,449)	432,172	406,980	25,192

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	$ 275,607	$ 14,309	$ 289,916	$ 289,915	$ 1
Other Salaries for Instruction	26,800	88,676	115,476	108,676	6,800
Other Purchased Services (400-500 series)	2,800		2,800	475	2,325
General Supplies	3,000		3,000	860	2,140
Textbooks	5,000		5,000	253	4,747
Other Objects	100		100		100
Total Behavioral Disabilities	313,307	102,985	416,292	400,179	16,113
Multiple Disabilities:					
Salaries of Teachers	486,256	57,840	544,096	535,561	8,535
Other Salaries for Instruction	245,909	67,044	312,953	312,038	915
Purchased Professional-Educational Services	24,800		24,800		24,800
Purchased Technical Services	1,000		1,000		1,000
Other Purchased Services (400-500 series)	1,700		1,700	711	989
General Supplies	12,000		12,000	3,459	8,541
Textbooks	3,000		3,000	804	2,196
Other Objects	200		200		200
Total Multiple Disabilities	774,865	124,884	899,749	852,573	47,176
Resource Room/Resource Center:					
Salaries of Teachers	1,296,483	9,026	1,305,509	1,290,492	15,017
Other Salaries for Instruction	214,882	(24,776)	190,106	190,106	
Other Purchased Services (400-500 series)	750		750		750
General Supplies	1,000		1,000		1,000
Textbooks	1,500		1,500		1,500
Other Objects	500		500		500
Total Resource Room/Resource Center	1,515,115	(15,750)	1,499,365	1,480,598	18,767

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	$ 13,800	$ 9,693	$ 23,493	$ 23,493	
Total Home Instruction	13,800	9,693	23,493	23,493	
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,097,708	173,363	3,271,071	3,163,823	$ 107,248
Bilingual Education - Instruction:					
Other Purchased Services (400-500 series)	700		700	96	604
General Supplies	2,050		2,050	120	1,930
Total Bilingual Education - Instruction	2,750		2,750	216	2,534
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	196,120	11,348	207,468	201,124	6,344
Purchased Services (300-500 series)	27,412		27,412	13,257	14,155
Supplies and Materials	14,050	5	14,055	13,213	842
Other Objects	18,000	(100)	17,900	9,973	7,927
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	255,582	11,253	266,835	237,567	29,268
School-Sponsored Athletics - Instruction:					
Salaries	988,730	16,824	1,005,554	953,954	51,600
Purchased Services (300-500 series)	224,592	(13,888)	210,704	175,822	34,882
Supplies and Materials	124,985	16,510	141,495	113,470	28,025
Other Objects	58,140		58,140	40,766	17,374
Total School-Sponsored Athletics - Instruction	1,396,447	19,446	1,415,893	1,284,012	131,881
TOTAL INSTRUCTION	16,343,514	90,012	16,433,526	15,884,029	549,497
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	294,429	(47,714)	246,715	244,062	2,653
Tuition to County Voc. School Dist.-Regular	171,908	(12,938)	158,970	154,260	4,710
Tuition to CSSD & Reg. Day Schools	223,075	(93,089)	129,986	129,986	

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction: (Cont'd)					
Tuition to Priv. Sch. for the Handicap. Within State	$ 862,659	$ 153,993	$ 1,016,652	$ 624,556	$ 392,096
Tuition - State Facilities	251,382		251,382	251,382	
Total Undistributed Expenditures - Instruction	1,803,453	252	1,803,705	1,404,246	399,459
Undistributed Expenditures - Health Services:					
Salaries	331,498	30,115	361,613	314,435	47,178
Purchased Professional and Technical Services	26,852	12,500	39,352	27,222	12,130
Other Purchased Services (400-500 series)	2,736		2,736	1,932	804
Supplies and Materials	12,345		12,345	10,444	1,901
Other Objects	125		125		125
Total Undist. Expenditures - Health Services	373,556	42,615	416,171	354,033	62,138
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	273,402	3,952	277,354	257,589	19,765
Purchased Professional - Educational Services	214,460	11,614	226,074	167,285	58,789
Supplies and Materials	2,500		2,500	2,164	336
Total Undist. Expend. - Speech, OT, PT, Related Svcs	490,362	15,566	505,928	427,038	78,890
Undist.Expend. - Other Supp.Serv.Students - Extra.Serv.:					
Salaries	613,997	20,235	634,232	469,611	164,621
Purchased Professional - Educational Services	149,660	3,765	153,425	153,425	
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	763,657	24,000	787,657	623,036	164,621
Undist.Expend. - Guidance:					
Salaries of Other Professional Staff	936,104	(8,807)	927,297	921,664	5,633
Salaries of Secretarial and Clerical Assistants	165,759	1,188	166,947	166,945	2
Other Salaries	43,600	(986)	42,614	28,763	13,851
Purchased Professional - Educational Services	8,327	777	9,104	9,054	50
Other Purchased Services (400-500 series)	33,780	20,883	54,663	28,939	25,724
Supplies and Materials	3,000		3,000	2,335	665

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend. - Guidance: (Cont'd)					
Other Objects	$ 1,764		$ 1,764	$ 1,149	$ 615
Total Undist Expend. - Guidance	1,192,334	$ 13,055	1,205,389	1,158,849	46,540
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	557,347	1,893	559,240	557,134	2,106
Salaries of Secretarial and Clerical Assistants	131,535	4,251	135,786	135,786	
Other Salaries	20,209	(218)	19,991	14,898	5,093
Purchased Professional - Educational Services	7,700		7,700	2,120	5,580
Other Purchased Services (400-500 series)	6,450		6,450	5,598	852
Supplies and Materials	8,858		8,858	4,257	4,601
Other Objects	3,050		3,050	1,642	1,408
Total Undist Expend. - Child Study Team	735,149	5,926	741,075	721,435	19,640
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	353,886	3,990	357,876	357,876	
Purchased Professional - Educational Services	500	(45)	455		455
Other Objects	2,625	45	2,670	2,670	
Total Undist. Expend. - Improv. of Inst. Serv.	357,011	3,990	361,001	360,546	455
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	237,108	1,388	238,496	199,565	38,931
Salaries of Technology Coordinators	116,183	1,751	117,934	115,892	2,042
Purchased Professional and Technical Services	5,300		5,300	5,036	264
Other Purchased Services (400-500 series)	4,800		4,800	3,530	1,270
Supplies and Materials	11,946		11,946	7,964	3,982
Other Objects	1,075		1,075		1,075
Total Undist Expend - Edu. Media Serv./Sch. Library	376,412	3,139	379,551	331,987	47,564

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend. - Instructional Staff Training Services:					
Other Salaries	$ 51,690		$ 51,690	$ 45,065	$ 6,625
Purchased Professional - Educational Service	2,000		2,000	1,708	292
Other Purchased Services (400-500 series)	250		250		250
Total Undist.Expend. - Instructional Staff Training Services	53,940		53,940	46,773	7,167
Undist. Expend. - Support Serv. - Gen. Admin.:					
Salaries	277,624	$ 641	278,265	276,655	1,610
Legal Services	182,500	(5,185)	177,315	104,669	72,646
Audit Fees	98,500	3,175	101,675	50,750	50,925
Architectural/Engineering Services	30,212		30,212	25,762	4,450
Other Purchased Professional Services	61,110	2,010	63,120	63,119	1
Purchased Technical Services	350		350	264	86
Communications / Telephone	44,605	2,451	47,056	47,056	
BOE Other Purchased Services	13,288	802	14,090	6,414	7,676
Other Purch. Serv. (400-500 series other than 530 & 585)	27,700	(4,753)	22,947	13,001	9,946
General Supplies	8,000	1,500	9,500	8,991	509
BOE In-house training/ Meeting Supplies	1,000		1,000	645	355
Miscellaneous Expenditures	3,500	321	3,821	3,821	
BOE Membership Dues and Fees	16,000	(321)	15,679	15,482	197
Total Undist. Expend. - Support Serv. - Gen. Admin.	764,389	641	765,030	616,629	148,401
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	755,675	22,989	778,664	763,402	15,262
Salaries of Secretarial and Clerical Assistants	238,468	(17,536)	220,932	220,931	1
Other Salaries		7,606	7,606	5,172	2,434
Purchased Professional and Technical Services	7,185	(416)	6,769	2,934	3,835
Other Purchased Services (400-500 series)	59,236	5,600	64,836	60,686	4,150
Supplies and Materials	18,970	235	19,205	17,142	2,063
Other Objects	4,654	45	4,699	4,699	
Total Undist. Expend. - Support Serv. - School Adm.	1,084,188	18,523	1,102,711	1,074,966	27,745

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	$ 535,820	$ 6,069	$ 541,889	$ 533,412	$ 8,477
Purchased Professional Services	23,406		23,406	17,006	6,400
Miscellaneous Purchased Services (400-500 series other than 594)	4,025	98	4,123	2,486	1,637
Supplies and Materials	3,500		3,500	3,346	154
Other Objects	1,645	1,102	2,747	1,445	1,302
Total Undist. Expend. - Central Services	568,396	7,269	575,665	557,695	17,970
Undist. Expend. - Admin. Info. Technology:					
Salaries	229,093	3,233	232,326	232,325	1
Purchased Technical Services	47,050	(1,746)	45,304	21,606	23,698
Other Purchased Services (400-500 series)	309,039	8,846	317,885	310,988	6,897
Supplies and Materials	297,760	(600)	297,160	135,228	161,932
Other Objects	2,205		2,205	1,671	534
Total Undist. Expend. - Admin. Info. Technology	885,147	9,733	894,880	701,818	193,062
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	348,098	(2,505)	345,593	341,610	3,983
Cleaning, Repair, and Maintenance Services	302,638	35,241	337,879	306,253	31,626
General Supplies	90,354	5,565	95,919	82,497	13,422
Other Objects	3,000	1,025	4,025	3,485	540
Total Undist. Expend.- Required Maint. for School Facilities	744,090	39,326	783,416	733,845	49,571
Undist. Expend. - Custodial Services:					
Salaries	825,315	(5,191)	820,124	794,141	25,983
Purchased Professional and Technical Services	40,300		40,300	12,913	27,387
Cleaning, Repair, and Maintenance Services	85,200	(3,698)	81,502	60,915	20,587
Other Purchased Property Services	71,500		71,500	60,567	10,933
Insurance	420,130		420,130	376,925	43,205
Miscellaneous Purchased Services	2,200	1,260	3,460	2,649	811

