

**WARREN COUNTY SCHOOL DISTRICT  
WARREN, PENNSYLVANIA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2010**

# WARREN COUNTY SCHOOL DISTRICT

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FELIX & GLOEKLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Drive • Erie, Pennsylvania 16506

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### **Independent Auditors' Report**

To the Members of the Board  
Warren County School District  
Warren, Pennsylvania

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 County School District as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Warren County School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 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 Warren County School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Independent Auditors' Report**  
**(Continued)**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2011 on our consideration of the Warren County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Warren County School District's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Felix and Gloekler, P.C.*

Felix and Gloekler, P.C.

July 15, 2011  
Erie, Pennsylvania

# **WARREN COUNTY SCHOOL DISTRICT**

## **Management Discussion and Analysis**

**For the Year Ended June 30, 2010**

The discussion and analysis of the WARREN COUNTY SCHOOL DISTRICT'S financial performance is provided as an overall review of the financial activities for the fiscal year ended June 30, 2010. It is intended to have this discussion and analysis presented as a look at the District's financial performance as a whole. To gain a greater appreciation and understanding of the District's financial performance, the reader should also review the financial statements and notes.

### **FINANCIAL HIGHLIGHTS:**

Key financial highlights for 2009-2010 include:

Total 2009-2010 general fund revenues amounted to \$69,094,084, compared to 2008-2009 total revenue of \$67,593,224. This represented a 2.22% increase in revenues.

The general fund expenses, including transfers, of the District amounted to \$71,582,025 in 2009-2010, compared to total expenses in 2008-2009 of \$67,103,560. This represented a 6.67% increase in expenses.

The General Fund Total Fund Balance at fiscal year ending 2009-2010 was \$5,194,561, which represented an unfavorable change of (\$2,487,941) (-32.38%) from the prior year's fund balance of \$7,682,502. Included in the Total Fund Balance is a designation of \$850,000 for PSERS Retirement Contributions and \$500,000 for School Board and tax contingencies. The Unreserved-Undesignated Fund Balance of \$3,096,911 at fiscal year ending June 30, 2010 represented 4.33% of the total expenses in the fiscal year compared to the fund balance at fiscal year ended June 30, 2009, which represented 6.29% of the expenses for that period.

Again, as in the recent past, expenditures fell below original projections in a number of areas. Due to the receipt of unanticipated grants, cost containment measures, non-use of contingent budgetary reserve, and a number of contingent staff positions and professional development exercises were funded outside the regular general fund budget.

### **USING THE ANNUAL FINANCIAL REPORT:**

The annual financial report consists of a series of financial statements and notes to those statements.

The organization of these reports is intended to provide the reader with an understanding of the Warren County School District as a financial whole and an entire operating entity.

The statements progress into a more detailed look at the specific financial activities during the fiscal year 2009-2010.

The *Statement of Net Assets* and *Statement of Activities* provide information about the whole District, presenting both an aggregate view of the District's finances and longer-term view of those finances. The next level of detail is presented in the fund financial statements. For the governmental funds, these statements explain how services were financed in the short-term, as well as what remains for future spending. The District's most significant funds are also viewed through the fund financial statements. The general fund is by far the most significant fund of the Warren County School District.

## **REPORTING THE SCHOOL DISTRICT AS A WHOLE:**

### Government-Wide Financial Statements

#### *Statement of Net Assets* and the *Statement of Activities*

This document contains all the funds used by the District to provide programs and activities and attempts to answer the question, "How did we do financially during the 2009-2010 fiscal year?" The answer is available in the *Statement of Net Assets* and the *Statement of Activities*. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector organizations. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or disbursed.

These two statements report the District's net assets and changes in those assets over the course of the 2009-2010 fiscal year. The reports will show whether the District as a whole has seen an increase or decrease in its financial position. The causes for this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, student enrollment, facility conditions, required educational programs and other factors.

The *Statement of Net Assets* and the *Statement of Activities* divide the District into two distinct types of activities:

- **Governmental Activities** – Most of the District's programs and services are reported here and include instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The District's Food Services operations are reported as business activities.

The Statement of Net Assets provides the perspective of the School District taken as a whole. The School District had total net assets were \$27,213,301 at June 30, 2010, compared to \$27,880,483 for 2009.

	2010 Governmental Activities	2010 Business- Type Activities	Total	2009 Governmental Activities	2009 Business- Type Activities	Total
Current	\$ 14,306,788	\$ (293,642)	\$ 14,013,146	\$ 16,911,147	\$ (159,772)	\$ 16,751,375
Capital assets and other assets	40,873,461	270,306	41,143,767	41,315,377	447,934	41,763,311
Total Assets	<u>\$ 55,180,249</u>	<u>\$ (23,336)</u>	<u>\$ 55,156,913</u>	<u>\$ 58,226,524</u>	<u>\$ 288,162</u>	<u>\$ 58,514,686</u>
Current and other liabilities	\$ 5,303,887	\$ 36,522	\$ 5,340,409	\$ 6,212,154	\$ 153,037	\$ 6,365,191
Long-term liabilities	22,603,202	-	22,603,202	24,269,012	-	24,269,012
Total Liabilities	<u>27,907,089</u>	<u>36,522</u>	<u>27,943,611</u>	<u>30,481,166</u>	<u>153,037</u>	<u>30,634,203</u>
Net Assets						
Invested in capital assets, net of related debt	18,403,461	270,306	18,673,767	16,600,377	447,934	17,048,311
Unrestricted	8,869,699	(330,164)	8,539,535	11,144,981	(312,809)	10,832,172
Total Net Assets	<u>27,273,160</u>	<u>(59,858)</u>	<u>27,213,302</u>	<u>27,745,358</u>	<u>135,125</u>	<u>27,880,483</u>
Total Liabilities & Net Assets	<u>\$ 55,180,249</u>	<u>\$ (23,336)</u>	<u>\$ 55,156,913</u>	<u>\$ 58,226,524</u>	<u>\$ 288,162</u>	<u>\$ 58,514,686</u>

The following table shows the revenues, expenses and changes in net assets for fiscal years ended 2010 and 2009:

	2010 Governmental Activities	2010 Business- Type Activities	Total	2009 Governmental Activities	2009 Business- Type Activities	Total
Revenues						
Operating grants and contributions	\$ 46,134,265	\$ 1,069,167	\$ 47,203,432	\$ 44,375,196	\$ 961,738	\$ 45,336,934
Charges for services	166,313	848,719	1,015,032	65,511	857,558	923,069
General revenues						
Property taxes	19,619,177	-	19,619,177	19,602,866	-	19,602,866
Earned income and local services taxes	3,283,397	-	3,283,397	3,004,946	-	3,004,946
Other taxes	268,246	-	268,246	461,643	-	461,643
Interest earnings	98,507	-	98,507	387,286	-	387,286
Transfers	(100,038)	100,038	-	-	-	-
Total Revenues	<u>69,469,867</u>	<u>2,017,924</u>	<u>71,487,791</u>	<u>67,897,448</u>	<u>1,819,296</u>	<u>69,716,744</u>
Expenses						
Instruction	43,669,032	-	43,669,032	41,552,290	-	41,552,290
Pupil personnel	1,375,254	-	1,375,254	1,175,847	-	1,175,847
Instructional student support and pupil health	3,131,033	-	3,131,033	2,867,018	-	2,867,018
Administrative/business support	4,924,351	-	4,924,351	4,846,560	-	4,846,560
Operation of plant	6,310,224	-	6,310,224	6,509,905	-	6,509,905
Student transportation	5,500,529	-	5,500,529	5,213,085	-	5,213,085
Central services	114,923	-	114,923	101,409	-	101,409
Student activities	1,302,373	-	1,302,373	1,172,298	-	1,172,298
Community services	31,060	-	31,060	20,185	-	20,185
Other	75,275	-	75,275	41,028	-	41,028
Interest on debt	754,676	-	754,676	947,680	-	947,680
Depreciation	2,631,911	-	2,631,911	2,477,296	-	2,477,296
Refund of prior year receipts	121,424	-	121,424	-	-	-
Food services	-	2,138,880	2,138,880	-	1,926,337	1,926,337
Total Expenses	<u>69,942,065</u>	<u>2,138,880</u>	<u>72,080,945</u>	<u>66,924,601</u>	<u>1,926,337</u>	<u>68,850,938</u>
Increase (Decrease) In Net Assets	<u>\$ (472,198)</u>	<u>\$ (120,956)</u>	<u>\$ (593,154)</u>	<u>\$ 972,847</u>	<u>\$ (107,041)</u>	<u>\$ 865,806</u>

## **Governmental Activities**

Governmental activities for 2009-2010 resulted in a decrease in net assets of \$472,198. The decrease resulted primarily from higher than anticipated transportation costs.

## **Business-Type Activities**

Business-type activities relate to the District's food service program. The food service program receives direct funding support from the state and federal divisions dealing with the National School Lunch Program. Additional revenues derived from the sale of meals to students and staff account for the operational funds to operate without support from tax revenues. The general fund, from time-to-time, through a transfer of funds to maintain the majority of capital equipment needs for food service operations, makes a direct contribution to the food service fund.

