

**National Park Board of Education  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2020**

**SCHOOL DISTRICT  
OF  
NATIONAL PARK, NEW JERSEY**

**National Park Board of Education  
National Park, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

**National Park Board of Education  
National Park, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

Prepared by:

**National Park Board of Education Administration**

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## INTRODUCTORY SECTION



**NATIONAL PARK BOARD OF EDUCATION**  
516 LAKEHURST AVENUE  
NATIONAL PARK, NJ 08063

856-845-6876  
FAX 856-848-6710

March 1, 2021

Honorable President and  
Members of the Board of Education  
National Park School District  
Gloucester County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the National Park School District (District) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey State OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** National Park School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The National Park Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels pre-kindergarten through six. These include regular, as well as special education for handicapped students.

**1) REPORTING ENTITY AND ITS SERVICES (CONTINUED):** The District finished the 2019-2020 fiscal school year with a resident enrollment of 294 students, which is an increase of eleven (11) students enrolled from the previous year. The following information is based upon enrollments as of October 15<sup>th</sup> of each year as reported on the Application for State School Aid.

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
On Roll	271	261	271	270	288
Total Classified Students	55	47	51	43	50
Local Programs Classified	47	40	48	38	45
Tuition					
a) Public	8	7	2	3	3
b) Private	0	0	1	2	2
Total Resident Students	245	232	235	246	258
% Classified Students	20.3%	18.0%	18.8%	15.9%	17.4%
Low Income	113	100	104	106	116
% Low Income	41.7%	38.3%	38.4%	39.3%	40.3%

The following indicates the changes of student population within the school (does not include tuition students):

	<u>Average Daily Enrollment</u>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2019-2020	289.2	7.10%
2018-2019	270.0	(.37%)
2017-2018	271.8	+4.06%
2016-2017	261.2	(3.94%)
2015-2016	271.9	+4.41%
2014-2015	270.8	(.51%)
2013-2014	272.2	+6.66%
2012-2013	255.2	(3.00%)
2011-2012	263.1	(7.98%)
2010-2011	285.9	(8.13%)

**2) ECONOMIC CONDITION AND OUTLOOK:** National Park is not experiencing any development or expansion. The COVID-19 pandemic has created an additional burden on the residents. The “at-risk” population of the District has remained relatively stable, from almost 50% in 2012-13, averaging around 40% since that time. This, however, is not a true indicator of the poverty level in the Borough. Not all families complete the necessary paperwork to allow the

**2) ECONOMIC CONDITION AND OUTLOOK (CONTINUED):** District to determine accurate statistics. To help provide relief to the taxpayers of New Jersey, the State passed legislation in January 2012, imposing a 2% cap on the increase to the District tax levy. If the District stays within that 2% cap, plus statutory adjustments, the taxpayers do not need to vote on the budget. The Board has exceeded the 2% cap twice since this law went into effect, most recently in 2018-19. Statutory adjustments were used to sustain programs and retain staff due to increases in health care costs and out of district special education placements. Election of Board members is held in November and the Board reorganizes in January. The District strives to maintain programs and technology, provide a safe and secure learning environment, and sustain a fiscally responsible fund balance each year. The Board continues to set aside funds into a capital reserve account for various projects to help maintain its facilities. The Board allocated approximately \$200,000 from capital reserve for bathroom renovations in the summer 2014. In December 2010, the District passed a bond referendum and received a grant from the State, providing 62% of the cost towards a roof replacement.

**3) MAJOR INITIATIVES:** During the 2019-2020 school year the National Park School staff focused on increasing use of data to inform instructional objectives. Learning objectives were developed based on collection of assessment data such as NJSLA, DIBELS, MAP, and local assessments. Benchmark assessments were administered in Grades 3-6 with a focus on Prose Constructed Responses and Modeling and Reasoning Tasks. In K-2, the teachers were trained in conducting Running Records using Fountas & Pinnell and implemented small, guided reading groups using the collected data. Monthly meetings allowed teachers and administrators to review student progress, set instructional goals, modify curriculum, and articulate vertically and horizontally. Teachers continued to increase their understanding of how to use technology as an effective instructional tool that enhances the learning environment and increases critical thinking. Due to remote instruction, the staff enhanced their technology skills substantially, utilizing the many district provided resources more effectively as a result. Thanks to a grant from Rutgers, a committee engaged in the first year of Positive Behavior Supports in School training. Schoolwide expectations were developed along with a motto and updated visual identity to be introduced in the coming school year. The National Park School staff continued to dedicate themselves to meeting the needs of each student through curriculum development, data analysis, professional development, and integration of technology into the educational program.

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

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District Management.

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2020.

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

**7) DEBT ADMINISTRATION:** As of June 30, 2020, the District's outstanding debt issues included \$1,046,450 of General Obligation Bonds.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds through the Gloucester, Salem, and Cumberland County Joint Insurance Fund. Now in its nineteenth year of operations, the JIF is performing well, meeting and/or exceeding expectations.