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services: (Cont'd)					
General Supplies	$ 120,250	$ (2,860)	$ 117,390	$ 98,957	$ 18,433
Energy (Natural Gas)	270,000		270,000	168,995	101,005
Energy (Electricity)	592,523	(100,000)	492,523	378,164	114,359
Energy (Oil)	18,000	(450)	17,550	14,171	3,379
Other Objects	500		500	323	177
Total Undist. Expend. - Custodial Services	2,445,918	(110,939)	2,334,979	1,968,720	366,259
Care and Upkeep of Grounds:					
Salaries	156,868	14,910	171,778	164,037	7,741
Cleaning, Repair, and Maintenance Services	168,900	(17,253)	151,647	116,985	34,662
General Supplies	78,175	(32,769)	45,406	38,475	6,931
Total Care And Upkeep Of Grounds	403,943	(35,112)	368,831	319,497	49,334
Security:					
Salaries	559,194	21,018	580,212	579,967	245
Purchased Professional and Technical Services	144,800		144,800	143,408	1,392
Cleaning, Repair, and Maintenance Services	65,755	(1,283)	64,472	64,199	273
General Supplies	8,852	1,283	10,135	10,116	19
Total Security	778,601	21,018	799,619	797,690	1,929
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	4,372,552	(85,707)	4,286,845	3,819,752	467,093
Undist. Expend. - Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch) - Special Ed.	105,000		105,000	96,917	8,083
Management Fee - ESC&CTSA Transportation Program	41,500		41,500	36,339	5,161
Cleaning, Repair, and Maint. Services	29,500	8,272	37,772	37,772	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	34,950	(9,473)	25,477	23,540	1,937
Contr Serv.-Aid in Lieu of Payments-Charter Sch Stud.	2,330	1,201	3,531	3,531	
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	9,320		9,320	5,022	4,298

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Serv.: (Cont'd)					
Contract. Serv.(Bet. Home & Sch.) -Vendors	$ 821,112		$ 821,112	$ 720,439	$ 100,673
Contract. Serv.(Oth. than Bet. Home & Sch.) - Vendors	93,500		93,500	42,958	50,542
Contract. Serv.(Bet. Home & Sch.) - Joint Agreements	773,609		773,609	770,966	2,643
Contract. Serv.(Spl. Ed. Students) - Vendors	256,108		256,108	219,353	36,755
Contract. Serv.(Reg. Students) - ESCs & CTSAs	25,000	$ 6,000	31,000	25,239	5,761
Contract. Serv.(Spl. Ed. Students) - ESCs & CTSAs	820,000	(6,000)	814,000	791,642	22,358
Misc. Purchased Serv. - Transportation	128,168		128,168	117,693	10,475
General Supplies	1,000		1,000		1,000
Transportation Supplies	20,000		20,000	9,548	10,452
Other Objects	1,450		1,450	1,050	400
Total Undist. Expend. - Student Trans. Serv.	3,162,547		3,162,547	2,902,009	260,538
UNALLOCATED BENEFITS					
Social Security Contributions	495,000	7,511	502,511	502,196	315
Other Retirement Contributions - PERS	520,000		520,000	443,582	76,418
Other Retirement Contributions - Regular	46,000		46,000	38,570	7,430
Unemployment Compensation	100,000	(63,370)	36,630	10	36,620
Workers Compensation	301,676		301,676	243,572	58,104
Health Benefits	4,725,349	16,728	4,742,077	4,339,945	402,132
Tuition Reimbursement	131,535		131,535	46,756	84,779
Other Employee Benefits	344,060	(7,511)	336,549	290,317	46,232
TOTAL UNALLOCATED BENEFITS	6,663,620	(46,642)	6,616,978	5,904,948	712,030
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,616,369	(1,616,369)
TPAF Pension Contributions (Non-Budgeted)				5,464,023	(5,464,023)
TPAF Non-Contributory Insurance (Non-Budgeted)				67,685	(67,685)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,876	(1,876)
Reimbursed TPAF Social Security Contributions				1,238,539	(1,238,539)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				8,388,492	(8,388,492)

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	$ 6,663,620	$ (46,642)	$ 6,616,978	$ 14,293,440	$ (7,676,462)
TOTAL UNDISTRIBUTED EXPENDITURES	23,646,713	12,360	23,659,073	29,394,252	(5,735,179)
TOTAL GENERAL CURRENT EXPENSE	39,990,227	102,372	40,092,599	45,278,281	(5,185,682)
CAPITAL OUTLAY					
Equipment:					
Grades 9-12		4,700	4,700	4,700	
Undistributed Expenditures:					
Instruction	10,215		10,215	10,215	
Care and Upkeep of Grounds		13,489	13,489		13,489
Total Equipment	10,215	18,189	28,404	14,915	13,489
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services		10,000	10,000	10,000	
Construction Services	3,193,599	(1,035,380)	2,158,219	788,150	1,370,069
Assessment for Debt Service on SDA Funding	185,855		185,855	185,855	
Total Facilities Acquisition and Construction Serv.	3,554,787	(1,200,713)	2,354,074	984,005	1,370,069
TOTAL CAPITAL OUTLAY	3,565,002	(1,182,524)	2,382,478	998,920	1,383,558
Transfer of Funds to Charter Schools	58,694	15,217	73,911	73,911	
TOTAL EXPENDITURES	43,613,923	(1,064,935)	42,548,988	46,351,112	(3,802,124)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(6,577,385)	1,200,714	(5,376,671)	(85,507)	5,291,164

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Capital Reserve - Transfer to Capital Projects Fund		$ (3,715,434)	$ (3,715,434)	$ (3,715,434)	
Total Other Financing Sources/(Uses)		(3,715,434)	(3,715,434)	(3,715,434)	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	$ (6,577,385)	(2,514,720)	(9,092,105)	(3,800,941)	$ 5,291,164
Fund Balance, July 1	12,138,244		12,138,244	12,138,244	
Fund Balance, June 30	$ 5,560,859	$ (2,514,720)	$ 3,046,139	$ 8,337,303	$ 5,291,164

Recapitulation:	
Restricted Fund Balance:	
Excess Surplus - Restricted For 2026-2027	$ 1,250,000
Excess Surplus - Restricted For 2025-2026	1,646,532
Capital Reserve	2,726,944
Maintenance Reserve	500,000
Emergency Reserve	240,431
Unemployment Compensation	467,199
Assigned Fund Balance:	
Year End Encumbrances	662,362
Unassigned Fund Balance	843,835
	8,337,303
Reconciliation to Governmental Funds Statement (GAAP):	
Last two State Aid Payments not Recognized on GAAP basis	(864,169)
Fund Balance per Governmental Funds (GAAP)	$ 7,473,134

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		$ 372,504	$ 372,504	$ 334,292	$ (38,212)
State Sources		7,389	7,389		(7,389)
Federal Sources	$ 546,847	510,340	1,057,187	915,626	(141,561)
Total Revenues	546,847	890,233	1,437,080	1,249,918	(187,162)
EXPENDITURES:					
Instruction:					
Salaries of Teachers		1,000	1,000	1,000	
Purchased Professional and Educational Services		500	500	500	
Tuition	368,219	42,204	410,423	410,423	
General Supplies		260,992	260,992	207,238	53,754
Other Objects		321	321	4	317
Total Instruction	368,219	305,017	673,236	619,165	54,071
Support Services:					
Salaries of Other Professional Staff	168,314	3,949	172,263	92,061	80,202
Personal Services - Employee Benefits		512	512	57	455
Purchased Professional and Technical Services		28,887	28,887	28,500	387
Purchased Professional and Educational Services	10,314	5,421	15,735	2,708	13,027
Other Purchased Services		19,354	19,354	9,443	9,911
Supplies and Materials		49,440	49,440	22,010	27,430
Scholarships Awarded		7,600	7,600	7,600	
Student Activities		302,620	302,620	269,538	33,082
Total Support Services	178,628	417,783	596,411	431,917	164,494
Facilities Acquisition and Construction Services:					
Instructional Equipment		2,100	2,100	1,766	334
Building and Renovation		165,333	165,333	165,333	
Total Facilities Acquisition and Construction Services		167,433	167,433	167,099	334
Total Expenditures	$ 546,847	$ 890,233	$ 1,437,080	$ 1,218,181	$ 218,899
Deficit of Revenue Under Expenditures	$ -0-	$ -0-	$ -0-	$ 31,737	$ 31,737

WARREN HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	$ 46,265,605	$ 1,249,918
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		170,364
Cancellation of Prior Year Encumbrances		(655)
Current Year Encumbrances		(369)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	940,930	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(864,169)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 46,342,366	$ 1,419,258
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 46,351,112	$ 1,218,181
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		170,364
Cancellation of Prior Year Encumbrances		(655)
Current Year Encumbrances		(369)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 46,351,112	$ 1,387,521

WARREN HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025 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.