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS:**

The analysis of the District's major funds begins on page 16. Detailed information about the District's major funds is reported through the fund financial reports. The major funds will focus on the general fund and the capital projects fund.

**Government Funds** – Most District activities are reported in governmental funds, which focus on the flow of funds into and out of those funds. The balances at the end of the fiscal year represent what is available for funding in future periods. The modified accrual basis of accounting is used to report the financial activities in these funds and measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's general government operations and the basic services it provides. An analysis of the governmental fund helps to determine what funds may be available in the near future to finance continued educational programs.

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these fund financial statements will essentially match the government-wide financial statements.

**Fiduciary Funds** – The District is the trustee for an established Trust Fund. Funds within the trust are monitored by the District and distributed as monetary awards or through purchases for educational supplies and materials in accordance with the specifications and restrictions of each trust agreement. Due to the trust arrangement, these funds can only be used for trust beneficiaries and cannot be utilized by the District to finance its operations.

## **General Fund Revenue**

The District's revenues continue to reflect a similar basic breakdown: local (taxes and other), 33 percent; State and Federal revenues, 67 percent.

	<b>2009-2010</b>	<b>2008-2009</b>
Local Revenue	\$22,973,118 (33%)	\$23,568,831 (35%)
State Revenue	\$38,666,579 (56%)	\$40,654,885 (60%)
Federal & Other	\$7,454,387 (11%)	\$ 3,369,508 (5%)
<b>TOTAL</b>	<b>\$69,094,084</b>	<b>\$67,593,224</b>



### **General Fund Expenses**

The District's program expenses are 61 percent instruction; 35 percent support; and 34 percent non-instructional (including debt payments and transfers).

	<b>2009-2010</b>	<b>2008-2009</b>
Instruction	\$43,774,204 (61%)	\$41,037,693 (61%)
Support Services	\$3,834,245 (5%)	\$20,511,386 (31%)
Non-Instruction & Debt	\$23,973,577 (34%)	\$ 5,554,481 (8%)
<b>TOTAL</b>	<b>\$71,582,026</b>	<b>\$67,103,560</b>

The 2009-2010 fiscal year again saw little growth in the local economy. The numbers of appeals and eventual granting of decreased real estate assessments continue to have a significant impact on the local real estate tax base. Consequently, the District's reliance on State and federal grants becomes more and more evident in an effort to meet program needs in order to avoid further financial hardship to the local taxpayer.

### **School District's Funds**

The governmental funds of the District are accounted for using the modified accrual basis of accounting. The following is a breakdown of District fund balances:

	<b>2009-2010</b>
General Fund	\$5,194,561
Capital Reserve	\$3,956,327
Non-major Funds	\$ 5,231
<b>Total</b>	<b>\$9,156,119</b>

### **General Fund Budget Highlights**

The \$69,094,084 of revenues in the general fund in 2009-2010 applied against the total general fund expenditure outlay of \$71,582,026 resulted in a net decrease to the fund balance of \$2,487,941. Although the District recognizes a fund balance of \$5,194,561, it also realizes that a liability for **post-retirement benefits** (see Note 11 to the financial statements) needs to be considered as a designation of that fund balance and \$1,350,000 is designated for other purposes (\$850,000 for PSERS retirement contributions and \$500,000 for Board contingencies).

### **Comparison of Transfer Out Accounts**

	<b>2009-2010</b>	<b>2008-2009</b>
Contribution to Athletics	\$ 1,002,421	\$ 869,795
Contribution to Food Svc	\$ -	\$ -
Contribution to Capital Resv	\$ 1,343,519	\$ 1,250,000
Debt Service Payments	\$ 3,037,777	\$ 3,174,640
<b>TOTALS</b>	<b>\$ 5,383,717</b>	<b>\$ 5,294,435</b>

## **Capital Asset and Debt Administration**

At the end of fiscal year 2009-2010, the District had approximately \$40.9 million invested in land, buildings, equipment and construction-in-process (\$79.7 million, less accumulated depreciation of \$38.8 million).

### **Debt Administration**

The existing bonds payable at June 30, 2010 totaled \$22,470,000. The debt payments for the fiscal year totaled \$3,037,777.

At June 30, 2010, the District's non-electoral limit for debt (225% of borrowing base) was \$148 million, less existing debt of \$ 24 million, leaves the District with a borrowing capacity of \$124 million.

### **Factors Expected to have an Effect on Future Operations**

The stagnant status of the local real estate assessments, coupled with continued appeals from local businesses and industries, concerns the District as current operational expenses continue to rise without any normal inflationary increases in revenues. The impact of uncertain economic conditions upon government entitlement, stimulus, and subsidy revenues and the continued imposition of State and Federal mandates significantly inhibit the administration's resources. With continued projections for declining student enrollment, the challenge to reduce operational costs while maintaining the expected high levels of educational programming is a continuing challenge for the District Board and administration.

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

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for the financial resources it receives. If you have questions about the report or wish to request additional financial information, please contact the District's Business Administrator, 185 Hospital Drive, Warren, PA; telephone (814) 723-6903.

# WARREN COUNTY SCHOOL DISTRICT

## Statement of Net Assets

June 30, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 2,784,480	\$ 71,561	\$ 2,856,041
Investments	1,889,523	-	1,889,523
Taxes receivable, net	4,190,922	-	4,190,922
Internal balances	827,251	(827,251)	-
Due from other governments	2,595,476	285,040	2,880,516
Other receivables	1,193,227	124,326	1,317,553
Inventories	-	6,819	6,819
Prepaid expenses	747,650	45,864	793,514
Other current assets	78,259	-	78,259
Total Current Assets	<u>14,306,788</u>	<u>(293,642)</u>	<u>14,013,146</u>
Noncurrent Assets			
Land	498,983	-	498,983
Construction in progress	383,809	-	383,809
Capital Assets, net	<u>39,990,669</u>	<u>270,306</u>	<u>40,260,975</u>
Total Noncurrent Assets	<u>40,873,461</u>	<u>270,306</u>	<u>41,143,767</u>
Total Assets	<u><u>\$ 55,180,249</u></u>	<u><u>\$ (23,336)</u></u>	<u><u>\$ 55,156,913</u></u>
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 1,458,007	\$ 36,522	\$ 1,494,529
Current portion of long-term debt	2,535,000	-	2,535,000
Accrued salaries and benefits	496,626	-	496,626
Payroll deductions and withholdings	488,212	-	488,212
Other current liabilities	<u>326,042</u>	<u>-</u>	<u>326,042</u>
Total Current Liabilities	<u>5,303,887</u>	<u>36,522</u>	<u>5,340,409</u>
Noncurrent Liabilities			
Bonds payable	19,935,000	-	19,935,000
Other post-employment benefits	1,890,477	-	1,890,477
Long-term portion of compensated absences	<u>777,725</u>	<u>-</u>	<u>777,725</u>
Total Noncurrent Liabilities	<u>22,603,202</u>	<u>-</u>	<u>22,603,202</u>
Total Liabilities	<u>27,907,089</u>	<u>36,522</u>	<u>27,943,611</u>
Net Assets			
Invested in capital assets net of debt	18,403,461	270,306	18,673,767
Unrestricted (deficit)	<u>8,869,699</u>	<u>(330,164)</u>	<u>8,539,535</u>
Total Net Assets	<u>27,273,160</u>	<u>(59,858)</u>	<u>27,213,302</u>
Total Liabilities and Net Assets	<u><u>\$ 55,180,249</u></u>	<u><u>\$ (23,336)</u></u>	<u><u>\$ 55,156,913</u></u>

The accompanying notes are an integral part of these statements.

# WARREN COUNTY SCHOOL DISTRICT

## Statement of Activities

For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 43,669,032	\$ 166,313	\$ 42,043,547	-
Support Services	21,431,589	-	4,064,271	-
Non-instructional Services	1,333,433	-	26,447	-
Interest on long-term debt	754,676	-	-	-
Refund of prior year receipts	121,424	-	-	-
Unallocated depreciation expense	2,631,911	-	-	-
Total Governmental Activities	69,942,065	166,313	46,134,265	-
Business-Type Activities:				
Food service	2,138,880	848,719	1,069,167	-
Total	\$ 72,080,945	\$ 1,015,032	\$ 47,203,432	\$ -
General Revenues:				
Taxes:				
Property taxes, levied for general purposes, net				
Earned income and local services taxes				
Other taxes				
Investment earnings				
Transfers				
Total General Revenues, Special Items, Extraordinary Items and Transfers				
Change in Net Assets				
Net Assets, Beginning				
Net Assets, Ending				

The accompanying notes are an integral part of these statements.