**10) OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC was selected by the National Park Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

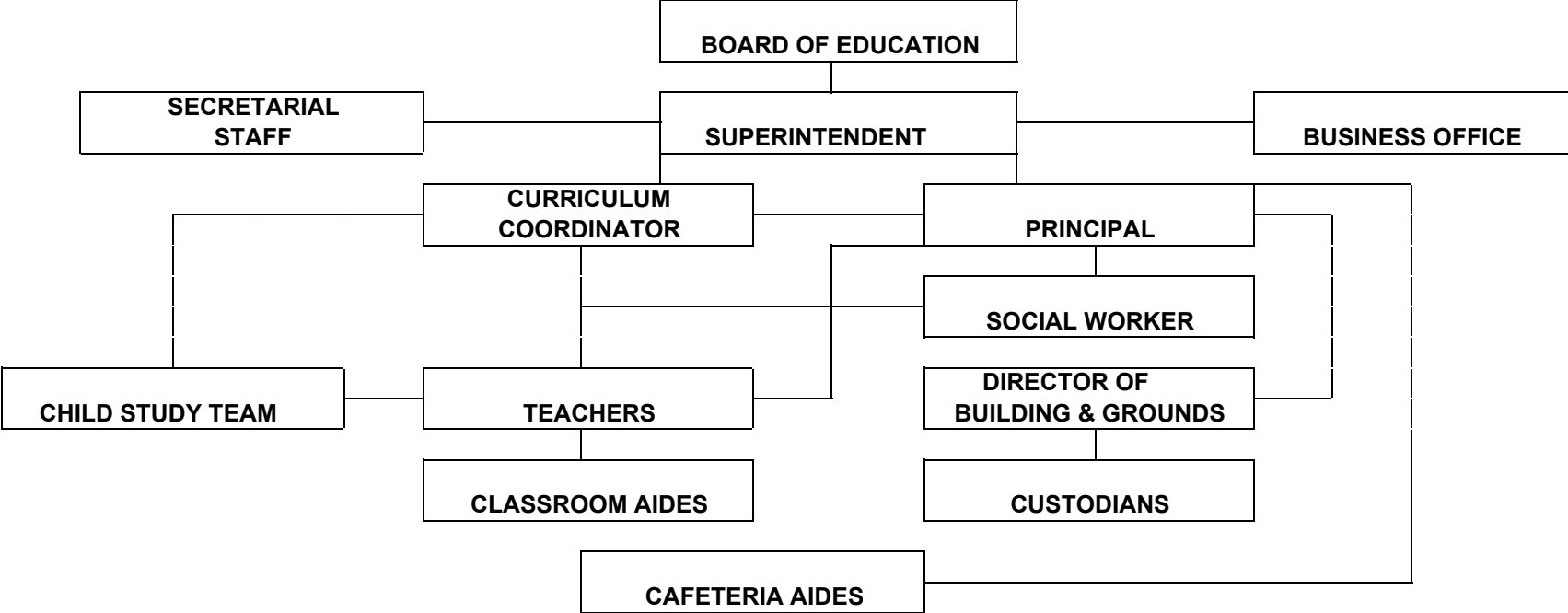
**11) ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the National Park School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

Shannon M. Whalen  
Shannon M. Whalen, Ed. D.  
Superintendent

Donna J. Contrevo  
Donna J. Contrevo  
School Business Administrator/  
Board Secretary

NATIONAL PARK SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



**NATIONAL PARK BOARD OF EDUCATION  
National Park, NJ 08063**

**ROSTER OF OFFICIALS  
June 30, 2020**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Dawn Sholders, President	2020
Kelly Read, Vice President	2021
Frank Alloway	2021
Amy Farley	2022
Jessica Fleming	2022
JoAnn D. Hanson	2020
Jessica Schriver	2020
Kevin Reed	2021
Kate Wadsworth	2022

**OTHER OFFICIALS**

Dr. Shannon M. Whalen, Superintendent  
Carla Bittner, Principal  
Donna J. Contrevo, School Business Administrator/Board Secretary  
Charles Owens, Treasurer  
Joseph F. Betley, Esq., Solicitor

**NATIONAL PARK BOARD OF EDUCATION  
National Park, NJ 08063**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Petroni & Associates LLC  
P.O. Box 279  
Glassboro, NJ 08028

**ATTORNEY**

Capehart & Scatchard  
Laurel Corporate Center, Suite 300  
8000 Midlantic Drive  
Mount Laurel, NJ 08054

**ARCHITECT**

Garrison Architects  
713 Creek Road  
Bellmawr, NJ 08031

**OFFICIAL DEPOSITORY**

Fulton Bank of New Jersey  
Grove Avenue  
National Park, NJ 08063



## FINANCIAL SECTION

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
National Park School District  
516 Lakehurst Avenue  
National Park, New Jersey 08063