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, 2025

	Elementary and Secondary Education Act					
		Title I	Title III	Title IIA		
	Title I	SIA	Immigrant	2024-2025	2023-2024	Title IV
REVENUES:						
Local Sources						
Federal Sources	$ 151,253	$ 51,023	$ 542	$ 49,221	$ 3,427	$ 4,175
Total Revenues	151,253	51,023	542	49,221	3,427	4,175
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional and Educational Services						
Tuition						
General Supplies	120,676		542		3,427	
Other Objects						
Total Instruction	120,676		542		3,427	
Support Services:						
Salaries of Other Professional Staff	28,580	48,083		14,194		
Personal Services - Employee Benefits						
Purchased Professional and Technical Services				27,000		
Purchased Professional and Educational Services				2,708		
Other Purchased Services		2,940		5,319		
Supplies and Materials	1,997					4,175
Scholarships Awarded						
Student Activities						
Total Support Services	30,577	51,023		49,221		4,175
Facilities Acquisition and Construction Services:						
Building and Renovation						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	$ 151,253	$ 51,023	$ 542	$ 49,221	$ 3,427	$ 4,175

WARREN HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ARP		USDA		
	ESSER III	Comprehensive Beyond the School Day	Watershed Protection Program	I.D.E.A. Part B Basic	Perkins Secondary
REVENUES:					
Local Sources					
Federal Sources	$ 66,014	$ 4	$ 165,333	$ 410,423	$ 14,211
Total Revenues	66,014	4	165,333	410,423	14,211
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Educational Services					
Tuition				410,423	
General Supplies	66,014	4			8,964
Other Objects					
Total Instruction	66,014	4		410,423	8,964
Support Services:					
Salaries of Other Professional Staff					740
Personal Services - Employee Benefits					57
Purchased Professional and Technical Services					1,500
Purchased Professional and Educational Services					
Other Purchased Services					1,184
Supplies and Materials					
Scholarships Awarded					
Student Activities					
Total Support Services					3,481
Facilities Acquisition and Construction Services:					
Building and Renovation			165,333		
Instructional Equipment					1,766
Total Facilities Acquisition and Construction Services			165,333		1,766
Total Expenditures	$ 66,014	$ 4	$ 165,333	$ 410,423	$ 14,211

WARREN HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Local Donations	Student Activities	Scholarship	Totals
REVENUES:				
Local Sources	$ 25,417	$ 302,620	$ 6,255	$ 334,292
Federal Sources				915,626
Total Revenues	25,417	302,620	6,255	1,249,918
EXPENDITURES:				
Instruction:				
Salaries of Teachers	1,000			1,000
Purchased Professional and Educational Services	500			500
Tuition				410,423
General Supplies	7,611			207,238
Other Objects	4			4
Total Instruction	9,115			619,165
Support Services:				
Salaries of Other Professional Staff	464			92,061
Personal Services - Employee Benefits				57
Purchased Professional and Technical Services				28,500
Purchased Professional and Educational Services				2,708
Other Purchased Services				9,443
Supplies and Materials	15,838			22,010
Scholarships Awarded			7,600	7,600
Student Activities		269,538		269,538
Total Support Services	16,302	269,538	7,600	431,917
Facilities Acquisition and Construction Services:				
Building and Renovation				165,333
Instructional Equipment				1,766
Total Facilities Acquisition and Construction Services				167,099
Total Expenditures	$ 25,417	$ 269,538	$ 7,600	$ 1,218,181

CAPITAL PROJECTS FUND

WARREN HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenue and Other Financing Sources:	
State Sources - SDA Grant	$ 2,476,956
Transfer from Capital Reserve	3,715,434
Total Revenue and Other Financing Sources	6,192,390
Expenditures:	
Purchased Professional and Technical Services	292,988
Construction Services	1,979,903
Total Expenditures	2,272,891
Excess of Revenue and Other Financing Sources Over Expenditures	3,919,499
Fund Balance - Beginning of Year	-0-
Fund Balance - End of Year	$ 3,919,499
Recapitulation:	
Committed	$ 1,677,240
Committed - Year End Encumbrances	2,242,259
Total Fund Balance - Budgetary Basis	3,919,499
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on the GAAP Basis	(2,476,956)
Fund Balance per Governmental Funds (GAAP)	$ 1,442,543

WARREN HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
WARREN HILLS MIDDLE SCHOOL HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant		$ 611,156	$ 611,156	$ 611,156
Transfer from Capital Reserve		916,734	916,734	916,734
Total Revenue and Other Financing Sources		1,527,890	1,527,890	1,527,890
Expenditures:				
Purchased Professional and Technical Services		83,250	83,250	111,000
Construction Services				1,416,890
Total Expenditures		83,250	83,250	1,527,890
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ -0-	$ 1,444,640	$ 1,444,640	$ -0-

Additional Project Information:

Project Numbers	5465-060-23-R501
Grant Date	06/28/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 1,527,890
Additional Authorized Cost	-0-
Unexpended Balance Cancelled	-0-
Revised Authorized Cost	$ 1,527,890
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	5%
Original Target Completion Date	12/25
Revised Target Completion Date	N/A

N/A - Not Available/Applicable

WARREN HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
WARREN HILLS HIGH SCHOOL HVAC UPGRADES & UNIT VENTILATOR REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant		$ 1,865,800	$ 1,865,800	$ 1,865,800
Transfer from Capital Reserve		2,798,700	2,798,700	2,798,700
Total Revenue and Other Financing Sources		4,664,500	4,664,500	4,664,500
Expenditures:				
Purchased Professional and Technical		209,738	209,738	279,650
Construction Services		1,979,903	1,979,903	4,384,850
Total Expenditures		2,189,641	2,189,641	4,664,500
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ -0-	$ 2,474,859	$ 2,474,859	$ -0-

Additional Project Information:

Project Numbers	5465-050-23-R501
Grant Date	06/28/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 4,664,500
Additional Authorized Cost	-0-
Unexpended Balance Cancelled	-0-
Revised Authorized Cost	$ 4,664,500
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	47%
Original Target Completion Date	12/25
Revised Target Completion Date	N/A

N/A - Not Available/Applicable

PROPRIETARY FUNDS

WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$	571,586
Intergovernmental Accounts Receivable:		
State		8
Federal		478
Other Accounts Receivable		20,346
Inventories		18,495
Total Current Assets		610,913
Non-Current Assets:		
Capital Assets		540,275
Less: Accumulated Depreciation		(403,784)
Total Non-Current Assets		136,491
Total Assets		747,404
LIABILITIES:		
Current Liabilities:		
Accounts Payable		90,135
Unearned Revenue:		
Donated Commodities		8,462
Total Liabilities		98,597
NET POSITION:		
Investment in Capital Assets		136,491
Unrestricted		512,316
Total Net Position	$	648,807

Exhibit G-2

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, 2025

Operating Revenue:		
Local Sources:		
Daily Sales:		
Reimbursable Programs	$	233,230
Non-Reimbursable Programs		212,363
Total Operating Revenue		445,593
Operating Expenses:		
Cost of Sales:		
Reimbursable Programs		218,940
Non-Reimbursable Programs		199,351
Salaries		217,337
Benefits and Payroll Taxes		73,786
Supplies, Insurance and Other Costs		40,484
Management Fee		18,465
Depreciation Expense		16,262
Total Operating Expenses		784,625
Operating Loss		(339,032)
Non-Operating Income:		
Local Sources:		
Interest Income		5,161
State Sources:		
State School Lunch Program		11,178
State Extended Income Eligibilty - Lunch		6,612
State School Breakfast Program		178
Federal Sources:		
National School Lunch Program		278,807
School Breakfast Program		9,781
S-EBT Reimbursement		643
Supply Chain Assistance		35,158
Food Distribution Program		37,915
Total Non-Operating Income		385,433
Change in Net Position		46,401
Net Position - Beginning of Year		602,406
Net Position - End of Year	$	648,807

WARREN HILLS REGIONAL SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:		
Receipts from Customers	$	435,461
Payments to Food Service Contractor		(602,253)
Payments to Suppliers		(38,042)
Net Cash Used for Operating Activities		(204,834)
Cash Flows from Investing Activities:		
Interest Income		5,161
Net Cash Provided by Investing Activities		5,161
Cash Flows from Noncapital Financing Activities:		
State Sources		17,967
Federal Sources		289,009
Net Cash Provided by Noncapital Financing Activities		306,976
Net Increase in Cash and Cash Equivalents		107,303
Cash and Cash Equivalents, July 1		464,283
Cash and Cash Equivalents, June 30	$	571,586
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	$	(339,032)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation		16,262
Food Distribution Program		37,915
Changes in Assets and Liabilities:		
(Decrease) in Unearned Revenue		(3,437)
Increase in Accounts Payable		82,400
(Increase) in Other Accounts Receivable		(9,918)
Decrease in Inventory		10,976
Net Cash Used for Operating Activities	$	(204,834)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at $34,478 and utilized U.S.D.A. Commodities valued at $37,915.

