

**WARREN COUNTY SCHOOL DISTRICT  
WARREN, PENNSYLVANIA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2022**



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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

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

##### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Warren County School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Warren County School District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

**Independent Auditors' Report**  
**(continued)**

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

**Independent Auditors' Report**  
**(continued)**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and employer pension plan and OPEB information on pages 7 through 12 and 66 through 74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

**Independent Auditors' Report**  
**(continued)**

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Warren County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Warren County School District's internal control over financial reporting and compliance.

A rectangular box containing a handwritten signature in black ink that reads "Felix and Gloekler, P.C.".

Felix and Gloekler, P.C.

December 12, 2022  
Erie, Pennsylvania

# WARREN COUNTY SCHOOL DISTRICT

## Balance Sheet Governmental Funds June 30, 2022

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 11,831,499	\$ 3,466,126	\$ -	\$ 15,297,625
Investments	11,752,422	218,536	14,210,976	26,181,934
Taxes receivable, net	2,015,952	-	-	2,015,952
Intergovernmental receivables	6,052,700	-	-	6,052,700
Other receivables	266,890	-	-	266,890
Prepaid expenses and other assets	914,385	-	-	914,385
<b>Total Assets</b>	<b>\$ 32,833,848</b>	<b>\$ 3,684,662</b>	<b>\$ 14,210,976</b>	<b>\$ 50,729,486</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,660,986	\$ 165,971	\$ -	\$ 2,826,957
Retainage payable	-	-	-	-
Due to other funds	1,012,491	-	-	1,012,491
Accrued salaries and benefits	7,147,296	-	-	7,147,296
Payroll deductions and withholdings	244,586	-	-	244,586
Other current liabilities	111,145	-	-	111,145
<b>Total Liabilities</b>	<b>11,176,504</b>	<b>165,971</b>	<b>-</b>	<b>11,342,475</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	1,313,200	-	-	1,313,200
<b>Total Deferred Inflows of Resources</b>	<b>1,313,200</b>	<b>-</b>	<b>-</b>	<b>1,313,200</b>
<b>Fund Balances</b>				
Restricted for debt service	-	-	14,210,976	14,210,976
Nonspendable	914,385	-	-	914,385
Committed to:				
Capital projects	3,158,600	3,518,691	-	6,677,291
Retirement	4,500,000	-	-	4,500,000
Tax and School Board contingencies	1,000,000	-	-	1,000,000
Medical expenses	780,256	-	-	780,256
Textbook purchases	1,814,851	-	-	1,814,851
Technology	2,580,057	-	-	2,580,057
Scrap recovery	216,285	-	-	216,285
WCCC Health Program	10,000	-	-	10,000
STEM	583,300	-	-	583,300
Unassigned	4,786,410	-	-	4,786,410
<b>Total Fund Balances</b>	<b>20,344,144</b>	<b>3,518,691</b>	<b>14,210,976</b>	<b>38,073,811</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 32,833,848</b>	<b>\$ 3,684,662</b>	<b>\$ 14,210,976</b>	<b>\$ 50,729,486</b>

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, 2022**

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Revenues				
Local sources				
Property taxes	\$ 25,331,727	\$ -	\$ -	\$ 25,331,727
Income and other taxes	3,382,912	-	-	3,382,912
Other local sources	2,151,215	2,580	206,867	2,360,662
State sources	48,803,859	-	-	48,803,859
Federal sources	12,560,110	-	-	12,560,110
Total Revenues	92,229,823	2,580	206,867	92,439,270
Expenditures				
Instruction	46,601,762	-	-	46,601,762
Support services	34,531,426	-	-	34,531,426
Noninstructional services	1,274,566	-	-	1,274,566
Capital outlay	-	1,934,911	-	1,934,911
Debt service (principal and interest)	-	-	4,591,575	4,591,575
Total Expenditures	82,407,754	1,934,911	4,591,575	88,934,240
Excess (Deficiency) of Revenues Over Expenditures	9,822,069	(1,932,331)	(4,384,708)	3,505,030
Other Financing Sources (Uses)				
Interfund transfers out	(9,144,708)	-	-	(9,144,708)
Interfund transfers in	-	1,975,000	7,169,708	9,144,708
Total Other Financing Sources (Uses)	(9,144,708)	1,975,000	7,169,708	-
Net Change in Fund Balances	677,361	42,669	2,785,000	3,505,030
Fund Balance, July 1, 2021	19,666,783	3,476,022	11,425,976	34,568,781
Fund Balance, June 30, 2022	\$ 20,344,144	\$ 3,518,691	\$ 14,210,976	\$ 38,073,811

The accompanying notes are an integral part of these statements.

**WARREN COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2022**

	<u>Food Service</u>
Operating Revenues:	
Food service revenue	\$     358,331
Total Operating Revenues	<u>358,331</u>
Operating Expenses:	
Salaries	569,594
Employee benefits	413,686
Other purchased services	1,375,184
Depreciation	12,946
Other operating expenditures	<u>153,098</u>
Total Operating Expenses	<u>2,524,508</u>
Operating Income (Loss)	<u>(2,166,177)</u>
Nonoperating Revenues (Expenses)	
State sources	185,961
Federal sources	2,705,971
Interest earned	106
Transfers In	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>2,892,038</u>
Change in Net Position	725,861
Net Position, July 1, 2021	<u>(474,186)</u>
Net Position, June 30, 2022	<u><u>\$     251,675</u></u>