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the National Park School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, each major fund, and the aggregate remaining fund information of the National Park Board of Education as of June 30, 2020, 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.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the National Park Board of Education's basic financial statements. The combining and individual non-major fund financial statements and 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* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is the responsibility of Management and was derived from

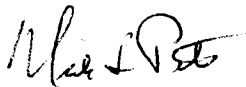
and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2021, on our consideration of the National Park Board of Education's internal control over financial reporting and our test 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 our audit performed in accordance with *Government Auditing Standards* in considering National Park Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

March 1, 2021

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

National Park School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020  
Unaudited

The discussion and analysis of National Park School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2020 are as follows:

- In total, net position increased \$86,709 in 2020.
- General revenues accounted for \$5,528,149; operating grants accounted for \$435,199 or 7% of total revenues of \$5,963,348.
- Total assets of Governmental Activities decreased by \$906,161. Cash and cash equivalents decreased by \$613,534, receivables decreased by \$167,954, and capital assets decreased by \$124,673.
- The School District had \$5,876,639 in expenses; only \$435,199 of these expenses were offset by program specific charges for grants.
- Among major funds, the General Fund had \$5,106,320 in revenues and \$5,182,497 in expenditures (See Exhibit B-2). The General Fund's balance decreased \$76,177 over 2019.

### **Using this Generally Accepted Accounting Principles Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand National Park School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of National Park School District, the General Fund is by far the most significant fund.

### **Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

National Park School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020  
Unaudited

**Statement of Net Position and the Statement of Activities (Continued)**

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

In the Statement of Net Position and the Statement of Activities, the School District reports Governmental Activities. Governmental Activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities. The School District does not have any business-like activities.

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

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's major Governmental Funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

**Governmental Funds**

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

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net position for 2020 compared to 2019.

National Park School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020  
Unaudited

**The School District as a Whole (Continued)**

**Table 1 - Net Position**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current & other assets	\$ 1,128,700	\$ 1,910,188
Capital assets	3,468,048	3,592,721
Total assets	<u>4,596,748</u>	<u>5,502,909</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>43,334</u>	<u>75,041</u>
<b>LIABILITIES</b>		
Long-term liabilities	1,091,528	1,360,144
Other liabilities	207,163	890,357
Net pension liability	802,723	933,190
Total liabilities	<u>2,101,414</u>	<u>3,183,691</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>299,084</u>	<u>1,548,846</u>
<b>NET POSITION</b>		
Invested in capital assets, net of debt	2,421,598	2,301,271
Restricted	882,573	966,899
Unrestricted	(1,064,587)	(1,115,295)
Total net position	<u>\$ 2,239,584</u>	<u>\$ 2,152,875</u>

Unrestricted net position: the part of net position that can be used to finance day to day activities, without constraints, established by grants or legal requirements of the School District, increased by \$86,709.

Table 2 shows the changes in net position for fiscal year 2020 with comparative data from 2019.



National Park School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020  
Unaudited

**Table 2 - Changes in Net Position**

	<u>2020</u>	<u>2019</u>
REVENUES:		
Program revenues:		
Operating grants & contributions	\$ 435,199	\$ 425,574
General revenues:		
Property taxes	2,271,536	2,227,952
Grants & entitlements	3,192,959	3,383,072
Other	63,654	52,246
Total revenues	<u>5,963,348</u>	<u>6,088,844</u>
PROGRAM EXPENSES:		
Instruction	2,088,536	2,119,942
Support services:		
Pupil & instructional staff	929,827	911,867
General administration & school administration	374,302	360,415
Operations & maintenance of facilities	310,490	354,388
Pupil transportation	166,345	142,061
Employee benefits	1,770,640	1,952,652
Interest on long-term debt	52,783	62,283
Capital outlay	15,461	6,996
Depreciation	168,255	170,567
Total expenses	<u>5,876,639</u>	<u>6,081,171</u>
Increase (decrease) in net position	<u>\$ 86,709</u>	<u>\$ 7,673</u>

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 38 percent of revenues for Governmental Activities for the National Park School District for fiscal year 2020.

Instruction comprises 35.5% of the District expenses. Support services expenses make up 60.4% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal year 2020 with comparative data from 2019.

That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

National Park School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020  
Unaudited

**Governmental Activities (Continued)**

**Table 3 - Statement of Activities**

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,088,536	\$ 1,798,657	\$ 2,119,942	\$ 1,866,465
Support services:				
Pupils and instructional staff	929,827	860,957	911,867	739,770
General administration & school Administration	374,302	374,302	360,415	360,415
Operations & maintenance	310,490	310,490	354,388	354,388
Pupil transportation	166,345	166,345	142,061	142,061
Employee benefits	1,770,640	1,705,859	1,952,652	1,952,652
Interest on long-term debt	52,783	52,783	62,283	62,283
Capital outlay	15,461	3,792	6,996	6,996
Depreciation	168,255	168,255	170,567	170,567
Total expenses	<u>\$ 5,876,639</u>	<u>\$ 5,441,440</u>	<u>\$ 6,081,171</u>	<u>\$ 5,655,597</u>

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

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

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

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

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

Employee benefits include the Board share of health benefits and the state on-behalf payments for TPAF pension and social security.