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 June 30, 2025 Date	Amount	Interest Rate	Balance July 1, 2024	Matured	Balance June 30, 2025
2021 Refunding Bonds	11/23/21	$ 8,385,000	2/15/26	$ 1,690,000	0.92%			
			2/15/27	1,710,000	0.92%	$ 5,075,000	$ 1,675,000	$ 3,400,000
						$ 5,075,000	$ 1,675,000	$ 3,400,000

WARREN HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 1,721,690		$ 1,721,690	$ 1,721,690	
Total Revenues	1,721,690		1,721,690	1,721,690	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	46,690		46,690	46,690	
Redemption of Principal	1,675,000		1,675,000	1,675,000	
Total Regular Debt Service	1,721,690		1,721,690	1,721,690	
Total Expenditures	1,721,690		1,721,690	1,721,690	
Excess/(Deficit) of Revenues Over/ (Under) Expenditures					
Fund Balance, July 1	8		8	8	
Fund Balance, June 30	$ 8	$ -0-	$ 8	$ 8	$ -0-
Recapitulation:					
Restricted for Subsequent Year's Expenditures				$ 8	
				$ 8	

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Governmental Activities										
Net Investment in Capital Assets	$ 28,369,778	$ 29,912,495	$ 32,722,525	$ 32,516,063	$ 33,915,031	$ 33,931,054	$ 34,979,764	$ 35,755,625	$ 36,850,860	$ 39,676,491
Restricted	9,918,463	5,983,676	6,316,779	7,092,172	6,107,372	7,343,615	9,405,186	11,261,090	11,452,739	7,448,226
Unrestricted/(Deficit)	(8,976,705)	(7,220,439)	(10,142,604)	(9,435,383)	(8,877,114)	(7,486,970)	(6,903,913)	(5,770,878)	(6,699,753)	(4,126,665)
Total Governmental Activities Net Position	$ 29,311,536	$ 28,675,732	$ 28,896,700	$ 30,172,852	$ 31,145,289	$ 33,787,699	$ 37,481,037	$ 41,245,837	$ 41,603,846	$ 42,998,052
Business-Type Activities										
Investment in Capital Assets	$ 207,992	$ 188,880	$ 179,572	$ 156,203	$ 151,198	$ 146,474	$ 131,830	$ 172,317	$ 152,753	$ 136,491
Unrestricted	150,056	165,435	195,512	228,674	216,556	242,630	426,881	393,034	449,653	512,316
Total Business-Type Activities Net Position	$ 358,048	$ 354,315	$ 375,084	$ 384,877	$ 367,754	$ 389,104	$ 558,711	$ 565,351	$ 602,406	$ 648,807
District-Wide										
Net Investment in Capital Assets	$ 28,577,770	$ 30,101,375	$ 32,902,097	$ 32,672,266	$ 34,066,229	$ 34,077,528	$ 35,111,594	$ 35,927,942	$ 37,003,613	$ 39,812,982
Restricted	9,918,463	5,983,676	6,316,779	7,092,172	6,107,372	7,343,615	9,405,186	11,261,090	11,452,739	7,448,226
Unrestricted/(Deficit)	(8,826,649)	(7,055,004)	(9,947,092)	(9,206,709)	(8,660,558)	(7,244,340)	(6,477,032)	(5,377,844)	(6,250,100)	(3,614,349)
Total District Net Position	$ 29,669,584	$ 29,030,047	$ 29,271,784	$ 30,557,729	$ 31,513,043	$ 34,176,803	$ 38,039,748	$ 41,811,188	$ 42,206,252	$ 43,646,859

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction										
Regular	$ 17,809,990	$ 19,221,023	$ 20,142,991	$ 18,100,336	$ 19,336,881	$ 17,970,847	$ 17,659,151	$ 17,669,611	$ 18,069,899	$ 16,864,211
Special Education	4,929,289	6,295,881	6,303,643	5,257,584	4,871,984	4,995,440	4,618,852	4,314,568	4,493,288	4,601,649
Other Special Education	3,096	1,394	543	4,451			140		165	216
Other Instruction	1,383,084	1,494,982	1,547,884	1,665,498	1,734,227	1,533,811	1,634,082	1,620,258	1,717,753	1,792,697
Support Services:										
Tuition	2,008,981	1,980,295	1,865,297	2,271,794	2,599,919	2,260,739	2,040,842	1,706,522	1,390,883	1,814,669
Student & Instruction Related Services	5,400,837	5,840,622	5,978,620	6,083,930	6,451,512	5,993,553	5,829,512	6,143,185	6,310,079	5,719,089
General Administrative Services	997,805	936,556	738,475	878,842	848,863	1,065,870	749,284	722,133	880,752	778,076
School Administrative Services	2,215,171	2,366,439	2,159,265	1,978,273	1,881,828	1,811,557	1,653,673	2,011,145	2,140,047	1,827,900
Central Services	563,814	612,895	752,855	680,797	766,767	701,182	649,906	749,847	816,603	772,859
Administrative Information Technology	362,002	368,677	413,741	471,743	533,762	594,060	600,689	574,733	671,657	702,823
Plant Operations And Maintenance	3,583,254	3,831,444	3,969,045	3,807,849	3,667,671	3,629,704	3,633,204	4,105,141	4,456,439	4,534,739
Pupil Transportation	2,416,108	2,134,332	2,098,835	2,308,667	2,238,320	1,946,923	2,448,410	3,055,031	3,296,167	3,236,274
Capital Outlay										
Interest On Long-Term Debt	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	33,297	73,911
Unallocated Depreciation	1,021,673	1,896,407	1,896,407	1,897,399	1,972,799	1,997,397	2,026,946			
Total Governmental Activities Expenses	43,380,436	47,615,452	48,447,899	45,927,303	47,422,981	44,903,518	43,737,296	42,681,740	44,277,029	42,719,113
Business-Type Activities:										
Food Service	507,071	511,090	535,831	584,899	507,561	223,686	868,332	816,942	788,985	784,625
Total Business-Type Activities Expense	507,071	511,090	535,831	584,899	507,561	223,686	868,332	816,942	788,985	784,625
Total District Expenses	$ 43,887,507	$ 48,126,542	$ 48,983,730	$ 46,512,202	$ 47,930,542	$ 45,127,204	$ 44,605,628	$ 43,498,682	$ 45,066,014	$ 43,503,738
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	$ 1,584,567	$ 1,474,957	$ 1,478,606	$ 1,865,869	$ 1,967,004	$ 1,810,517	$ 1,630,792	$ 1,828,815	$ 1,792,867	$ 1,830,047
Student & Instruction Related Services						208,719	295,661	346,398	377,180	308,875
Pupil Transportation	261,360	277,700	278,531	282,737	279,270	249,909	243,503	319,357	308,752	325,957
Operating Grants and Contributions	9,461,362	12,349,618	13,778,495	11,065,769	11,094,200	10,715,813	10,245,311	8,292,598	7,502,257	6,667,720
Capital Grants and Contributions		470,444								
Total Governmental Activities Program Revenues	11,307,289	14,572,719	15,535,632	13,214,375	13,340,474	12,984,958	12,415,267	10,787,168	9,981,056	9,132,599

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
Business-Type Activities:										
Charges for Services										
Food Service	$ 333,333	$ 337,333	$ 390,697	$ 422,737	$ 337,620	$ 1,021	$ 184,273	$ 491,198	$ 504,093	$ 445,593
Operating Grants and Contributions	169,880	169,184	163,613	168,910	150,190	243,601	853,196	328,079	316,201	380,272
Total Business Type Activities Program Revenues	503,213	506,517	554,310	591,647	487,810	244,622	1,037,469	819,277	820,294	825,865
Total District Program Revenues	$ 11,810,502	$ 15,079,236	$ 16,089,942	$ 13,806,022	$ 13,828,284	$ 13,229,580	$ 13,452,736	$ 11,606,445	$ 10,801,350	$ 9,958,464
Net (Expense)/Revenue										
Governmental Activities	$ (32,073,147)	$ (33,042,733)	$ (32,912,267)	$ (32,712,928)	$ (34,082,507)	$ (31,918,560)	$ (31,322,029)	$ (31,894,572)	$ (34,295,973)	$ (33,586,514)
Business-Type Activities	(3,858)	(4,573)	18,479	6,748	(19,751)	20,936	169,137	2,335	31,309	41,240
Total District-Wide Net Expense	$ (32,077,005)	$ (33,047,306)	$ (32,893,788)	$ (32,706,180)	$ (34,102,258)	$ (31,897,624)	$ (31,152,892)	$ (31,892,237)	$ (34,264,664)	$ (33,545,274)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 19,800,498	$ 20,646,591	$ 21,298,059	$ 21,988,883	$ 22,428,661	$ 22,877,234	$ 23,334,779	$ 23,801,474	$ 24,277,504	$ 25,100,668
Taxes Levied for Debt Service	2,011,364	2,155,917	2,189,882	2,243,148	2,294,727	2,300,028	2,306,209	2,193,512	2,085,727	1,721,690
Federal and State Aid not Restricted	9,380,077	9,461,106	9,464,714	9,454,395	9,368,456	9,280,855	9,054,206	9,449,909	8,065,820	7,882,805
Investment Earnings	39,444	48,474	83,483	105,415	77,716	17,974	18,221	113,209	154,853	136,960
Miscellaneous Income	49,216	94,773	95,579	195,027	92,922	84,879	301,952	101,268	70,078	138,597
Transfers	180	68	1,518	2,212	2,723					
Total Governmental Activities	31,280,779	32,406,929	33,133,235	33,989,080	34,265,205	34,560,970	35,015,367	35,659,372	34,653,982	34,980,720
Business-Type Activities:										
Investment Earnings	512	840	2,290	3,045	2,628	414	470	4,305	5,746	5,161
Total Business-Type Activities	512	840	2,290	3,045	2,628	414	470	4,305	5,746	5,161
Total District-Wide	$ 31,281,291	$ 32,407,769	$ 33,135,525	$ 33,992,125	$ 34,267,833	$ 34,561,384	$ 35,015,837	$ 35,663,677	$ 34,659,728	$ 34,985,881
Change in Net Position:										
Governmental Activities	$ (792,368)	$ (635,804)	$ 220,968	$ 1,276,152	$ 182,698	$ 2,642,410	$ 3,693,338	$ 3,764,800	$ 358,009	$ 1,394,206
Business-Type Activities	(3,346)	(3,733)	20,769	9,793	(17,123)	21,350	169,607	6,640	37,055	46,401
Total District	$ (795,714)	$ (639,537)	$ 241,737	$ 1,285,945	$ 165,575	$ 2,663,760	$ 3,862,945	$ 3,771,440	$ 395,064	$ 1,440,607