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,459,172)	-	\$ (1,459,172)
(17,367,318)	-	(17,367,318)
(1,306,986)	-	(1,306,986)
(754,676)	-	(754,676)
(121,424)	-	(121,424)
<u>(2,631,911)</u>	<u>-</u>	<u>(2,631,911)</u>
<u>(23,641,487)</u>	<u>-</u>	<u>(23,641,487)</u>
<u>-</u>	<u>(220,993)</u>	<u>(220,993)</u>
<u>(23,641,487)</u>	<u>(220,993)</u>	<u>(23,862,480)</u>
\$ 19,619,177	\$ -	\$ 19,619,177
3,283,397	-	3,283,397
268,246	-	268,246
98,507	-	98,507
<u>(100,038)</u>	<u>100,038</u>	<u>-</u>
<u>23,169,289</u>	<u>100,038</u>	<u>23,269,327</u>
(472,198)	(120,955)	(593,153)
<u>27,745,358</u>	<u>61,097</u>	<u>27,806,455</u>
<u>\$ 27,273,160</u>	<u>\$ (59,858)</u>	<u>\$ 27,213,302</u>

# WARREN COUNTY SCHOOL DISTRICT

## Balance Sheet

### Governmental Funds

June 30, 2010

	General Fund	Capital Reserve	Debt Service
Assets			
Cash and cash equivalents	\$ 811,853	\$ 1,957,175	\$ -
Investments	1,889,523	-	-
Taxes receivable, net	4,037,588	-	-
Due from other funds	1,990	2,033,770	-
Due from proprietary fund	827,251	-	-
Due from other governments	2,595,476	-	-
Other receivables	1,192,977	-	-
Prepaid expenses	747,650	-	-
Other current assets	78,259	-	-
Total Assets	<u>\$ 12,182,567</u>	<u>\$ 3,990,945</u>	<u>\$ -</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 2,033,770	\$ -	\$ -
Accounts payable	1,414,907	34,618	-
Accrued salaries and benefits	161,303	-	-
Payroll deductions and withholdings	488,212	-	-
Deferred revenues	2,764,198	-	-
Other current liabilities	125,616	-	-
Total Liabilities	<u>6,988,006</u>	<u>34,618</u>	<u>-</u>
Fund Balances			
Reserve for prepaid expenses	747,650	-	-
Reserve for capital projects		3,956,327	-
Specific fund balance reserves	1,350,000	-	-
Unreserved - undesignated	3,096,911	-	-
Total Fund Balances	<u>5,194,561</u>	<u>3,956,327</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 12,182,567</u>	<u>\$ 3,990,945</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Nonmajor Funds	Total Governmental Funds
\$ 15,453	\$ 2,784,480
-	1,889,523
-	4,037,588
-	2,035,760
-	827,251
-	2,595,476
250	1,193,227
-	747,650
-	78,259
<u>\$ 15,703</u>	<u>\$ 16,189,214</u>

\$ 1,990	\$ 2,035,760
8,482	1,458,007
-	161,303
-	488,212
-	2,764,198
-	125,616
<u>10,472</u>	<u>7,033,096</u>

-	747,650
5,231	3,961,558
-	1,350,000
-	3,096,911
<u>5,231</u>	<u>9,156,119</u>
<u>\$ 15,703</u>	<u>\$ 16,189,214</u>

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**WARREN COUNTY SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**June 30, 2010**

Total fund balances - governmental funds		\$ 9,156,119
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$79,713,164, and the accumulated depreciation is \$38,839,703		40,873,461
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds		2,764,198
Allowance for doubtful accounts - taxes receivable		(141,667)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	\$ (22,470,000)	
Accrued interest on the bonds	(200,426)	
Other post-employment benefits	(1,890,477)	
Compensated absences	<u>(1,113,048)</u>	(25,673,951)
Other:		
Earned income tax receivable from self-employed individuals		<u>295,000</u>
Total Net Assets - Governmental Activities		<u><u>\$ 27,273,160</u></u>

The accompanying notes are an integral part of these statements.

**WARREN COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

	<u>General Fund</u>	<u>Capital Reserve</u>	<u>Debt Service</u>
Revenues			
Local sources			
Property taxes	\$ 19,394,809	\$ -	\$ -
Income and other taxes	3,300,188	-	-
Other local sources	278,121	224,414	-
State sources	38,666,579	-	-
Federal sources	7,454,387	-	-
Total Revenues	<u>69,094,084</u>	<u>224,414</u>	<u>-</u>
Expenditures			
Instruction	43,774,204	-	-
Support services	21,066,420	-	-
Noninstructional services	299,325	-	-
Capital outlay	836,897	748,552	-
Bond issue costs	-	-	-
Debt service (principal and interest)	-	-	3,037,777
Total Expenditures	<u>65,976,846</u>	<u>748,552</u>	<u>3,037,777</u>
Excess (deficiency) of revenues over expenditures	<u>3,117,238</u>	<u>(524,138)</u>	<u>(3,037,777)</u>
Other Financing Sources (Uses)			
Interfund transfers	(5,383,717)	1,343,519	3,037,777
Transfer to proprietary fund	(100,038)	-	-
Refunds of prior year receipts	(121,424)	-	-
Total Other Financing Sources (Uses)	<u>(5,605,179)</u>	<u>1,343,519</u>	<u>3,037,777</u>
Net Change in Fund Balances	(2,487,941)	819,381	-
Fund Balance, July 1, 2009	<u>7,682,502</u>	<u>3,136,946</u>	<u>-</u>
Fund Balance, June 30, 2010	<u><u>\$ 5,194,561</u></u>	<u><u>\$ 3,956,327</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these statements.

Nonmajor Funds	Total Governmental Funds
\$ -	\$ 19,394,809
-	3,300,188
27,039	529,574
-	38,666,579
-	7,454,387
27,039	69,345,537
-	43,774,204
-	21,066,420
1,029,460	1,328,785
-	1,585,449
-	-
-	3,037,777
1,029,460	70,792,635
(1,002,421)	(1,447,097)
1,002,421	-
-	(100,038)
-	(121,424)
1,002,421	(221,462)
-	(1,668,559)
5,231	10,824,679
\$ 5,231	\$ 9,156,120

**WARREN COUNTY SCHOOL DISTRICT**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2010**

Total net change in fund balances - governmental funds	\$ (1,668,560)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Depreciation expense	\$ (2,631,911)	
Capital outlays	<u>2,189,994</u>	(441,917)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues increased by this amount this year.	224,368
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,245,000
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Other:		
Change in other post-employment benefits	(869,190)	
Change in accrued interest payable	<u>38,101</u>	

Change in Net Assets of Governmental Activities	<u><u>\$ (472,198)</u></u>
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The accompanying notes are an integral part of these statements.

**WARREN COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local revenues	\$ 25,683,639	\$ 22,955,262	\$ 22,973,118	\$ 17,856
State program revenues	38,706,064	38,446,122	38,666,579	220,457
Federal program revenues	6,543,443	9,271,240	7,454,387	(1,816,853)
Total Revenues	70,933,146	70,672,624	69,094,084	(1,578,540)
Expenditures				
Regular programs	32,361,752	32,207,962	32,000,670	207,292
Special programs	10,127,495	9,947,952	9,854,471	93,481
Vocational programs	1,422,118	1,675,343	1,582,521	92,822
Other instructional programs	278,194	308,966	336,256	(27,290)
Non-public school programs	-	-	285	(285)
Pupil personnel services	1,319,433	1,412,751	1,354,220	58,531
Instructional staff services	2,477,322	2,591,580	2,480,025	111,555
Administrative services	4,074,356	4,106,586	4,046,537	60,049
Pupil health	500,275	798,422	603,820	194,602
Business services	799,286	833,515	801,797	31,718
Operation and maintenance of plant services	6,341,267	6,502,073	6,099,209	402,864
Student transportation services	4,815,631	4,823,590	5,492,375	(668,785)
Central and other support services	117,746	130,589	113,165	17,424
Media services	81,000	81,000	75,274	5,726
Student activities	227,836	322,936	268,739	54,197
Community services	13,496	21,850	30,585	(8,735)
Capital outlay	-	836,897	836,897	-
Debt service	3,019,544	3,019,544	3,038,727	(19,183)
Total Expenditures	67,976,751	69,621,556	69,015,573	605,983
Excess (deficiency) of revenues over expenditures	2,956,395	1,051,068	78,511	(972,557)
Other Financing Sources (Uses)				
Fund transfers	(2,321,397)	(2,321,397)	(2,445,028)	123,631
Contingencies	(1,187,351)	-	-	-
Refund of prior year's receipts	-	-	(121,424)	121,424
Budgetary reserve	(879,200)	(942,502)	-	(942,502)
Total Other Financing Sources (Uses)	(4,387,948)	(3,263,899)	(2,566,452)	(697,447)
Net Change in Fund Balances	(1,431,553)	(2,212,831)	(2,487,941)	(275,110)
Fund Balance - July 1, 2009	7,750,000	7,750,000	7,682,502	(67,498)
Fund Balance - June 30, 2010	\$ 6,318,447	\$ 5,537,169	\$ 5,194,561	\$ (342,608)

The accompanying notes are an integral part of these statements.

# WARREN COUNTY SCHOOL DISTRICT

## Statement of Net Assets

### Proprietary Funds

June 30, 2010

	<u>Food Service</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 71,561
Due from other governments	285,040
Other receivables	124,326
Inventories	6,819
Prepaid expenses	<u>45,864</u>
Total Current Assets	<u>533,610</u>
Noncurrent Assets	
Machinery and equipment, net	<u>270,306</u>
Total Noncurrent Assets	<u>270,306</u>
Total Assets	<u><u>\$ 803,916</u></u>
Liabilities and Net Assets	
Current Liabilities	
Due to other funds	\$ 827,251
Accrued salaries and benefits	-
Accounts payable	<u>36,523</u>
Total Current Liabilities	<u>863,774</u>
Total Liabilities	<u>863,774</u>
Net Assets	
Invested in capital assets, net of debt	270,306
Unrestricted	<u>(330,164)</u>
Total Net Assets	<u>(59,858)</u>
Total Liabilities and Net Assets	<u><u>\$ 803,916</u></u>

The accompanying notes are an integral part of these statements.