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

**The School District's Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$5,839,301 and expenditures of \$5,937,595.

National Park School District  
 Management's Discussion and Analysis  
 Fiscal Year Ended June 30, 2020  
 Unaudited

**General Fund Budgeting Highlights**

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

During the course of the fiscal 2020 year, the School District amended its General Fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to tightly control total program budgets but provide flexibility for Program Management.

For the General Fund, the final budget basis revenue and other financing sources, not including non-budgeted state contributions, was \$4,403,404, which was \$42,422 more than original budgeted estimates of \$4,360,982.

The General Fund expenditures exceeded the revenues and other financing sources of the School District by \$76,177 for the year.

**Capital Assets**

At the end of the fiscal year 2020, the School District had \$3,468,048 invested in buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2020 balances compared to 2019.

**Table 4 – Capital Assets (Net of Depreciation) as of June 30<sup>th</sup>**

	2020	2019
Site & site improvements	\$ 56,946	\$ 55,852
Buildings & building improvements	3,348,371	3,499,615
Machinery & equipment	62,731	37,254
	<u>\$ 3,468,048</u>	<u>\$ 3,592,721</u>

Net capital assets decreased by \$124,673 from fiscal year 2019 to fiscal year 2020.

**Debt Administration**

As of June 30, 2020, the School District had \$1,091,528 as outstanding debt. Of this amount, \$45,078 is for compensated absences. The remaining \$1,046,450 is made up of the District's outstanding serial bonds.

**For the Future**

National Park School District is primarily a residential community, with very few industrial ratables; thus, the financial burden is focused on homeowners.

State law limits the schools budget increase to a 2% cap on the previous years' district tax levy amount. With the increased pressures of salary, benefits, and direct operating costs rising well beyond that benchmark, the Board of Education and Administration are challenged to find ways to meet the educational needs of the students. With the downturn in the economy, budgets are built by keeping the taxpayer in mind while providing the best quality education in a safe learning environment.

National Park School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020  
Unaudited

**For the Future (Continued)**

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

**COVID-19 Pandemic**

In March 2020, the World Health Organization characterized a novel strain of coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption to the global economy. As part of our response to the COVID-19 pandemic, we are following business continuity processes led by our Administrative team. Our main priority is the health and safety of our students and staff. Our actions have been driven by government mandates and guidelines. In March 2020, schools were closed due to the coronavirus pandemic. Eventually, all New Jersey schools were closed for the balance of the school year and students completed their studies via remote online instruction. In preparation for the 2020-21 school year amidst the continuing pandemic, the NJ Department of Education provided school districts with guidance to prepare a restart and recovery plan. One of the requirements of this plan, per state guidance, is the provision of some degree of in-person instruction. A family opt-out provision allowing for full time remote instruction was later added to the guidance. In response, the District has developed its return to school plan for 2020-21. The plan requires the District to adequately provide reasonable accommodations for students and staff identified as being at a higher risk for severe illness from COVID-19. These accommodations will come mainly in the form of a full-virtual model for both teachers and students. The District will also rely heavily upon social distancing, mask wearing for students and staff, along with sanitation and cleaning procedures. The District expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Donna J. Contrevo, School Business Administrator/Board Secretary at Gateway Business Services, 775 Tanyard Road, Woodbury Heights, NJ 08097 or e-mail at: [dcontrevo@gatewayhs.com](mailto:dcontrevo@gatewayhs.com).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

NATIONAL PARK SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2020

	Governmental Activities	Total
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,472	\$ 20,472
Receivables, net	798,825	798,825
Restricted assets:		
Cash and cash equivalents	309,403	309,403
Capital assets, net	3,468,048	3,468,048
Total assets	<u>4,596,748</u>	<u>4,596,748</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	<u>43,334</u>	<u>43,334</u>
<b>LIABILITIES</b>		
Accounts payable	104,560	104,560
Deferred revenue	102,603	102,603
Noncurrent liabilities:		
Due within one year	246,450	246,450
Due beyond one year	845,078	845,078
Net pension liability	802,723	802,723
Total liabilities	<u>2,101,414</u>	<u>2,101,414</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	<u>299,084</u>	<u>299,084</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	2,421,598	2,421,598
Restricted for:		
Capital projects	340,113	340,113
Other purposes	542,460	542,460
Unrestricted	(1,064,587)	(1,064,587)
Total net position	<u>\$ 2,239,584</u>	<u>\$ 2,239,584</u>