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	$ 9,871,141	$ 5,936,354	$ 6,316,778	$ 7,092,171	$ 5,497,075	$ 6,773,210	$ 8,711,758	$ 10,565,844	$ 10,867,356	$ 6,831,106
Assigned	622,613	3,072,549	355,105	1,007,425	1,458,527	1,761,728	940,091	1,039,593	329,958	642,028
Unassigned						758,080	800,618	631,214		
Total General Fund	$ 10,493,754	$ 9,008,903	$ 6,671,883	$ 8,099,596	$ 6,955,602	$ 9,293,018	$ 10,452,467	$ 12,236,651	$ 11,197,314	$ 7,473,134
All Other Governmental Funds:										
Restricted	$ 47,322	$ 47,322	$ 1	$ 1	$ 610,297	$ 570,405	$ 693,428	$ 695,246	$ 585,383	$ 617,120
Committed										1,442,543
Unassigned, Reported In:										
Capital Projects Fund (Deficit)	(57,834)									
Total All Other Governmental Funds/(Deficit)	$ (10,512)	$ 47,322	$ 1	$ 1	$ 610,297	$ 570,405	$ 693,428	$ 695,246	$ 585,383	$ 2,059,663
Total All Funds:										
Restricted	$ 9,918,463	$ 5,983,676	$ 6,316,779	$ 7,092,172	$ 6,107,372	$ 7,343,615	$ 9,405,186	$ 11,261,090	$ 11,452,739	$ 7,448,226
Committed										1,442,543
Assigned	622,613	3,072,549	355,105	1,007,425	1,458,527	1,761,728	940,091	1,039,593	329,958	642,028
Unassigned/(Deficit)	(57,834)					758,080	800,618	631,214		
Total All Governmental Funds	$ 10,483,242	$ 9,056,225	$ 6,671,884	$ 8,099,597	$ 7,565,899	$ 9,863,423	$ 11,145,895	$ 12,931,897	$ 11,782,697	$ 9,532,797

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	$ 21,811,862	$ 22,802,508	$ 23,487,941	$ 24,232,031	$ 24,723,388	$ 25,177,262	$ 25,640,988	$ 25,994,986	$ 26,363,231	$ 26,822,358
Tuition Charges	1,584,567	1,474,957	1,478,606	1,865,869	1,967,004	1,810,517	1,630,792	1,828,815	1,792,867	1,830,047
Transportation Fees from Other LEAs	261,360	277,700	278,531	282,737	279,270	249,909	243,503	319,357	308,752	325,957
Interest Earnings	18,854	14,737	33,043	19,300	26,636	2,245	4,577	17,960	15,602	39,884
Other Restricted Miscellaneous Revenue	12,063	10,931	35,320	15,551	16,095	238,280	354,936	369,401	388,108	320,365
Unrestricted Miscellaneous Revenue	66,603	118,352	116,504	278,118	180,704	75,831	287,748	212,104	249,035	254,692
State Sources	14,265,030	15,238,346	15,593,047	16,317,191	16,374,341	17,689,521	19,467,473	19,367,534	18,105,004	18,014,822
Federal Sources	632,972	651,159	609,153	630,105	626,881	998,101	1,103,521	1,748,724	1,614,895	1,875,189
Total Revenue	38,653,311	40,588,690	41,632,145	43,640,902	44,194,319	46,241,666	48,733,538	49,858,881	48,837,494	49,483,314
Expenditures										
Instruction										
Regular Instruction	10,445,191	10,439,908	10,407,091	9,955,182	10,839,689	10,291,458	11,079,297	11,568,311	11,311,195	11,426,336
Special Education Instruction	2,983,944	3,558,648	3,380,550	2,858,119	2,621,035	2,825,203	2,903,433	2,800,444	2,798,366	3,163,823
Other Special Instruction	3,096	1,394	543	4,451			140		165	216
Other Instruction	1,151,253	1,223,820	1,277,220	1,359,368	1,404,200	1,231,365	1,409,834	1,380,185	1,469,913	1,521,579
Support Services:										
Tuition	2,008,981	1,980,295	1,865,297	2,271,794	2,599,919	2,260,739	2,040,842	1,706,522	1,390,883	1,814,669
Student & Instruction Related Services	4,040,591	4,072,879	4,213,092	4,258,134	4,453,773	4,298,452	4,507,728	4,861,589	5,000,150	4,543,836
General Administration Services	717,249	715,768	524,448	673,745	634,905	857,220	599,008	523,564	662,058	616,629
School Administration Services	1,211,865	1,264,949	1,147,085	1,086,741	1,031,984	1,054,641	1,036,813	1,072,281	1,049,329	1,074,966
Central Services	379,234	384,207	485,248	462,785	514,012	459,360	466,241	521,016	556,580	557,695
Administrative Information Technology	319,849	381,695	357,788	505,436	463,953	519,694	551,660	499,239	568,916	701,818
Plant Operations And Maintenance	2,934,826	3,343,597	3,942,754	3,239,572	3,109,037	3,118,884	3,178,886	3,463,054	3,508,934	3,819,752
Pupil Transportation	1,807,548	1,895,355	1,929,470	1,985,154	1,963,553	1,782,937	2,381,691	2,799,531	2,884,414	2,902,009
Unallocated Benefits	8,065,335	8,761,017	9,837,218	10,807,248	11,169,096	12,419,749	13,506,301	13,616,114	14,018,500	14,293,440
Capital Outlay	2,408,979	3,139,680	2,395,867	1,136,307	2,331,723	480,398	1,564,002	1,040,677	2,512,953	3,500,845
Transfer of Funds to Charter School					71,554	26,721	19,798	9,566	33,297	73,911
Debt Service:										
Principal	1,285,000	1,365,000	1,500,000	1,565,000	1,690,000	1,765,000	1,890,000	2,095,000	2,139,000	1,675,000
Interest And Other Charges	858,509	808,009	754,333	695,297	622,046	552,321	315,392	115,786	82,041	46,690
Total Expenditures	40,621,450	43,336,221	44,018,004	42,864,333	45,520,479	43,944,142	47,451,066	48,072,879	49,986,694	51,733,214
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,968,139)	(2,747,531)	(2,385,859)	776,569	(1,326,160)	2,297,524	1,282,472	1,786,002	(1,149,200)	(2,249,900)

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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)	$ 1,487,555	$ 1,320,446		$ 648,932						
Transfers	180	68	$ 1,518	2,212	$ 2,723					
Total Other Financing Sources/(Uses)	1,487,735	1,320,514	1,518	651,144	2,723					
Net Change In Fund Balances	$ (480,404)	$ (1,427,017)	$ (2,384,341)	$ 1,427,713	$ (1,323,437)	$ 2,297,524	$ 1,282,472	$ 1,786,002	$ (1,149,200)	$ (2,249,900)
Debt Service As A Percentage Of Noncapital Expenditures	5.35%	5.35%	5.46%	5.35%	5.27%	5.30%	4.79%	4.74%	4.56%	3.57%

Source: School District Financial Reports

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
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
2024	1,792,867	308,752	154,853	7,546	62,532	2,326,550
2025	1,830,047	325,957	136,960	11,490	127,107	2,431,561

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)
						Franklin Township							
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	$ 0.995	$ 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	0.965	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	1.044	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	1.016	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	1.057	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	1.038	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	1.081	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	1.121	454,145,389
2023	4,512,100	286,538,917	53,475,700	5,080,395	32,081,000	30,854,000	306,300	412,848,412	42,299,120	379,660	413,228,072	1.106	494,071,861
2024	5,906,800	286,495,100	53,849,600	5,005,415	32,106,000	30,854,000	306,300	414,523,215	43,208,620	520,424	415,043,639	1.130	531,711,812
						Township of Mansfield							
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	$ 0.896	$ 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	0.959	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	1.011	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	1.076	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	-0-	673,450,875	1.112	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	-0-	678,433,175	1.163	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	-0-	684,582,350	1.181	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	-0-	699,899,550	1.102	811,971,724
2023	15,566,600	448,289,900	51,019,800	2,927,800	107,887,250	17,428,500	59,623,400	702,743,250	71,081,000	-0-	702,743,250	1.125	916,157,232
2024	13,244,800	456,606,800	51,562,200	2,959,600	107,765,050	17,428,500	59,316,600	708,883,550	70,876,400	-0-	708,883,550	1.070	972,444,415
						Washington Borough							
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	$ 1.077	$ 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	1.155	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	1.251	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	1.358	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	-0-	366,449,300	1.328	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	-0-	366,145,200	1.338	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	-0-	366,499,772	1.313	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	-0-	367,650,672	1.455	508,250,334
2023	1,727,300	289,670,472	437,600	3,700	45,194,800	11,987,700	19,525,700	368,547,272	31,967,825	-0-	368,547,272	1.368	559,740,127
2024	1,727,300	289,556,700	437,600	3,700	45,235,800	11,987,700	19,525,700	368,474,500	32,095,300	-0-	368,474,500	1.525	661,189,425

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

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)
						Washington Township							
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	$ 1.153	$ 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	1.198	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	1.151	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	1.153	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	-0-	681,354,276	1.188	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	-0-	687,462,776	1.192	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	-0-	685,983,276	1.204	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	-0-	684,116,276	1.211	777,634,630
2023	10,901,600	557,300,256	28,576,600	2,414,000	81,522,800	3,523,300	1,686,700	685,925,256	117,138,431	-0-	685,925,256	1.290	908,006,808
2024	11,932,200	558,066,200	28,301,000	2,450,200	81,295,800	3,523,300	1,686,800	687,255,500	120,021,100	-0-	687,255,500	1.298	979,991,377

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						
	Warren Hills Regional Board of Education Direct Rate			Overlapping Rates			Total Direct and
Year Ended December 31,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Local School District	Township of Franklin	Warren County	Overlapping Tax Rate
2015	$ 0.903	$ 0.092	$ 0.995	$ 0.955	$ 0.267	$ 0.733	$ 2.950
2016	0.874	0.091	0.965	0.957	0.264	0.709	2.895
2017	0.947	0.097	1.044	0.944	0.274	0.756	3.018
2018	0.922	0.094	1.016	0.938	0.273	0.720	2.947
2019	0.959	0.098	1.057	0.960	0.288	0.701	3.006
2020	0.943	0.095	1.038	0.982	0.295	0.687	3.002
2021	0.983	0.097	1.081	0.974	0.312	0.702	3.069
2022	1.026	0.095	1.121	0.983	0.320	0.745	3.169
2023	1.018	0.088	1.106	0.981	0.331	0.756	3.174
2024	1.057	0.073	1.130	0.986	0.348	0.781	3.245