**WARREN COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	<u>Food Service</u>
Operating Revenues:	
Food service revenue	\$ -
Charges for services	<u>848,719</u>
Total Operating Revenues	<u>848,719</u>
Operating Expenses:	
Salaries	508,722
Employee benefits	292,148
Other purchased services	1,213,030
Supplies	100
Depreciation	106,471
Other operating expenditures	<u>18,408</u>
Total Operating Expenses	<u>2,138,879</u>
Operating Income (Loss)	<u>(1,290,160)</u>
Nonoperating Revenues (Expenses)	
State sources	93,434
Federal sources	<u>975,733</u>
Total Nonoperating Revenues (Expenses)	<u>1,069,167</u>
Change in Net Assets before transfers	(220,993)
Transfers in	<u>100,038</u>
Change in net assets	<u>(120,955)</u>
Net Assets, July 1, 2009, as previously reported	135,125
Adjustment due to understatement of accumulated depreciation. See note 6.	<u>(74,028)</u>
Net Assets, June 30, 2009, as restated	<u>61,097</u>
Net Assets, June 30, 2010	<u><u>\$ (59,858)</u></u>

The accompanying notes are an integral part of these statements.

# WARREN COUNTY SCHOOL DISTRICT

## Combined Statement of Cash Flows -

### Proprietary Fund Type

For the year ended June 30, 2010

	<u>Food Service</u>
Cash Flows From Operating Activities	
Cash received from users	\$ 787,053
Cash payments to employees for services	(800,870)
Cash payments to suppliers for goods and services	(1,363,995)
Cash payments for other operating expenses	<u>(18,408)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(1,396,220)</u>
Cash Flows From Non-Capital Financing Activities	
State sources	79,486
Federal sources	827,168
Transfers in	<u>100,038</u>
Net Cash Provided By (Used For) Non-Capital Financing Activities	<u>1,006,692</u>
Cash Flows From Capital and Related Financing Activities	
Decrease in amounts due to other funds	(388,421)
Equipment purchase	<u>(2,870)</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>(391,291)</u>
Net Increase (Decrease) in Cash and Cash Flows	(780,819)
Cash and Cash Equivalents at Beginning of Year	<u>852,380</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 71,561</u></u>
Reconciliation of Operating Income to Net Cash (Used For) Operating Activities	
Operating Income (Loss)	<u>\$ (1,290,160)</u>
Depreciation and net amortization	106,471
(Increase) decrease in accounts receivable	(61,666)
(Increase) decrease in prepaid expenses	(25,870)
(Increase) in other current assets	(7,946)
Increase (decrease) in accounts payable	(116,704)
(Decrease) increase in accrued salaries and benefits	<u>(344)</u>
Total Adjustments	<u>(106,060)</u>
Cash Provided By (Used For)	<u><u>\$ (1,396,220)</u></u>

The accompanying notes are an integral part of these statements.



# WARREN COUNTY SCHOOL DISTRICT

## Statement of Net Assets - Fiduciary Funds

June 30, 2010

	Agency Funds		Trust Funds	Total
	Student Activities	Earned Income Tax Office		
Assets				
Cash and cash equivalents	\$ 162,599	\$ 1,258,024	\$ 34,735	\$ 1,455,358
Investments	-	-	193,886	193,886
Total Assets	<u>\$ 162,599</u>	<u>\$ 1,258,024</u>	<u>\$ 228,621</u>	<u>\$ 1,649,244</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	<u>\$ 162,599</u>	<u>\$ 1,258,024</u>	<u>\$ -</u>	<u>\$ 1,420,623</u>
Total Liabilities	<u>162,599</u>	<u>1,258,024</u>	<u>-</u>	<u>1,420,623</u>
Net Assets				
Restricted for legal purposes	<u>-</u>	<u>-</u>	<u>228,621</u>	<u>228,621</u>
Total Net Assets	<u>-</u>	<u>-</u>	<u>228,621</u>	<u>228,621</u>
Total Liabilities and Net Assets	<u>\$ 162,599</u>	<u>\$ 1,258,024</u>	<u>\$ 228,621</u>	<u>\$ 1,649,244</u>

The accompanying notes are an integral part of these statements.

**WARREN COUNTY SCHOOL DISTRICT**  
**Statement of Changes in Net Assets - Fiduciary Funds**  
**For the Year Ended June 30, 2010**

	<u>Trust Funds</u>
Additions	
Gifts and contributions	\$ 2,585
Earnings/(loss) on investments	<u>19,416</u>
	<u>22,001</u>
Deductions	
Scholarships awarded	<u>(3,596)</u>
Change in Net Assets	18,405
Net Assets, July 1, 2009	<u>210,216</u>
Net Assets, June 30, 2010	<u><u>\$ 228,621</u></u>

The accompanying notes are an integral part of these statements.

# **WARREN COUNTY SCHOOL DISTRICT**

## **Notes to Financial Statements**

**June 30, 2010**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) as applied to governmental units prescribed in the statements issued by the Government Accounting Standards Board (GASB) and other recognized authoritative sources. In the government-wide financial statements and in enterprise funds, the District also applies Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, except those that conflict with GASB pronouncements.

#### **A. Financial Reporting Entity**

For financial reporting purposes, Warren County School District includes all funds that are controlled by or dependent on the administrative and legislative branches (the Administration or School Board, respectively). Control by or dependence on the School District is determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the School District to finance any deficits that may occur, or receipt of significant subsidies from the School District, and reporting responsibility of the entity in question.

The School District includes the Tax Collection Fund of Warren County as an agency fund of the District. Furthermore, the Warren County Area Vocational Technical School, which serves primarily the Warren County School District, is included in the general fund of the District.

#### **B. Fund Accounting**

The accounts of the School District are maintained and the accompanying fund financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems, issued by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania. These practices, as they apply to the Warren County School District, are in conformity with accounting principles generally accepted in the United States of America.

The financial transactions of the School District are recorded in individual funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

**The General Fund** is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.

**The Capital Reserve Fund** is used to account for certain repairs and maintenance of the District's buildings and facilities.

**The Debt Service Fund** is used to account for the payment of principal and interest related to the various outstanding General Obligation Bonds of the District.

The government reports the following major enterprise funds:

**The Food Service Fund** is used to account for all financial transactions related to the food service activities of the District. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the District reports the following funds:

**The Capital Projects Fund** is a non-major governmental fund used to account for financial resources to be used for the acquisition, construction or repair of capital facilities (other than those financed by the Proprietary Fund).

**The Athletic Fund** is a non-major governmental fund used to account for all the financial activities of the athletic organizations.

**Fiduciary Funds** are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

These include the Student Activity Funds, Trust Funds, and the District's Earned Income Tax Office. The Student Activity Funds and the Earned Income Tax Office are both classified as Agency Funds as they are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Basis of Presentation

#### Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between governmental and business-type activities of the District.

The government-wide financial statements are reported using the *economic resources measurement focus*. This is the same approach used in the preparation of proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each identifiable activity of the business-type and for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the District.

#### Fund Financial Statements

Fund financial statements report detailed information about the District. Their focus is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for by using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities (whether current or noncurrent) associated with the operations of these funds are included on the balance sheet. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

### **D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and fiduciary funds.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough, thereafter, to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after year end.

Non-exchange transactions, in which the 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 met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, investment earnings, tuition, grants and student fees.

The District reports deferred revenue on its statements of net assets and governmental funds balance sheet. In both government-wide and governmental fund statements, taxes received that are "intended to finance" a future period are reported as deferred revenue. In subsequent periods, the liability for deferred revenue is removed from the statements of net assets and governmental funds balance sheet and revenue is recognized.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on a flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on long-term debt, which is recorded when due, and (2) the costs related to compensated absences, which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

### **E. Property Taxes**

The School District levies taxes on July 1 based on assessed values established by Warren County. Taxes paid prior to October 1 are eligible for a 2% discount and subject to a 10% penalty if paid after November 30. Under Act 1 of 2006, taxpayers may pay their taxes in three installments beginning August 31.

The District levied real estate taxes of \$18,627,806 on July 1, 2009 based on a gross taxable valuation of \$396,336,298 at 47.0 mills. Taxes are collectible through May 1 each year. Subsequent to that date, taxes are turned over to the Warren County Tax Claim Bureau and the property is lienied.

### **F. Budgets and Budgetary Accounting**

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to May 31, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted for twenty (20) days prior to the date set for adoption.
- c. Prior to June 30, the budget is legally enacted through passage of a resolution.
- d. The budget is adopted on the modified accrual basis of accounting.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed by other funds because effective budgetary control is alternatively achieved through direct authorization by the School Board or expenditures are all fixed in nature.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- f. The Business Manager is authorized to transfer budgeted amounts between functional areas within the fund, but such action shall be taken only during the last nine (9) months of the fiscal year. Any revisions that alter the total expenditures of the fund require School Board approval.
- g. Unencumbered appropriations lapse at year end.