NATIONAL PARK SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$ 1,292,155				\$ (1,292,155)		\$ (1,292,155)
Special education	717,234		\$ 289,879		(427,355)		(427,355)
Other special instruction	71,297				(71,297)		(71,297)
School sponsored activities	5,600				(5,600)		(5,600)
Community service programs	2,250				(2,250)		(2,250)
Support services:							
Tuition, Student & instructional related services	929,827		68,870		(860,957)		(860,957)
General administration	90,267				(90,267)		(90,267)
School administrative services	192,882				(192,882)		(192,882)
Central services	91,153				(91,153)		(91,153)
Plant operations & maintenance	310,490				(310,490)		(310,490)
Pupil transportation	166,345				(166,345)		(166,345)
Employee benefits	1,770,640		64,781		(1,705,859)		(1,705,859)
Interest on long-term debt	52,783				(52,783)		(52,783)
Capital outlay	15,461		11,669		(3,792)		(3,792)
Unallocated depreciation	168,255				(168,255)		(168,255)
Total governmental activities	5,876,639		435,199		(5,441,440)		(5,441,440)
Total primary government	\$ 5,876,639		\$ 435,199		\$ (5,441,440)		\$ (5,441,440)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 2,083,560		\$ 2,083,560
Taxes levied for debt service					187,976		187,976
Federal and state aid not restricted					3,192,959		3,192,959
Tuition					55,133		55,133
Investment earnings					825		825
Miscellaneous income					7,696		7,696
Total general revenues, special items, extraordinary items, and transfers					5,528,149		5,528,149
Change in net position					86,709		86,709
Net position - beginning					2,152,875		2,152,875
Net position - end					\$ 2,239,584		\$ 2,239,584



## **FUND FINANCIAL STATEMENTS**

NATIONAL PARK SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 616,609				\$ 616,609
Receivables from other governments	48,195	\$ 147,216	\$ 599,550		794,961
Other receivables	3,864				3,864
Restricted cash and cash equivalents	309,403				309,403
<b>Total assets</b>	<b>\$ 978,071</b>	<b>\$ 147,216</b>	<b>\$ 599,550</b>		<b>1,724,837</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Cash deficit		\$ 57,297	\$ 538,840		596,137
Accounts payable	\$ 84,101	20,459			104,560
Deferred revenue:					
State		96,222			96,222
Local		6,381			6,381
<b>Total liabilities</b>	<b>84,101</b>	<b>180,359</b>	<b>538,840</b>		<b>803,300</b>
Fund balances:					
Restricted for:					
Excess surplus - designated for subsequent year's expenditures	286,631				286,631
Excess surplus - current year	213,788				213,788
Capital reserve account	279,403				279,403
Maintenance reserve account	30,000				30,000
Capital projects			60,710		60,710
Assigned to:					
Year-end encumbrances	12,041				12,041
Unassigned:					
General fund	72,107				72,107
Special revenue fund		(33,143)			(33,143)
<b>Total fund balances</b>	<b>893,970</b>	<b>(33,143)</b>	<b>60,710</b>		<b>921,537</b>
<b>Total liabilities and fund balances</b>	<b>\$ 978,071</b>	<b>\$ 147,216</b>	<b>\$ 599,550</b>		

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources, and therefore, are not reported in the funds. The cost of assets is \$6,648,395 and the accumulated depreciation is \$3,180,347	3,468,048
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 (See Note 7).	(1,091,528)
Net pension liability adjustment	(1,058,473)
<b>Net position of Governmental Activities</b>	<b>\$ 2,239,584</b>

See accompanying notes to the basic financial statements.

NATIONAL PARK SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,083,560			\$ 187,976	\$ 2,271,536
Tuition	55,133				55,133
Interest earned	825				825
Miscellaneous	7,696				7,696
Total local sources	2,147,214			187,976	2,335,190
State sources	2,959,106	\$ 217,404		109,806	3,286,316
Federal sources		217,795			217,795
Total revenues	5,106,320	435,199		297,782	5,839,301
<b>EXPENDITURES:</b>					
Current:					
Instruction:					
Regular instruction	1,292,155				1,292,155
Special education instruction	405,239	311,995			717,234
Other special instruction	71,297				71,297
School sponsored activities	5,600				5,600
Community service programs	2,250				2,250
Support services:					
Tuition	243,157				243,157
Student & instruction related services	641,416	68,870			710,286
General administration	90,267				90,267
School administrative services	192,882				192,882
Central services	91,153				91,153
Plant operations and maintenance	310,490				310,490
Pupil transportation	166,345				166,345
Employee benefits	1,622,872	64,781			1,687,653
Debt service:					
Principal				245,000	245,000
Interest and other charges				52,783	52,783
Capital outlay	47,374	11,669			59,043
Total expenditures	5,182,497	457,315		297,783	5,937,595
Excess (deficiency) of revenues over expenditures	(76,177)	(22,116)		(1)	(98,294)
Net change in fund balances	(76,177)	(22,116)		(1)	(98,294)
Fund balance - July 1	970,147	(11,027)	60,710	1	1,019,831
Fund balance - June 30	\$ 893,970	\$ (33,143)	\$ 60,710		\$ 921,537

See accompanying notes to the basic financial statements.