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						
	Warren Hills Regional Board of Education Direct Rate				Overlapping Rates		
Year Ended December 31,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Local School District	Township of Mansfield	Warren County	Total Direct and Overlapping Tax Rate
2015	$ 0.813	$ 0.083	$ 0.896	$ 0.837	$ 0.607	$ 0.811	$ 3.151
2016	0.868	0.091	0.959	0.829	0.621	0.810	3.219
2017	0.917	0.094	1.011	0.846	0.624	0.813	3.294
2018	0.976	0.100	1.076	0.865	0.632	0.792	3.365
2019	1.009	0.103	1.112	0.882	0.635	0.795	3.424
2020	1.057	0.106	1.163	0.892	0.641	0.782	3.478
2021	1.075	0.106	1.181	0.916	0.637	0.779	3.513
2022	1.009	0.093	1.102	0.912	0.699	0.776	3.489
2023	1.036	0.089	1.125	0.926	0.696	0.805	3.552
2024	1.001	0.069	1.070	0.935	0.696	0.836	3.537

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						
	Warren Hills Regional Board of Education Direct Rate				Overlapping Rates		
Year Ended December 31,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Local School District	Borough of Washington	Warren County	Total Direct and Overlapping Tax Rate
2015	$ 0.978	$ 0.099	$ 1.077	$ 1.256	$ 1.460	$ 0.864	$ 4.657
2016	1.046	0.109	1.155	1.329	1.469	0.846	4.799
2017	1.134	0.117	1.251	1.349	1.491	0.883	4.974
2018	1.232	0.126	1.358	1.433	1.536	0.859	5.186
2019	1.205	0.123	1.328	1.459	1.539	0.829	5.155
2020	1.216	0.122	1.338	1.489	1.537	0.797	5.161
2021	1.195	0.118	1.313	1.488	1.437	0.802	5.040
2022	1.332	0.123	1.455	1.475	1.434	0.871	5.235
2023	1.260	0.108	1.368	1.473	1.434	0.892	5.167
2024	1.427	0.098	1.525	1.472	1.571	1.017	5.585

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						
	Warren Hills Regional Board of Education Direct Rate				Overlapping Rates		
Year Ended December 31,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Local School District	Township of Washington	Warren County	Total Direct and Overlapping Tax Rate
2015	$ 1.047	$ 0.106	$ 1.153	$ 0.861	$ 0.613	$ 0.835	$ 3.462
2016	1.085	0.113	1.198	0.875	0.623	0.814	3.510
2017	1.044	0.107	1.151	0.893	0.662	0.782	3.488
2018	1.046	0.107	1.153	0.907	0.707	0.745	3.512
2019	1.078	0.110	1.188	0.930	0.737	0.745	3.600
2020	1.083	0.109	1.192	0.945	0.749	0.742	3.628
2021	1.096	0.108	1.204	0.969	0.767	0.744	3.684
2022	1.109	0.102	1.211	0.999	0.785	0.773	3.768
2023	1.188	0.102	1.290	1.022	0.797	0.838	3.947
2024	1.215	0.083	1.298	1.047	0.796	0.870	4.011

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

Taxpayer	2024 Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Transcontinental Gas Pipeline	$ 18,061,900	1	4.35%
Cal-Maine Foods, Inc	10,560,500	2	2.54%
Franklin Realty Group LLC	9,275,200	3	2.23%
2010 Franklin LLC	5,958,100	4	1.44%
Individual Taxpayer #1	2,405,700	5	0.58%
Viking Development Co., LLC	2,392,200	6	0.58%
Mountain Top Farm, LLC	2,019,500	7	0.49%
Asbury Graphite Mills, Inc.	1,629,800	8	0.39%
Individual Taxpayer #2	1,569,300	9	0.38%
ETG Acquisition Group	1,468,400	10	0.35%
Total	$ 55,340,600		13.33%

Taxpayer	2015 Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Transcontinental Gas	$ 17,917,900	1	4.33%
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	2,002,300	6	0.48%
Elizabethtown Gas Company	1,451,700	7	0.35%
Individual Taxpayer #1	1,290,600	8	0.31%
ELB Farm, LLC	1,122,300	9	0.27%
Individual Taxpayer #2	1,109,100	10	0.27%
Total	$ 52,421,700		12.67%

Note: Individual taxpayers in 2024 and 2015 may be different.

Source: Municipal Tax Assessor

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

Township of Mansfield

	2024		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Village	$ 37,000,000	1	5.22%
Green Eagle Property Res. L.P.	27,721,600	2	3.91%
Mansfield Plaza, LLC	26,043,100	3	3.67%
Middlebury Associates	18,400,000	4	2.60%
Mansfield Plaza Associates, LLC	14,533,000	5	2.05%
NYK Services Center	5,891,300	6	0.83%
Borealis Compounds, LLC	5,856,400	7	0.83%
WH Realtuy I, LLC	4,405,000	8	0.62%
The Shoppes at Mansfield LLC	3,719,300	9	0.52%
Walgreen Co Real Estate	3,486,500	10	0.49%
Total	$ 147,056,200		20.74%

	2015		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mansfield Plaza, LLC	$ 68,981,700	1	10.36%
Green Eagle Property	33,190,600	2	4.99%
Middlebury Associates	18,839,000	3	2.83%
Mansfield Plaza Associates, LLC	15,033,000	4	2.26%
NYK Logistics (Americas) Inc	5,976,300	5	0.90%
Borealis Compounds, LLC	5,769,300	6	0.87%
The Shoppes at Mansfield, LLC	3,719,300	7	0.56%
Eden Mansfield, LLC	3,486,500	8	0.52%
Mansfield Commons II, LLC	3,379,400	9	0.51%
Sarva Mangal, LLC	2,849,600	10	0.43%
Total	$ 161,224,700		24.22%

Source: Municipal Tax Assessor

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

Borough of Washington

	2024		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

NOTE: INFORMATION IS NOT AVAILABLE

	2015		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Warren Washington Associates	$ 5,500,000	1	1.48%
Twist Beauty Packaging	4,052,900	2	1.09%
BASF Corporation Tax Dept.	3,050,000	3	0.82%
Washington Plaza Associates	3,000,000	4	0.81%
Bell Atlantic	2,848,907	5	0.77%
Midtown/Limited, Inc.	2,084,000	6	0.56%
Washington Gardens LLC	2,050,000	7	0.55%
Washington Heights LLC	2,000,000	8	0.54%
Individual Taxpayer #1	1,939,800	9	0.52%
Candle Artisans Inc.	1,674,100	10	0.45%
Total	$ 28,199,707		7.59%

Source: Municipal Tax Assessor

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

Township of Washington

Taxpayer	2024 Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Hawk Pointe, LLC	$ 12,025,600	1	1.75%
Asbury Farms	7,489,468	2	1.09%
Washington Shopping Centers, Inc.	6,541,500	3	0.95%
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%
Fitzgibbon, Smith & Smith	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	$ 45,127,068		6.57%

Taxpayer	2015 Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Asbury Farms (including Golf Course)	$ 12,649,400	1	1.86%
Washington Shopping Center, Inc.	6,465,900	2	0.95%
Desapio Properties, LLC	3,499,300	3	0.52%
Ed Mark 31 LLC (Rossi)	3,243,900	4	0.48%
Fitzgibbon, Smith & Smith	3,134,900	5	0.46%
Village Super Market (Shop Rite)	2,778,200	6	0.41%
Washington Realty LLC	2,221,700	7	0.33%
Individual Taxpayer #1	1,934,999	8	0.28%
Individual Taxpayer #2	1,900,000	9	0.28%
I. C. Washington Inc.	1,875,400	10	0.28%
Total	$ 39,703,699		5.84%

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	
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
2024	4,569,011	4,569,011	100.00%	-0-
2025	4,691,187	4,691,187	100.00%	-0-

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

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

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

Township of Mansfield

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2024	7,905,542	7,905,542	100.00%	-0-
2025	7,586,134	7,586,134	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	
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-
2024	5,040,148	5,040,148	100.00%	-0-
2025	5,621,667	5,621,667	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	
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-
2024	8,848,530	8,848,530	100.00%	-0-
2025	8,923,370	8,923,370	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				Business-Type Activities	Total District	Percentage of Personal Income [a]	Per Capita [a]
	General Obligation Bonds	Certificates of Participation	Financed Purchases	Bond Anticipation Notes (BANs)	Financed Purchases			
2016	$ 18,859,000	$ -0-	$ 989,943	$ -0-	$ -0-	$ 19,848,943	1.70%	$ 848.14
2017	17,494,000	-0-	1,506,624	-0-	-0-	19,000,624	1.58%	815.13
2018	15,994,000	-0-	722,685	-0-	-0-	16,716,685	1.35%	717.73
2019	14,429,000	-0-	943,177	-0-	-0-	15,372,177	1.19%	661.80
2020	12,739,000	-0-	607,370	-0-	-0-	13,346,370	0.98%	574.41
2021	10,974,000	-0-	264,630	-0-	-0-	11,238,630	0.74%	456.69
2022	9,309,000	-0-	134,302	-0-	-0-	9,443,302	0.61%	381.39
2023	7,214,000	-0-	-0-	-0-	-0-	7,214,000	0.43%	288.66
2024	5,075,000	-0-	-0-	-0-	-0-	5,075,000	0.30%	201.29
2025	3,400,000	-0-	-0-	-0-	-0-	3,400,000	0.20%	134.86

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.