### **G. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

### **H. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the District considers all temporary investments with initial maturities of three months or less to be cash equivalents.

### **I. Investments**

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows:

Obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

All investments are reported at fair value. Fair value is determined using selected basis as follows: securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Inventory**

The District's inventory consists of donated and purchased food of the Enterprise Fund. Purchased food is valued at cost while donated commodities are presented at market value figures provided by the federal government. The Enterprise Fund uses the consumption method of inventory. Under this method, inventory is charged to expenditures when used.

**K. Capital Assets and Depreciation**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net assets, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported on both statement types.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District defines capital assets as assets with an initial, individual cost of \$5,000 or more. Donated fixed assets are recorded at their fair market value as of the date received. The District does not possess any infrastructure.

All reported capital assets, with the exception of land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Life - Years</u>
Buildings and improvements	20-40
Machinery and equipment	5-20

**L. Interfund Transactions**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Sales of goods and services between funds are reported as revenues in the seller funds and as expenses/expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

On fund financial statements, advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances are considered available and spendable resources and current obligations of the respective funds. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

### **M. Compensated Absences**

Unpaid sick and personal days accrue at a rate of \$8.00 to \$50.00 per day and are paid on separation from service. The entire compensated absences liability is reported in the government-wide financial statements.

For governmental funds, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the appropriate fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available resources are not reported in the fund financial statements. Unpaid compensated absences consist of \$853,002 for unused sick pay and \$260,046 for accumulated vacation pay.

### **N. Accrued Liabilities and Long-Term Debt**

All accrued liabilities and long-term debt are reported in the government-wide financial statements, as well as the proprietary fund financial statements. For governmental fund financial statements, the accrued liabilities are generally reported as a fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the financial statements until due.

### **O. Concentration of Credit Risk**

The District maintains various deposits presented on the balance sheet as cash and investments with several local banks. The amounts on deposit with certain banks exceed the \$250,000 federally insured limit.

Also, the District has amounts receivable arising from property tax delinquencies and levies. These amounts are due from citizens of Warren County, Pennsylvania and are, thus, subject to the economic conditions of this geographical area.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **P. Estimates in Financial Statements**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### **Q. Pension Plan Description**

The Warren County School District contributes to the Public School Employees' Retirement System (the System), a Governmental cost-sharing multiple-employer defined benefit pension plan. The System provides retirement and disability, legislative mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 PA. C. S. 8101-8535) holds the authority to establish and amend benefit provisions. The System issues a comprehensive annual financial report that includes financial statements and required supplementary information for the Plan. A copy of the report may be obtained by writing to Barbara D. Flurie, Office of Financial Management, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

#### **Funding Policy**

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers, and the Commonwealth. Most active members contribute at 5.25% or 6.50% of the member's qualifying compensation. Members joining the system on or after July 22, 1983 contribute 6.25% or 7.50%. Members joining the system after June 30, 2001 contribute at 7.50%. Contributions required of employers are based upon an actuarial valuation. For fiscal year ended June 30, 2010, the rate of employer contribution was 4.76% of covered payroll. The 4.76% rate is composed of a pension contribution rate of 4.0% for pension benefits and .76% for healthcare insurance premium assistance. The School District's contributions to the system for the years ending June 30, 2010, 2009 and 2008 were \$2,188,425, \$1,698,783 and \$1,916,408, respectively, equal to the required contributions for each year.

## NOTE 2 - NON-POOLED CASH AND INVESTMENTS

The District's cash and investments consist of deposits with financial institutions and investments through brokers. The District's investment policies are governed by state statute and District policy. Permissible investments include United States treasury bills and other federal instruments, time accounts or share accounts of institutions insured by the Federal Deposit Insurance Corporation, and certificates of deposit to the extent such certificates are secured by a proper bond or secured by such proper collateral.

### A. Deposits

Custodial credit risk is the risk that, in event of a bank failure, the District's deposits may not be returned. As of June 30, 2010, the bank balance of the District's deposits that are exposed to custodial credit risk is \$5,628,024 and their carrying amount is \$2,856,041. These amounts are uninsured. However, they are collateralized with securities held by the trust department or agent but not in the District's name.

#### Reconciliation to Financial Statements

Insured amount	\$ 268,563
Uninsured and collateralized held by the pledging bank's Trust Department not in the District's name	5,628,024
Plus: Deposits in transit	498,681
Less: outstanding checks	(3,546,227)
Ending amount of cash in banks	2,849,041
Plus: petty cash	7,000
Total cash per financial statements	<u>\$ 2,856,041</u>

### B. Investments

As of June 30, 2010, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of Deposit	N/A	\$1,694,623
UBS RMA Government Portfolio	N/A	2,795
Cash held by Broker	N/A	192,105
		<u>\$1,889,523</u>

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**NOTE 2 - NON-POOLED CASH AND INVESTMENTS (CONTINUED)**

Credit Risk - The District has no investment policy that limits its choices to certain credit ratings. The District's investment policy does limit investments to those allowed by the Pennsylvania School Code.

Custodial Credit Risk - For an investment, custodial risk is the risk that, in the event of a bank failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2010, all of the District's investments are held by the broker or dealer, or by its trust department or agent, but not in the District's name.

Concentration of Credit Risk - The District places no limit on the amount that may be invested in any one issuer.

**NOTE 3 - TAXES RECEIVABLE**

Taxes receivable consist of the following at June 30, 2010:

	Government- Wide Statements	Fund Statements
Delinquent real estate taxes	\$ 3,973,618	\$ 3,973,618
Delinquent per capita	63,970	63,970
Earned income tax	295,000	-
Allowance for doubtful accounts	(141,666)	-
	<u>\$ 4,190,922</u>	<u>\$ 4,037,588</u>

In accordance with the modified accrual basis of accounting, the above has been recognized as revenue only to the extent that they are measurable and available. Accordingly, \$2,764,198 of the delinquent real estate taxes deemed not available as of June 30, 2010 has been recorded as deferred revenue on the governmental funds balance sheet.

**NOTE 4 - INTERGOVERNMENTAL RECEIVABLES**

Amounts due from other governments consist of the following:

	General Fund	Food Service Fund	Total
Federal	\$ 1,869,478	\$ 259,615	\$ 2,129,093
State	<u>725,998</u>	<u>25,425</u>	<u>751,423</u>
	<u>\$ 2,595,476</u>	<u>\$ 285,040</u>	<u>\$ 2,880,516</u>

## NOTE 5 - INTERFUND TRANSACTIONS

Interfund receivables and payables on the fund statements at June 30, 2010 consist of the following:

	Interfund Receivable	Interfund Payable
General fund	\$ 829,241	\$ 2,033,770
Capital Reserve fund	2,033,770	-
Athletic fund	-	1,990
Food Service fund	-	827,251
	<u>\$ 2,863,011</u>	<u>\$ 2,863,011</u>

Interfund transfers on the fund statements at June 30, 2010 consist of the following:

	Transfer In	Transfer Out
General fund	\$ -	\$ 5,483,755
Capital Reserve fund	1,343,519	-
Debt Service fund	3,037,777	-
Athletic fund	1,002,421	-
Food Service Fund	100,038	-
	<u>\$ 5,483,755</u>	<u>\$ 5,483,755</u>

The purpose of the transfer from the General Fund to the Debt Service Fund was to make principal and interest payments related to the District's outstanding General Obligation Bonds. The transfers from the General Fund to the Athletic Fund and the Capital Reserve Fund were made to fund activities and certain repairs and maintenance of the District's buildings and facilities. The transfer to the Food Service Fund was made to supplement that Fund's operating revenues.

## NOTE 6 - CAPITAL ASSETS

A summary of capital asset activity during the year is as follows:

	June 30, 2009	Additions	Deletions	June 30, 2010
<b>Governmental Activities</b>				
Capital assets not depreciated:				
Construction in progress	\$ 199,443	\$ 741,209	\$ 556,843	\$ 383,809
Land	466,365	32,618	-	498,983
Total capital assets not depreciated	<u>\$ 665,808</u>	<u>\$ 773,827</u>	<u>\$ 556,843</u>	<u>\$ 882,792</u>
Capital assets depreciated:				
Buildings and improvements	\$ 63,309,449	\$ 331,303	\$ -	\$ 63,640,752
Furniture and equipment	15,448,642	1,641,707	5,445,311	11,645,038
Total Assets Depreciated	<u>78,758,091</u>	<u>1,973,010</u>	<u>5,445,311</u>	<u>75,285,790</u>
Less accumulated depreciation				
Buildings and improvements	(27,573,073)	(1,369,203)	-	(28,942,276)
Furniture and equipment	(10,535,447)	(1,262,708)	5,445,311	(6,352,844)
Total Accumulated Depreciation	<u>(38,108,520)</u>	<u>(2,631,911)</u>	<u>5,445,311</u>	<u>(35,295,120)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 40,649,571</u>	<u>\$ ( 658,901)</u>	<u>\$ -</u>	<u>\$ 39,990,670</u>
<b>Business-Type Activities</b>				
Capital assets being depreciated:				
Equipment	\$ 1,160,011	\$ 2,870	\$ -	\$ 1,162,881
Less: accumulated depreciation	(786,105)	(106,471)	-	(892,576)
Total Capital Assets Being Depreciated, Net	<u>\$ 373,906</u>	<u>\$ (103,601)</u>	<u>\$ -</u>	<u>\$ 270,305</u>

Accumulated depreciation of Business-Type Activities as of June 30, 2009 was under-reported by \$74,028 in that year's financial statements. Beginning net assets for the current year have been restated to correct this error.