NATIONAL PARK SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2020

Total net change in fund balances - Governmental Funds (from B-2)		\$ (98,294)
Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	\$ (168,255)	
Capital outlays	<u>43,582</u>	
		(124,673)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		245,000
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.		
		23,616
Pension contributions are reported in Governmental Funds as expenditures, However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.		
		<u>41,060</u>
Change in net position of Governmental Activities		<u><u>\$ 86,709</u></u>

See accompanying notes to the basic financial statements.

NATIONAL PARK SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

	Expendable Trust	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,937	\$ 25,283
Interfund receivable	1,790	
Total assets	\$ 14,727	25,283
<b>LIABILITIES</b>		
Payroll deductions and withholdings		5,805
Payable to student groups		17,688
Interfund payable		1,790
Total liabilities		25,283
<b>NET POSITION</b>		
Held in trust for unemployment claims	\$ 14,316	
Expendable scholarship fund	411	
Total net position	\$ 14,727	

NATIONAL PARK SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2020

	Unemployment Compensation Trust	Scholarship Fund
<b>ADDITIONS:</b>		
Contributions	\$ 5,135	
Interest earned	15	\$ 1
Total additions	5,150	1
<b>DEDUCTIONS:</b>		
Unemployment claims	5,048	
Total deductions	5,048	
Change in net position	102	1
Net position - beginning of year	14,214	410
Net position - end of year	\$ 14,316	\$ 411

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**Introduction**

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

The financial statements of the Board of Education of National Park School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to Governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing Governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) and used by the District are discussed below.

**A. Reporting Entity**

The National Park School District is a Type II District located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades PreK-6.

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

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

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

**B. Government-Wide Statements**

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the District-wide and fund financial statements categorize primary activities as governmental. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities. Fiduciary Funds are excluded from the Government-wide financial statements.

In the Government-wide Statement of Net Position the Governmental Activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**B. Government-Wide Statements (Continued)**

The Government-wide Statement of Activities reports both the gross and net costs of each of the District's functions. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating, and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student and instruction related services, etc.). Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and reimbursed TPAF Social Security Contributions.

The District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**C. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. 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. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each Governmental Fund as a major fund in accordance with the option in GASBS No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District's Fiduciary Funds are presented in the fiduciary fund financial statement by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the District-wide statements.

The District reports the following Governmental Funds:

**GOVERNMENTAL FUNDS**

The focus of the Governmental Funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District:



**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**GOVERNMENTAL FUNDS (CONTINUED)**

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

As required by the New Jersey State Department of Education, the District included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

**FIDUCIARY FUNDS**

The Fiduciary Fund category is comprised of Trust and Agency Funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments, and therefore, are not available to support District's programs. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**D. Basis of Accounting (Continued)**

Both Governmental Activities in the District-wide financial statements and the Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and, under certain circumstances, require approval by the County Superintendent of Schools. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end.

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

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**F. Encumbrances**

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

**G. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (NJSA 18A:20-37) provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks), and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**H. Inventories**

Inventories are recorded as expenditures during the year of purchase.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**I. Interfund Transactions**

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. Repayment from funds responsible for particular expenditures/ Expenses, to the funds that initially paid for them, are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/ payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between Governmental and Agency Funds, which are presented as internal balances.

**J. Capital Assets**

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

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives;

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	20
Building & improvements	20-50
Machinery & equipment	7-20

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and underground pipes. Such items are considered to be part of the cost of buildings or other improvable property.

**K. Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreement with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the School District's past experience of making termination payments. Salary-based payments for the employer's share of Social Security and Medicare taxes are included.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**K. Compensated Absences (Continued)**

For the District-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the Governmental Funds, in the fund financial statements, the compensated absences are considered long-term, and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**L. Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**M. Accrued Liabilities and Long-Term Obligations**

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

**N. Net Position**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Funds are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both Restricted and Unrestricted Funds are available.

**O. Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**Non-spendable** - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**O. Fund Balance (Continued)**

**Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

**P. Revenues**

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**Q. Expenditures**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**R. Allocation of Indirect Expenses**

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of Management and are either unusual in nature or infrequent in occurrence.

**T. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**U. Recent Accounting Pronouncements Adopted**

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, is postponed until June 15, 2019.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

**V. Recent Effective Accounting Pronouncements Postponed by Statement 95**

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**V. Recent Effective Accounting Pronouncements Postponed by Statement 95 (Continued)**

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement originally effective for periods beginning after December 31, 2018, is postponed until December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, is postponed until December 15, 2019, and will not have any effect on financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020 is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

**W. Recent Accounting Pronouncements Not Yet Effective**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management expects this Statement will have an impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.