Source: School District Financial Reports

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		
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	0.87%	378.28
2023	7,214,000	-0-	7,214,000	0.97%	291.36
2024	5,075,000	-0-	5,075,000	0.68%	203.07
2025	3,400,000	-0-	3,400,000	0.46%	134.86

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, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Township of Franklin	$ 4,037,582	100.00%	$ 4,037,582
Township of Mansfield	190,000	100.00%	190,000
Borough of Washington	2,013,286	100.00%	2,013,286
Township of Washington	6,365,312	100.00%	6,365,312
Warren County General Obligation Debt :			
Franklin Township Share	10,290,000	3.65%	375,645
Mansfield Township Share	10,290,000	6.68%	687,015
Washington Borough Share	10,290,000	4.54%	467,118
Washington Township Share	10,290,000	6.73%	692,346
Subtotal, Overlapping Debt			14,828,304
Warren Hills Regional School District Direct Debt			5,075,000
Total Direct And Overlapping Debt			$ 19,903,304

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2025

	Franklin Township	Mansfield Township	Washington Borough	Washington Township	Total
Equalized valuation basis:					
2022	$ 492,234,006	$ 910,853,136	$ 555,195,820	$ 903,720,312	$ 2,862,003,274
2023	526,525,203	962,266,534	657,767,753	975,989,266	3,122,548,756
2024	552,550,273	1,015,446,999	725,629,185	1,047,326,272	3,340,952,729
	$ 1,571,309,482	$ 2,888,566,669	$ 1,938,592,758	$ 2,927,035,850	$ 9,325,504,759

Average Equalized Valuation of Taxable Property	$ 3,108,501,586
Debt Limit (3.5% of average equalization value [a])	$ 108,797,556
Net Bonded School Debt as of June 30, 2025	3,400,000
Legal Debt Margin	$ 105,397,556

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 78,626,732	$ 78,924,432	$ 79,418,289	$ 106,353,635	$ 106,768,537	$ 81,264,859	$ 83,796,946	$ 90,216,214	$ 99,287,207	$ 108,797,556
Total Net Debt Applicable to Limit	18,859,000	17,494,000	15,994,000	14,429,000	12,739,000	10,974,000	9,309,000	7,214,000	5,075,000	3,400,000
Legal Debt Margin	$ 59,767,732	$ 61,430,432	$ 63,424,289	$ 91,924,635	$ 94,029,537	$ 70,290,859	$ 74,487,946	$ 83,002,214	$ 94,212,207	$ 105,397,556
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	23.99%	22.17%	20.14%	13.57%	11.93%	13.50%	11.11%	8.00%	5.11%	3.13%

a Limit set by NJSA 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]
2016	3,060	$ 50,021	$ 153,064,260	4.70%
2017	3,046	51,452	156,722,792	4.30%
2018	3,041	53,122	161,544,002	3.80%
2019	3,029	55,641	168,536,589	3.10%
2020	3,026	58,701	177,629,226	7.20%
2021	2,976	62,006	184,529,856	4.80%
2022	2,996	63,016	188,795,936	3.30%
2023	3,000	66,483	199,449,000	3.80%
2024	3,021	66,483 **	200,845,143 ***	3.70%
2025	3,021 *	66,483 **	200,845,143 ***	N/A

* - Latest population data available (2024) was used for calculation purposes.
** - Latest Warren County per capita personal income available (2023) was used for calculation purposes.
*** - Latest available population data (2024) and latest available Warren County per capita personal income (2023) 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]
2016	7,431	$ 50,021	$ 371,706,051	4.20%
2017	7,386	51,452	380,024,472	3.60%
2018	7,379	53,122	391,987,238	3.30%
2019	7,372	55,641	410,185,452	2.70%
2020	7,384	58,701	433,448,184	7.50%
2021	7,811	62,006	484,328,866	4.70%
2022	7,839	63,016	493,982,424	3.10%
2023	7,876	66,483	523,620,108	4.00%
2024	7,889	66,483 **	524,484,387 ***	4.40%
2025	7,889 *	66,483 **	524,484,387 ***	N/A

* - Latest population data available (2024) was used for calculation purposes.
** - Latest Warren County per capita personal income available (2023) was used for calculation purposes.
*** - Latest available population data (2024) and latest available Warren County per capita personal income (2023) 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]
2016	6,498	$ 50,021	$ 325,036,458	5.00%
2017	6,496	51,452	334,232,192	4.80%
2018	6,486	53,122	344,549,292	4.40%
2019	6,460	55,641	359,440,860	3.80%
2020	6,459	58,701	379,149,759	9.60%
2021	7,314	62,006	453,511,884	6.30%
2022	7,345	63,016	462,852,520	4.00%
2023	7,335	66,483	487,652,805	4.20%
2024	7,375	66,483 **	490,312,125 ***	5.00%
2025	7,375 *	66,483 **	490,312,125 ***	N/A

* - Latest population data available (2024) was used for calculation purposes.
** - Latest Warren County per capita personal income available (2023) was used for calculation purposes.
*** - Latest available population data (2024) and latest available Warren County per capita personal income (2023) 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]
2016	6,414	$ 50,021	$ 320,834,694	4.20%
2017	6,382	51,452	328,366,664	3.90%
2018	6,385	53,122	339,183,970	3.70%
2019	6,367	55,641	354,266,247	3.40%
2020	6,366	58,701	373,690,566	8.10%
2021	6,508	62,006	403,535,048	5.70%
2022	6,580	63,016	414,645,280	3.40%
2023	6,780	66,483	450,754,740	3.50%
2024	6,927	66,483 **	460,527,741 ***	4.30%
2025	6,927 *	66,483 **	460,527,741 ***	N/A

* - Latest population data available (2024) was used for calculation purposes.
** - Latest Warren County per capita personal income available (2023) was used for calculation purposes.
*** - Latest available population data (2024) and latest available Warren County per capita personal income (2023) 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

	2024		
Employer	Employees	Rank	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

	2015		
Employer	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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	113.5	118.5	121.7	125.8	123.1	126.0	118.8	119.6	119.7	114.0
Special Education	23.0	51.1	53.0	41.2	38.0	40.2	40.7	41.5	42.2	44.5
Other Special Education	3.0						2.0	3.0	3.0	3.5
Other Instruction	5.0	3.0	2.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Support Services:										
Student and Instruction Related Services	34.0	40.5	60.0	56.2	57.9	48.6	49.2	51.4	51.0	52.9
School Administrative Services	15.0	13.0	14.0	11.0	11.0	12.0	11.0	11.0	11.0	11.0
General and Business Administrative Services	2.0	9.0	8.0	8.6	9.0	10.0	9.0	10.0	10.5	8.0
Plant Operations and Maintenance	25.0	21.7	27.3	26.8	25.2	24.0	23.0	24.0	25.5	24.5
Other Support Services	5.0	8.5	8.5	10.5	10.3	9.0	12.9	12.6	12.5	12.0
Total	225.5	265.3	295.1	283.7	278.1	273.4	270.2	276.7	279.0	274.0

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 Middle School	Pupil/Teacher Ratio High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2024	1,575	45,252,700	28,732	0.32%	172	1:11	1:07	1,522	1,425	-2.92%	93.62%
2025	1,553	46,510,679	29,959	4.27%	170	1:16	1:06	1,489	1,396	-2.19%	93.75%

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

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	589	628	581	544	556	543	515	469	489	481
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	1,294	1,225	1,208	1,206	1,190	1,180	1,122	1,096	1,086	1,071.5
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, 2025
- 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
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
2024	198,003	128,266	222,012	548,281
2025	329,092	174,156	230,597	733,845

* 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, 2025

	Coverage		Deductible
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	/	5,000
	25,000,000	Fund Aggregate	
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

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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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2025.

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.

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.

Nisivoccia LLP
NISIVOCCIA LLP

November 26, 2025
Mount Arlington, New Jersey

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

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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, 2025. 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, 2025.

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.

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.

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.

Nisivoccia LLP
NISIVOCCIA LLP

November 26, 2025
Mount Arlington, New Jersey

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, 2025

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, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Adjustment	Returned to Grantor	Prior Year Encumbrances Canceled	Balance at June 30, 2025 Budgetary Accounts Receivable	Balance at June 30, 2025 Budgetary Unearned Revenue	Amounts Provided to Subrecipients
U.S. Department of Education:															
Passed-through State Department of Education:															
Special Revenue Fund:															
Elementary and Secondary Education Act:															
Title I	84.010	ESEA546525	7/1/24-9/30/25	$ 246,678				$ 142,209	$ (151,253)				$ (9,044)		
Title I	84.010	ESEA546524	7/1/23-9/30/24	237,163	$ (78,196)			78,196							
Title I - SIA	84.010	ESEA546525	7/1/24-9/30/25	75,197				39,018	(51,023)				(12,005)		
Title I - SIA	84.010	ESEA546524	7/1/23-9/30/24	37,806	(36,482)			36,481		$ 1					
Subtotal - Title I					(114,678)			295,904	(202,276)	1			(21,049)		
Title IIA	84.367	ESEA546525	7/1/24-9/30/25	52,331				49,221	(49,221)						
Title IIA	84.367	ESEA546524	7/1/23-9/30/24	48,889	(1,694)			5,121	(3,427)						
Subtotal - Title IIA					(1,694)			54,342	(52,648)						
Title III - Immigrant	84.365	ESEA546525	7/1/24-9/30/25	1,847				17	(542)				(525)		
Subtotal - Title III - Immigrant								17	(542)				(525)		
Title IV	84.424	ESEA546525	7/1/24-9/30/25	20,267					(4,175)				(4,175)		
Title IV	84.424	ESEA546524	7/1/23-9/30/24	25,506	(13,082)			13,082							
Subtotal - Title IV					(13,082)			13,082	(4,175)				(4,175)		
Special Education Cluster:															
I.D.E.A. Part B, Basic	84.027	IDEA546525	7/1/24-9/30/25	410,423				410,423	(410,423)						
I.D.E.A. Part B, Basic	84.027	IDEA546524	7/1/23-9/30/24	425,301	(11,104)			11,104							
Total Special Education Cluster					(11,104)			421,527	(410,423)						
Education Stabilization Fund:															
COVID 19 - ARP:															
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,078,226	(369,269)			435,262	(66,014)	1		$ 20			
Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	132,885	(3,262)			3,262							
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(34,527)			34,527							
Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(26,078)			26,082	(4)						
Total Education Stabilization Fund					(433,136)			499,133	(66,018)	1		20			
Carl D. Perkins Secondary	84.048	PERK546525	7/1/24-6/30/25	15,666.00				7,503	(14,211)				(6,708)		
Total U.S. Department of Education					(573,694)			1,291,508	(750,293)	2		20	(32,457)		
U.S. Department of Treasury:															
Passed-through State Department of Education:															
Special Revenue Fund:															
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRF-DOEISES	7/1/23-6/30/24	319,293	(159,646)			159,646							
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRF-DOEISES	7/1/22-6/30/23	239,173			$ 557				$ 557				
Total U.S. Department of Treasury					(159,646)		557	159,646			557				