## NOTE 7 - OTHER CURRENT LIABILITIES

Other current liabilities on the statement of net assets consist of the following:

Accrued interest payable	\$ 200,426
Retirees prepaid health insurance	<u>125,616</u>
	<u>\$ 326,042</u>

## **NOTE 8 - NONCURRENT LIABILITIES**

### **A. General Obligation Bonds**

The General Obligation Bonds consist of the following as of June 30, 2010:

#### Series of 2002

The Series of 2002 bonds were issued on November 15, 2002 in the amount of \$10,000,000. The bonds mature serially at various amounts through September 1, 2017 and bear interest ranging from 1.6% to 4.1%. These bonds were issued to provide resources for construction and improvement projects at various schools in the District.

#### Series of 2003

The Series of 2003 bonds were issued on June 15, 2003 in the amount of \$10,000,000. The bonds mature serially at various amounts through September 1, 2023 and bear interest ranging from 2.00% to 4.15%. These bonds were issued to provide resources for construction and improvement projects at various schools in the District.

#### Series of 2004

The Series of 2004 bonds were issued on April 15, 2004 in the amount of \$7,930,000. The bonds mature serially at various amounts through November 15, 2018 and bear interest ranging from 2.00% to 3.75%. These bonds were issued to provide resources to refund the Series of 1998 bonds and for the acquisition and installation of technology equipment at the various District facilities.

#### Series of 2008

The Series of 2008 bonds were issued on October 31, 2008 in the amount of \$10,000,000. The bonds mature serially at various amounts through September 1, 2017 and bear interest ranging from 3.00% to 3.50%. The bonds were issued to retire the 2001 bonds and a portion of the 2002 bonds.



## NOTE 8 - NONCURRENT LIABILITIES (CONTINUED)

### B. Lease Obligations

The District leases its office space under a lease agreement expiring in 2010. The District has the option of renewing the lease annually and is expected to do so in future years. The terms of the lease call for annual rental payments of \$1 and monthly utility charges of \$6,708.

The changes in noncurrent liabilities for the year ended June 30, 2010 consist of the following:

	Balance at June 30, 2009	Increases	Decreases	Balance at June 30, 2010	Due in One Year
General Obligation Bonds, Series of					
2002	\$ 850,000	\$ -	\$ 680,000	\$ 170,000	\$ 170,000
2003	8,200,000	-	430,000	7,770,000	440,000
2004	5,665,000	-	585,000	5,080,000	600,000
2008	10,000,000	-	550,000	9,450,000	1,325,000
	<u>24,715,000</u>	<u>-</u>	<u>2,245,000</u>	<u>22,470,000</u>	<u>2,535,000</u>
Compensated Absences					
Sick pay	853,002	86,171	86,171	853,002	86,171
Vacation pay	<u>260,046</u>	<u>249,152</u>	<u>249,152</u>	<u>260,046</u>	<u>249,152</u>
	<u>1,113,048</u>	<u>335,323</u>	<u>335,323</u>	<u>1,113,048</u>	<u>335,323</u>
	25,828,048	335,323	2,580,323	23,583,048	<u>\$ 2,870,323</u>
Less: Current Portion	<u>2,580,323</u>	<u>290,000</u>	<u>-</u>	<u>2,870,323</u>	
Total Noncurrent Liabilities	<u>\$ 23,247,725</u>	<u>\$ 45,323</u>	<u>\$ 2,580,323</u>	<u>\$ 20,712,725</u>	

The following is a summary of future debt service requirements to maturity for General Obligation Bonds:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,535,000	\$ 725,243	\$ 3,260,243
2012	2,605,000	647,908	3,252,908
2013	2,690,000	565,436	3,255,436
2014	2,775,000	478,199	3,253,199
2015	1,970,000	400,505	2,370,505
2016-2020	7,255,000	1,084,100	8,339,100
2021-2024	2,640,000	222,291	2,862,291
	<u>\$22,470,000</u>	<u>\$ 4,123,682</u>	<u>\$26,593,682</u>

**NOTE 9 - DESIGNATED FUND BALANCE**

The School District has designated \$1,350,000 of its unreserved fund balance at June 30, 2010. The purpose of the designations is to provide for expected future retirement contribution increases in the amount of \$850,000, and to provide resources for District goals and tax contingencies in the amount of \$500,000.

**NOTE 10 - CHANGES IN AGENCY FUNDS**

The changes in agency funds consist of the following:

	Balance at June 30, 2009	Increases	Decreases	Balance at June 30, 2010
Tax Collection fund	\$ 1,088,780	\$ 9,079,930	\$ 8,910,686	\$ 1,258,024
Student Activity funds	155,110	556,360	548,871	162,599
	<u>\$ 1,243,890</u>	<u>\$ 9,636,290</u>	<u>\$ 9,459,557</u>	<u>\$ 1,420,623</u>

**NOTE 11 - POST-EMPLOYMENT BENEFITS**Plan Description

In addition to the Pension benefits described in Note 1, the School District provides post-employment health insurance and prescription drug benefits through a single-employee defined benefit plan. The benefits are established in accordance with the requirements set forth by the School Board and Pennsylvania Act 110. The Plan is not accounted for as a trust fund, an irrevocable trust has not been established, the Plan does not issue a separate report and activity of the Plan is reported in the School District's General Fund.

Benefit coverage as a retiree will be equivalent (single or dependent coverage) to that held by the individual at the time of retirement. As of June 30, 2010, 141 retired employees are covered under the Plan. The School District's expenses for benefits were \$1,279,239 in the year ended June 30, 2010.

Funding Policy

The benefits are expensed when incurred and are financed on a pay-as-you-go basis. Retirees currently pay a portion of the monthly premium depending on the level of coverage. The School District covers the balance of the premium not paid by the retiree. Retiree and dependent coverage, group plans, and costs to the retiree are subject to change. A spouse may be covered as a dependent until the earlier of the death of the retiree or Medicare eligibility.

**NOTE 11 - POST-EMPLOYMENT BENEFITS (CONTINUED)**

The School District's annual OPEB cost is calculated based on the annual required contribution of the employees (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No 45. The ARC is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The ARC is an amount that is actuarially determined in accordance with the requirements so that if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both normal cost for each year and the amortized unfunded liability.

The following table shows the component of the School District's annual OPEB cost for the year, the amount actually contributed, and changes in the School District's net OPEB obligation:

Annual required contribution (ARC)	\$ 2,169,506
Interest on net OPEB obligation	45,958
Adjustment to ARC	<u>(31,202)</u>
Annual OPEB cost	2,184,262
Contribution made	<u>(1,315,072)</u>
Increase in net OPEB obligation	869,190
Net OPEB obligation - beginning of year	<u>1,021,287</u>
Net OPEB obligation - end of year	<u>\$ 1,890,477</u>

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$ 2,184,262	60.2%	\$ 1,890,477
June 30, 2009	2,209,506	53.8%	1,021,287
June 30, 2008	N/A	N/A	N/A

N/A - not applicable, 2009 is implementation year for GASB Statement No. 45.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, present multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## NOTE 11 - POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The ARC for the current year was computed as of July 1, 2010 using the following actuarial assumptions: (1) actuarial cost method entry age normal; (2) interest rate 4.5%; (3) salary increases are composed of a 3% cost of living adjustment, 1% real wage growth and merit increases for teacher and administrators between .25% and 3%; (4) retiree contributions to increase at the same rate as the Health Care cost trend rate; (5) the Health Care cost trend rate is 9.0% in 2010, decreasing to an ultimate rate of 5% in 2014 and later; (6) amortization is based on level dollar, thirty year open period.

The schedule of funding progress for the post-employment benefits is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
July 1, 2010	\$ -	\$ 20,871,113	\$ 20,871,113	0.00%	\$ 35,688,718	58%
July 1, 2009	-	\$ 20,871,113	\$ 20,871,113	0.00%	\$ 35,688,718	58%
July 1, 2007	N/A	N/A	N/A	N/A	N/A	N/A

N/A - not applicable

## NOTE 12 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees for which the District purchases commercial insurance. Settled claims have not exceeded insurance coverage in any of the past three years. There were no significant reductions in coverage compared to prior years.

## NOTE 13 - CONTINGENT LIABILITIES

The School District participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the District believes such amounts to be immaterial. The District may also be subject to claims by creditors, employees or others. The District does not believe that liabilities arising from such claims, if any, are significant and no accrual for such claims has been made.