**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**W. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement provides guidance on the accounting and financial reporting related to the reporting of fiduciary component units. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA), or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents as of June 30, 2020 and 2019, was \$368,095 and \$229,388. As of June 30, 2020 and 2019, \$0 of the District's bank balance of \$452,221 and \$337,872, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2020 and 2019, the District did not have any investments.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3: INVESTMENTS (CONTINUED)**

**Interest Rate Risk** - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; Government Money Market Mutual Funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The District places no limit on the amount the District may invest in any one issuer.

**NOTE 4: RECEIVABLES**

Receivables as of June 30, 2020, consisted of Intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities
State aid	\$ 646,220
Federal aid	147,216
Other	5,389
	<u>\$ 798,825</u>

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remain on the balance sheet as of June 30, 2020:

	Interfund Receivable	Interfund Payable
Expendable Trust	\$ 1,790	
Agency Fund		\$ 1,790
	<u>\$ 1,790</u>	<u>\$ 1,790</u>

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6: CAPITAL ASSETS CONTINUED)**

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Governmental activities:				
Sites & site improvements	\$ 160,003	\$ 9,490		\$ 169,493
Building & building improvements	6,122,998			6,122,998
Machinery & equipment	321,812	34,092		355,904
Totals at historical cost	<u>6,604,813</u>	<u>43,582</u>		<u>6,648,395</u>
Less: accumulated depreciation for:				
Site improvements	104,151	8,396		112,547
Building & building improvements	2,623,383	151,244		2,774,627
Machinery & equipment	284,558	8,615		293,173
Total accumulated depreciation	<u>3,012,092</u>	<u>168,255</u>		<u>3,180,347</u>
Governmental activities capital assets, net	<u>\$ 3,592,721</u>	<u>\$ (124,673)</u>	None	<u>\$ 3,468,048</u>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

**NOTE 7: GENERAL LONG-TERM DEBT**

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

Permanently funded debt as of June 30, 2020, consisted of the following:

\$2,950,000 General Obligation Refunding Bonds dated December 10, 2009, payable in annual installments through February 1, 2025. Interest is paid semi-annually at the rates of 4% to 4.5% per annum. The balance remaining as of June 30, 2020, was \$1,005,000.

\$361,450 Private Placement Bonds dated March 8, 2011, payable in annual installments through September 1, 2020. Interest is paid semi-annually at the rate of 4% per annum. The balance remaining as of June 30, 2020, was \$41,450.

**Long-Term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Bonds payable	\$ 1,291,450		\$ 245,000	\$ 1,046,450	\$ 246,450
Compensated absences	68,694	\$ 202	23,818	45,078	
	<u>\$ 1,360,144</u>	<u>\$ 202</u>	<u>\$ 268,818</u>	<u>\$ 1,091,528</u>	<u>\$ 246,450</u>

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

**Bonds Payable**

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

Year Ended June 30,	Principal	Interest	Total
2021	\$ 246,450	\$ 42,054	\$ 288,504
2022	195,000	32,000	227,000
2023	195,000	24,200	219,200
2024	200,000	16,400	216,400
2025	210,000	8,400	218,400
	<u>\$ 1,046,450</u>	<u>\$ 123,054</u>	<u>\$ 1,169,504</u>

**Bonds Authorized but Not Issued**

As of June 30, 2020, the Board had no authorized but not issued debt.

**Other**

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2020, it is not necessary for the Board to establish a liability for arbitrage rebate.

**NOTE 8: PENSION FUNDS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System, (PERS) or the Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans, which have been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 8: PENSION FUNDS (CONTINUED)**

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

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

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District's contributions to the PERS for the years ending June 30, 2020, 2019, and 2018, were \$43,459, \$47,143, and \$43,934, respectively, equal to the required contributions for each year. The School District's share of the TPAF for normal contributions, post-retirement medical benefits, and life insurance premiums for the years ending June 30, 2020, 2019, and 2018, were \$568,658, \$509,903, and \$442,198, respectively, paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2020, 2019, and 2018; \$144,751, \$144,671, and \$133,904, for the employer's share of Social Security contributions for the TPAF members, as calculated on their base salaries. This amount has been included in the financial statements and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the years ending June 30, 2020, 2019, and 2018, was \$2,804,302, \$2,734,909, and \$2,750,635, respectively. Covered payroll was \$2,409,743, \$2,689,046, and \$2,735,077, for the TPAF and \$327,102, \$317,851, and \$327,401, for the PERS for the same years.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 8: PENSION FUNDS (CONTINUED)**

**Funding Policy (Continued)**

For the year ended June 30, 2020, The District recognized pension expense of \$2,274. As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 8,048
Changes of assumptions		250,771
Net difference between projected and actual earning on pension plan investments		21,429
Changes in proportion and differences between District contributions and proportionate share of contributions		18,836
Employer contributions subsequent to the measurement date	\$ 43,334	
	\$ 43,334	\$ 299,084

\$43,334 reported as deferred outflows of resources related to pensions resulting from school district project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2021	\$ (52,774)
2022	(106,266)
2023	(89,779)
2024	(45,277)
2025	(4,988)
	\$ (299,084)

**Funding Policy (Continued)**

Additional Information – Collective balances as of June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's proportion	0.0044549997%	0.0047395300%

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 8: PENSION FUNDS (CONTINUED)**

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right, under the current law, to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the years ending June 30, 2020, 2019, and 2018, were \$5,669, \$3,784, and \$3,464 for covered employees.