WARREN HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Adjustment	Returned to Grantor	Prior Year Encumbrances Canceled	Balance at June 30, 2025 Budgetary Accounts Receivable	Balance at June 30, 2025 Budgetary Unearned Revenue	Amounts Provided to Subrecipients
U.S. Department of Agriculture:															
Passed-through State Department of Agriculture:															
Enterprise Fund:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	$ 34,478				$ 34,478	$ (26,016)					$ 8,462	
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	32,789		$ 11,899			(11,899)						
School Breakfast Program	10.553	N/A	7/1/24-6/30/25	9,781				9,303	(9,781)				$ (478)		
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	8,838	$ (256)			256							
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	278,807				278,807	(278,807)						
Supply Chain Assistance	10.555	N/A	7/1/22-6/30/25	127,617		35,158			(35,158)						
Total Child Nutrition Cluster					(256)	47,057		322,844	(361,661)				(478)	8,462	
Summer Electronic Benefit Transfer (S-EBT)	10.646	N/A	7/1/22-6/30/25	643				643	(643)						
Special Revenue Fund:															
Natural Resources Conservation Service:															
Emergency Watershed Protection Program	10.923	N/A	1/11/24-10/31/24	165,333				165,333	(165,333)						
Total U.S. Department of Agriculture					(256)	47,057		488,820	(527,637)				(478)	8,462	
Total Special Revenue Fund					(733,340)		$ 557	1,616,487	(915,626)	$ 2	557	$ 20	(32,457)		
U.S. Department of Homeland Security:															
Passed-through State Department of Law and Public Safety:															
General Fund:															
Disaster Grants - Public Assistance (FEMA):															
New Jersey Severe Storm and Flooding	97.036	N/A	7/14/23-6/30/25	937,940				806,343	(806,343) *						
Total U.S. Department of Homeland Security								806,343	(806,343)						
U.S. Department of Health and Human Services:															
General Fund:															
Medicaid Cluster:															
Medical Assistance Program	93.778	N/A	7/1/24-6/30/25	15,715				15,715	(15,715)						
Total U.S. Department of Health and Human Services/Total Medicaid Cluster								15,715	(15,715)						
Total General Fund								822,058	(822,058)						
Total Federal Awards					$ (733,596)	$ 47,057	$ 557	$ 2,762,032	$ (2,099,988)	$ 2	$ 557	$ 20	$ (32,935)	$ 8,462	$ -0-

N/A - Not Applicable/Available

* Includes prior year expenditures.

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, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Encum-brances Canceled	Returned to Grantor	Balance at June 30, 2025 GAAP Accounts Receivable	Balance at June 30, 2025 Due to Grantor	MEMO Budgetary Accounts Receivable	MEMO Cumulative Total Expenditures
State Department of Education:													
General Fund Aid:													
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	$ 7,614,949			$ 6,890,545	$ (7,614,949)					$ (724,404)	$ 7,614,949
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	1,041,953			942,833	(1,041,953)					(99,120)	1,041,953
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	46,884			42,424	(46,884)					(4,460)	46,884
Stabilized School Budget Aid	25-495-034-5120-169	7/1/24-6/30/25	135,779			135,779	(135,779)						135,779
Extraordinary Special Education Costs Aid	25-495-034-5120-044	7/1/24-6/30/25	292,512				(292,512)			$ (292,512)		(292,512)	292,512
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	380,381			344,196	(380,381)					(36,185)	380,381
Nonpublic School Transportation Costs Reimbursements	25-495-034-5120-014	7/1/24-6/30/25	10,274				(10,274)			(10,274)		(10,274)	10,274
Reimbursed TPAF Social Security	25-495-034-5094-003	7/1/24-6/30/25	1,238,539			1,179,756	(1,238,539)			(58,783)		(58,783)	1,238,539
Menstrual Products Reimbursement	N/A	7/1/24-6/30/25	94				(94)			(94)		(94)	94
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	1,616,369			1,616,369	(1,616,369)						1,616,369
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	5,464,023			5,464,023	(5,464,023)						5,464,023
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	67,685			67,685	(67,685)						67,685
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	1,876			1,876	(1,876)						1,876
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	7,916,679	$ (793,642)		793,642							7,916,679
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	1,041,953	(104,455)		104,455							1,041,953
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	46,884	(4,700)		4,700							46,884
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23-6/30/24	297,176	(297,176)		297,176							297,176
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	380,381	(38,133)		38,133							380,381
Nonpublic School Transportation Costs Reimbursements	24-495-034-5120-014	7/1/23-6/30/24	10,010	(10,010)		10,010							10,010
Reimbursed TPAF Social Security	24-495-034-5094-003	7/1/23-6/30/24	1,164,715	(342,090)		342,090							1,164,715
Subtotal - General Fund				(1,590,206)		18,275,692	(17,911,318)			(361,663)		(1,225,832)	28,787,948
Special Revenue Fund Aid:													
N.J. Nonpublic Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	1,636			1,636					$ 1,636		
N.J. Nonpublic Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	1,561		$ 606				$ (606)				955
N.J. Nonpublic Nursing Services	25-100-034-5120-070	7/1/24-6/30/25	4,160			4,160					4,160		
N.J. Nonpublic Nursing Services	24-100-034-5120-070	7/1/23-6/30/24	3,240		1,938				(1,938)				1,302
N.J. Nonpublic Technology Initiative	25-100-034-5120-373	7/1/24-6/30/25	1,568			1,568					1,568		
N.J. Nonpublic Technology Initiative	24-100-034-5120-373	7/1/23-6/30/24	1,323		32			$ 25	(32)		25		1,266
Subtotal - Special Revenue Fund					2,576	7,364		25	(2,576)		7,389		3,523
Total State Department of Education				(1,590,206)	2,576	18,283,056	(17,911,318)	25	(2,576)	(361,663)	7,389	(1,225,832)	28,791,471

WARREN HILLS REGIONAL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Encum-brances Canceled	Returned to Grantor	Balance at June 30, 2025 GAAP Accounts Receivable	Balance at June 30, 2025 Due to Grantor	MEMO Budgetary Accounts Receivable	MEMO Cumulative Total Expenditures
State Department of Agriculture:													
Enterprise Fund:													
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	$ 11,178			$ 11,178	$ (11,178)						$ 11,178
Extended Incomed Eligibility - Lunch	25-100-010-3350-023	7/1/24-6/30/25	6,612			6,612	(6,612)						6,612
State School Breakfast Program	25-100-010-3350-023	7/1/24-6/30/25	178			170	(178)			$ (8)		$ (8)	178
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	248	$ (7)		7							248
Total State Department of Agriculture				(7)		17,967	(17,968)			(8)		(8)	18,216
Total State Awards				$ (1,590,213)	$ 2,576	$ 18,301,023	$ (17,929,286)	$ 25	$ (2,576)	$ (361,671)	$ 7,389	$ (1,225,840)	$ 28,809,687
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	(1,616,369)				1,616,369						
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	(5,464,023)				5,464,023						
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(67,685)				67,685						
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(1,876)				1,876						
Subtotal - On-Behalf TPAF Pension System Contributions							7,149,953						
Total State Awards Subject to Single Audit Major Program Determination							$ (10,779,333)						

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, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the District under programs of the federal and state governments for the fiscal year ended June 30, 2025. 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 $76,761 for the General Fund and $169,340 for the Special Revenue Fund (which includes $5,092 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 District'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, 2025
(Continued)

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

	Federal	State	Total
General Fund	$ 822,058	$ 17,988,079	$ 18,810,137
Special Revenue Fund	1,053,131	26,743	1,079,874
Food Service Fund	362,304	17,968	380,272
Total Awards	$ 2,237,493	$ 18,032,790	$ 20,270,283

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, 2025.

NOTE 7. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has been awarded two grants in the amount of $2,476,956 in the Capital Projects Fund from the New Jersey School Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2025, both projects are still in progress. As of June 30, 2025, $-0- of the grant funds have been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures, if any, reported under NJSDA on the Schedule of Expenditures of State Awards represents reimbursement requests submitted to the NJSDA.

WARREN HILLS REGIONAL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.			Unmodified	
Internal control over financial reporting:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:			Unmodified	
Internal control over major programs:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
Disaster Grants - Public Assistance (FEMA):					
New Jersey Severe Storm and Flooding	97.036	7/14/23	6/30/25	$ 937,940	$ 806,343

Dollar threshold used to distinguish between Type A and B programs			$ 750,000	
Auditee qualified as low-risk auditee?	X	Yes		No

WARREN HILLS REGIONAL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Awards

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

Internal control over major programs:

1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

		Yes	X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
State Aid Public:					
Equalization Aid	25-495-034-5120-078	7/1/24	6/30/25	$ 7,614,949	$ 7,614,949
Special Education Aid	25-495-034-5120-089	7/1/24	6/30/25	1,041,953	1,041,953
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	46,884	46,884
Stabilized School Budget Aid	25-495-034-5120-169	7/1/24	6/30/25	135,779	135,779
Reimbursed TPAF Social Security	25-495-034-5094-003	7/1/24	6/30/25	1,238,539	1,238,539

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

Auditee qualified as low-risk auditee?	X	Yes		No

Section II - Financial Statement Findings - N/A

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

WARREN HILLS REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The District had no prior year audit findings.