**WARREN COUNTY SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
**June 30, 2010**

	Capital Projects	Athletic Fund	Total NonMajor Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 5,231	\$ 10,222	\$ 15,453
Investments	-	-	-
Taxes receivable, net	-	-	-
Due from other funds	-	-	-
Due from proprietary fund	-	-	-
Due from other governments	-	-	-
Due from primary government	-	-	-
Due from component units	-	-	-
Other receivables	-	250	250
Advances to other funds	-	-	-
Inventories	-	-	-
Prepaid expenses	-	-	-
Other current assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,231</u>	<u>\$ 10,472</u>	<u>\$ 15,703</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 1,990	\$ 1,990
Due to other governments	-	-	-
Accounts payable	-	8,482	8,482
Contracts payable	-	-	-
Current portion of long-term debt	-	-	-
Accrued salaries and benefits	-	-	-
Payroll deductions and withholdings	-	-	-
Advances from other funds	-	-	-
Deferred revenues	-	-	-
Other current liabilities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>10,472</u>	<u>10,472</u>
<b>Fund Balances</b>			
Standard Fund Balance Reserves			
Reserve for inventories	-	-	-
Reserve for prepaid expenses	-	-	-
Reserve for encumbrances	-	-	-
Reserve for retirement of long-term debt	-	-	-
Reserve for capital projects	5,231	-	5,231
Reserve for other	-	-	-
Specific fund balance reserves	-	-	-
Unreserved - designated	-	-	-
Unreserved - undesignated	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,231</u>	<u>-</u>	<u>5,231</u>
Total Liabilities and Fund Balances	<u>\$ 5,231</u>	<u>\$ 10,472</u>	<u>\$ 15,703</u>

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**WARREN COUNTY SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Funds**  
**For the Year Ended June 30, 2010**

	<u>Capital Projects</u>	<u>Athletic Fund</u>	<u>Total Nonmajor Funds</u>
Revenues			
Local sources	\$ -	\$ 27,039	\$ 27,039
State sources	-	-	-
Federal sources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>27,039</u>	<u>27,039</u>
Expenditures			
Instruction	-	-	-
Support services	-	-	-
Noninstructional services	-	1,029,460	1,029,460
Capital outlay	-	-	-
Bond issue costs	-	-	-
Debt service (principal and interest)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,029,460</u>	<u>1,029,460</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,002,421)</u>	<u>(1,002,421)</u>
Other Financing Sources (Uses)			
Bond proceeds	-	-	-
Refunding bond proceeds	-	-	-
Interfund transfers	-	1,002,421	1,002,421
Sale/compensation for fixed assets	-	-	-
Refunds of prior year expenditures	-	-	-
Operating transfers in (other LEAs)	-	-	-
Debt service (payment to refunded bond escrow agent)	-	-	-
Refunds of prior year receipts	-	-	-
Operating transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,002,421</u>	<u>1,002,421</u>
Net Change in Fund Balances	-	-	-
Fund Balance, July 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WARREN COUNTY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

Grantor Program Title	Source Code	Federal CFDA Number	Pass-Thru Grantor's Number	Grant Period Beginning/ Ending Date
<u>U.S. Department of Education</u>				
Passed Through the Pennsylvania Department of Education				
Title I	I	84.010	13-08-0459	7/9/08 - 9/30/09
Title I	I	84.010		10/1/09-9/30/10
ARRA Title I	I	84.389		10/1/09-9/30/10
Total Title I Cluster				
Title II Improving Teacher Quality	I	84.367	20-08-0459	7/9/08 - 9/30/10
Title II Improving Teacher Quality	I	84.367		10/1/09-9/30/10
Drug Free School Formula	I	84.186	100-08-0459	9/10/08 - 9/30/09
ARRA Ed Tech	I	84.386		10/1/09-9/30/10
ARRA Basic Ed	I	84.394		10/1/09-9/30/10
Subtotal				
Passed Through Northwest Tri-County I.U. #5 Special Education Cluster				
IDEA Grant - Part B	I	84.027		10/1/09-9/30/10
ARRA IDEA Part B	I	84.391		10/1/09-9/30/10
Total Special Education Cluster				
Total U.S. Department of Education				

The accompanying notes are an integral part of this schedule.  
Schedule continued on next page.



<u>Total Received for the Year</u>	<u>Accrued/ (Deferred) Revenue at July 1, 2009</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued/ (Deferred) Revenue at June 30, 2010</u>
\$ 581,014	\$ 581,014	\$ -	\$ -	\$ -
968,499	-	1,361,207	1,361,207	392,708
<u>364,356</u>	<u>-</u>	<u>377,491</u>	<u>377,491</u>	<u>13,135</u>
<u>1,913,869</u>	<u>581,014</u>	<u>1,738,698</u>	<u>1,738,698</u>	<u>405,843</u>
123,098	123,098.00	-	-	-
333,007	-	455,490	455,490	122,483
29,012	-	29,012	29,012	-
14,600	-	70,138	70,138	55,538
<u>1,966,964</u>	<u>-</u>	<u>2,950,446</u>	<u>2,950,446</u>	<u>983,482</u>
<u>2,466,681</u>	<u>123,098.00</u>	<u>3,505,086</u>	<u>3,505,086</u>	<u>1,161,503</u>
1,067,326	-	1,067,326	1,067,326	-
<u>366,405</u>	<u>-</u>	<u>668,352</u>	<u>668,352</u>	<u>301,947</u>
<u>1,433,731</u>	<u>-</u>	<u>1,735,678</u>	<u>1,735,678</u>	<u>301,947</u>
<u>\$ 5,814,281</u>	<u>\$ 704,112</u>	<u>\$ 6,979,462</u>	<u>\$ 6,979,462</u>	<u>\$ 1,869,293</u>

# WARREN COUNTY SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

(Continued)

Grantor Program Title	Source Code	Federal CFDA Number	Pass-Thru Grantor's Number	Grant Period Beginning/ Ending Date
<u>U.S. Department of Agriculture</u>				
Passed Through the Pennsylvania Department of Education				
Nutrition Cluster				
National School Lunch	I	10.555	N/A	7/1/08 - 6/30/09
National School Lunch	I	10.555	N/A	7/1/09-6/30/10
National School Lunch	I	N/A	N/A	7/1/08 - 6/30/09
National School Lunch	I	N/A	N/A	7/1/09-6/30/10
National School Breakfast	I	10.553	N/A	7/1/08 - 6/30/09
National School Breakfast	I	10.553	N/A	7/1/09-6/30/10
National School Breakfast	I	N/A	N/A	7/1/08 - 6/30/09
National School Breakfast	I	N/A	N/A	7/1/09-6/30/10
Less: State share				
Passed Through the Pennsylvania Department of Education				
Value USDA Donated Food	I	10.555	N/A	7/1/09-6/30/10
Total passed through Pennsylvania Department of Education				
Passed Through Warren County				
Schools/Roads - Grants/State	I	10.665	N/A	10/1/08 - 09/30/09
Total U.S. Department of Agriculture				
Total Federal Awards				

Source Code: D Direct Funding I Indirect Funding

The accompanying notes are an integral part of this schedule.

	Total Received for the Year	Accrued/ (Deferred) Revenue at July 1, 2009	Revenue Recognized	Expenditures	Accrued/ (Deferred) Revenue at June 30, 2010
	\$ 83,748	\$ 83,748	\$ -	\$ -	\$ -
	554,484	-	751,331	751,331	196,847
S	9,115	9,115	-	-	-
S	54,600	-	74,798	74,798	20,198
	27,301	27,301	-	-	-
	161,634	-	224,402	224,402	62,768
S	2,362	2,362	-	-	-
S	13,409	-	18,635	18,635	5,226
	906,653	122,526	1,069,166	1,069,166	285,039
S	(79,486)	(11,477)	(93,433)	(93,433)	(25,424)
F	\$ 827,167	\$ 111,049	\$ 975,733	\$ 975,733	\$ 259,615
	<u>\$ 72,157</u>	<u>\$ (6,961)</u>	<u>\$ 72,299</u>	<u>\$ 72,299</u>	<u>\$ (6,819)</u>
	<u>899,324</u>	<u>104,088</u>	<u>1,048,032</u>	<u>1,048,032</u>	<u>252,796</u>
	<u>693,332</u>	<u>-</u>	<u>693,332</u>	<u>693,332</u>	<u>-</u>
	<u>\$ 765,489</u>	<u>\$ (6,961)</u>	<u>\$ 765,631</u>	<u>\$ 765,631</u>	<u>\$ (6,819)</u>
	<u>\$ 7,406,937</u>	<u>\$ 808,200</u>	<u>\$ 8,720,826</u>	<u>\$ 8,720,826</u>	<u>\$ 2,122,089</u>

**WARREN COUNTY SCHOOL DISTRICT**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2010**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Warren County School District under programs of the federal government for the year ended June 30, 2010. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of Warren County School District.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the District's federal award programs presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**NOTE 3 - NATIONAL SCHOOL LUNCH PROGRAM**

Expenditures for the National School Lunch program include \$94,433 of expenditures related to state monies.

**NOTE 4 - IDENTIFICATION OF 50% RULE**

Total expenditures	\$ 8,720,826
Less state expenditures	94,433
Total Federal Financial Assistance	<u>\$ 8,626,393</u>
Programs selected for testing:	
Title I Cluster CFDA 84.389 & 84.010	\$ 1,738,698
ARRA Basic Ed	2,950,446
Special Education Cluster CFDA 84.391 & 84.027	<u>1,735,678</u>
	<u>\$ 6,424,822</u>
% of Total Federal Financial Assistance	<u>74.48 %</u>

**NOTE 5 – RESTATEMENT OF ACCRUED REVENUE**

In the Single Audit Report for the year ended June 30, 2009, accrued revenue for CFDA #84.010, Title I, was reported at \$459,140.



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FELIX & GLOEKLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Drive • Erie, Pennsylvania 16506

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

To the Members of the School Board  
Warren County School District  
Warren, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Warren County School District as of and for the year ended June 30, 2010, which collectively comprise the Warren County School District's basic financial statements, and have issued our report, thereon, dated July 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Warren County School District's internal control over financial reporting as a basis for designing our auditing procedures 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 Warren County School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Warren County School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies..

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness in internal control over financial reporting.

A significant deficiency is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-2 and 2010-3 to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Warren County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Warren County School District's response to the findings in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Warren County School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Felix and Gloekler, P.C.*

Felix and Gloekler, P.C.

July 15, 2011  
Erie, Pennsylvania



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FELIX & GLOEKLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Drive • Erie, Pennsylvania 16506

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**Independent Auditors' Report on Compliance With Requirements**  
**Applicable to Each Major Program and Internal Control Over**  
**Compliance in Accordance With Circular A-133**

To the Members of the School Board  
Warren County School District  
Warren, Pennsylvania

**Compliance**

We have audited the compliance of the Warren County School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Warren County School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Warren County School District's management. Our responsibility is to express an opinion on the Warren County School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Warren County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Warren County School District's compliance with those requirements.

In our opinion, the Warren County School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.



**Independent Auditors' Report on Compliance With Requirements**  
**Applicable to Each Major Program and Internal Control Over**  
**Compliance in Accordance With Circular A-133**  
**(Continued)**

Internal Control Over Compliance

The management of the Warren County School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Warren County School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Warren County School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Felix and Gloekler, P.C.*

Felix and Gloekler, P.C.

July 15, 2011  
Erie, Pennsylvania

**WARREN COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

**Summary of Auditors' Results:**

Financial Statements

1. Type of auditors' report issued: Unqualified opinion.
2. Internal control over financial reporting:  

Material weaknesses identified? ☒ yes ☐ no  
Significant deficiencies identified  
that are not considered to be  
material weaknesses? ☒ yes ☐ no
3. Noncompliance material to financial statements  
noted? ☐ yes ☒ no

Federal Awards

1. Internal control over major programs:  

Material weaknesses identified? ☐ yes ☒ no  
Significant deficiencies identified  
that are not considered to be  
material weaknesses? ☐ yes ☒ no
2. Type of auditors' report issued on compliance  
for major programs: Unqualified
3. Any audit findings disclosed that are required  
to be reported in accordance with Section 501(a)  
of Circular A-133? ☐ yes ☒ no
4. Identification of major programs:  

Title I Cluster CFDA #84.389 & 84.010  
ARRA Basic Ed CFDA #84.394  
Special Education Cluster CFDA #84.391 & 84.027
5. Dollar threshold used to distinguish between  
type A and type B programs: \$300,000
6. Auditee qualified as low-risk auditee? ☐ yes ☒ no

**WARREN COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**  
**(Continued)**

No. 2010-1 – Revenue Accruals

Criteria

The District's year-end accrual entries should be made promptly after year-end and should only include revenue to which the District is entitled.

Condition

The District's year end revenue accruals were made five months after year end and included approximately \$1.1 million revenue in excess of amounts actually receivable by the District as of that date.

Cause

The responsibility for calculating receivables and recording them rests with one person. No documentation, review, approval or other oversight is required to make journal entries.

Effect

The District's revenues were misstated; the financial report filed with the PA Department of Revenue had to be amended. Completion of the audit has been delayed.

No. 2010-2 – Student Activity Funds

Criteria

Student activity funds are intended to be used to account for funds belonging to the various student groups which have been raised for the purposes of each group.

Condition

During our review of activity in these funds, we noted an instance where a grant to the District was deposited to a student activity fund which appears to be unrelated to the grant. Grant expenditures were then paid out of that fund. Approval by the Principal appears to have been made via signature stamp.

Cause

Undetermined.

Effect

The District's purchasing and accounting control procedures were circumvented. The principal's approval is not properly documented.

**WARREN COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**  
**(Continued)**

No. 2010-3 – Payroll Account

Criteria

Segregation of duties, particularly separation of the access to an asset from the responsibility for accounting for that asset, is a basic element of good internal controls.

Condition

For a portion of the audit year, the person who reconciled the payroll bank account also had access to the blank payroll check stock and the check signer.

Cause

Turnover in the business office lead to the reassigning of reconciliation duties.

Effect

Controls could be overridden.

No. 2010-4 – Grant Documentation

Criteria

The District should maintain copies of all financial reports filed with the Department of Education.

Condition

District personnel were unable to provide us with copies of certain expenditure reports for the current state fiscal stabilization grant funds.

Cause

Turnover in the Business office.

Effect

The requested reports were unavailable for our review. Completion of the audit has been delayed.

**WARREN COUNTY SCHOOL DISTRICT**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2010**

The Warren County School District respectfully submits the following corrective action plan for the year ended June 30, 2010.

Finding 2010 – 1      Revenue Accruals

Management will maintain records supporting the calculation of journal entry amounts and, where applicable, will have a second person review and sign off on journal entries.

No. 2010-2 – Student Activity Funds

All activity fund custodians will be reminded that only activity related to the applicable group should be transacted through the activity funds.

No. 2010-3 – Payroll Account

Access to the blank payroll checks and the check signer is no longer available to the person reconciling the payroll bank account.

No. 2010-4 – Grant Documentation

Management will request copies of the reports in question and retain them consistent with our records retention policy.

**WARREN COUNTY SCHOOL DISTRICT**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2010**

No. 2009-1 - Account Reconciliations

Criteria

The School District's bank accounts should be reconciled on a monthly basis.

Condition

The District's accounting records were not reconciled to the monthly bank statements.

Cause

The District did not perform monthly reconciliations.

Effect

The District's revenues and expenditures were misstated.

Management Comments

Management will perform timely bank account reconciliations to the District's accounting records for future accounting periods.

Current Status

Improvement was made during the current year. Accounts are being reconciled on a timely basis.

No. 2009-2 – District Investments

Criteria

All District depositories are to be approved by the School Board

Condition

An investment account was moved to a new financial institution prior to approval by the Board of Directors of that institution as a District depository.

Cause

Only one signature was required to open the account.

Effect

The District did not comply with PA School Code for deposit of public funds.

Management Comments

New procedures have been implemented to assure adherence to District policies and Pennsylvania School Code. Management will comply with District policies and procedures and Pennsylvania School Code.

Current Status

The new procedures appear to be effective in preventing the opening of accounts without Board approval.

**WARREN COUNTY SCHOOL DISTRICT**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2010**  
**(Continued)**

No. 2009-3 – District Investments

Criteria

Commonwealth regulations require that municipal deposits be insured or collateralized. The applicable regulations are intended to minimize the potential loss from market risk. Compliance with these requirements is necessary to provide assurance that District resources are not at risk.

Condition

We were unable to obtain assurance that one of the District's investments at June 30, 2010 was in compliance with Pennsylvania School Code.

Cause

District procedure for oversight of investment activity did not include review of compliance with these requirements.

Effect

District investments may have been at risk of loss in value.

Management Comments

This was a temporary holding account which has since been closed. Management will comply with District policies and procedures and Pennsylvania School Code to assure compliance for future periods.

Current Status

All current accounts appear to be adequately insured or collateralized.

## **WARREN COUNTY SCHOOL DISTRICT**

### **Exit Conference**

**June 30, 2010**

An exit conference was held on May 3, 2011.

Participating were:

John Grant, Finance Committee Chairman  
Warren County School District

Amy Stewart, Director of Administrative Support Services  
Warren County School District

James Grosch, Business Administrator  
Warren County School District

Cindy Nyquist, Supervisor of Business Services  
Warren County School District

Barbara Cook, Payroll Supervisor  
Warren County School District

Michael Kiehl, Transportation Supervisor  
Warren County School District

Larry Conrad, Interim Business Administrator  
Warren County School District

Alan C. Felix, CPA, Principal  
Felix and Gloekler, P.C.

A draft of the audit report for the Warren County School District, Warren, Pennsylvania for the year ended June 30, 2010 was discussed.



**WARREN COUNTY SCHOOL DISTRICT**  
**List of Audit Report Distribution**  
**June 30, 2010**

Copies

- |   |   |
|---|---|
| 5 | Bureau of Audits<br>Special Audit Services Division<br>Forum Place - 8 <sup>th</sup> Floor<br>555 Walnut Street<br>Harrisburg, Pennsylvania 17101 |
| 1 | Warren County Courthouse<br>Prothonotary's Office<br>Warren, Pennsylvania 16365   |
| 1 | Federal Audit Clearinghouse<br>Submitted Electronically   |