**NOTE 9: POSTEMPLOYMENT BENEFITS**

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)**

Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

**Total Non-Employer OPEB Liability**

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020, was \$8,67,520. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <https://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2019, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF) See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.50%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.



**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Total Non-Employer OPEB Liability (Continued)**

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

The below table summarizes the changes in the Total OPEB liability reported by the State of New Jersey:

	Total OPEB Liability	
	June 30, 2018	June 30, 2019
Balance at the beginning of measurement period	\$ 53,639,841,858	\$ 46,110,832,982
Changes for the year:		
Service cost	1,984,642,729	1,734,404,850
Interest	1,970,236,232	1,827,787,206
Changes of benefit terms	-	-
Differences between expected and actual experience	(5,002,065,740)	(7,323,140,818)
Changes in assumptions or other inputs	(5,291,448,855)	622,184,027
Contributions - Member	42,614,005	37,971,171
Benefit payments	(1,232,987,247)	(1,280,958,373)
Net changes	(7,529,008,876)	(4,381,751,937)
Balance at the end of measurement period	\$ 46,110,832,982	\$ 41,729,081,045

There were no changes in benefit terms from 2017 to 2018 and 2019.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate -**

The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District using a discount rate of 3.87%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	2.50%	3.50%	4.50%
Total OPEB Liability (School Retirees)	\$ 13,683,530	\$ 8,967,520	\$ 9,816,645

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost**

**Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates (Continued)**

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 7,388,837	\$ 8,967,520	\$ 11,057,372

Additional information – Collective balances as of June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Collective deferred inflows of resources	20,887,639,826	16,189,378,926
Collective OPEB Expense	1,015,664,874	2,129,660,368
District's proportion	0.02%	0.02%

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

For the fiscal year ended June 30, 2020, the Board of Education recognized \$124,047 in OPEB expense and revenue, in the Government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue were based on the OPEB Plan's June 30, 2019, measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. As of June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (10,484,965,300)
Changes of assumptions or other inputs		(8,481,529,343)
Total	None	\$ (18,966,494,643)

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

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

<u>Year Ended June 30,</u>	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

**NOTE 10: DEFERRED COMPENSATION**

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

Lincoln Investment Planning, Inc.

**NOTE 11: COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreements with the various employee unions.

The liability for vested compensated absences is recorded in the District-wide *Statement of Net Position*. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore, not shown separately from the amount due in more than one year.

**NOTE 12: LABOR CONTRACTS**

As of June 30, 2020, the District's teachers, school nurses, LDT-C, social workers, guidance counselors, and psychologists are organized in the National Park Education Association collective bargaining unit which expired on June 30, 2020.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13: RISK MANAGEMENT**

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

**Property and Liability Insurance:**

The District maintains commercial insurance coverage for property, liability, student accidents, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District, with respect to loss claims, would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have been no significant changes in insurance coverage amounts.

**New Jersey Unemployment Compensation Insurance:**

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

Year Ended June 30,	District Contribution	Employee Contribution	Amount Reimbursed	Ending Balance
2020	None	\$ 5,135	\$ 5,048	\$ 14,316
2019	None	4,949	1,508	14,214
2018	None	5,064	682	10,757

**NOTE 14: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the National Park Board of Education by inclusion of \$63,663 in the original 2000-2001 annual capital outlay budget, for the accumulation of funds, for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget, certified for taxes or by transfer by board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020, fiscal year, is as follows:

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)**

Beginning balance - July 1, 2019	\$ 258,997
Interest earnings	
Deposits approved by resolution	60,000
Withdrawals:	
Amount budgeted	(155,000)
Unexpended funds returned	<u>115,406</u>
Ending balance - June 30, 2020	<u>\$ 279,403</u>

Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The June 30, 2020 LRFP balance does not exceed the capital reserve balance. Of the \$279,403 balance at year-end, \$220,000 was designated for use in the 2020-2021 budget. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long-Range Facilities Plan.

**NOTE 15: FUND BALANCE APPROPRIATED**

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned, and then unassigned to be used/spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

**Non-Spendable Fund Balance** - The District had no non-spendable fund balance as of June 30, 2020.

**Restricted Fund Balance:**

**Capital Reserve Account** - Of the \$279,403 balance in the capital reserve account as of June 30, 2020, \$220,000 has been designated for utilization in the 2020-2021 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long-range facilities plan.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 15: FUND BALANCE APPROPRIATED (CONTINUED)**

**Maintenance Reserve Account** - The District had \$30,000 maintenance reserve account as of June 30, 2020. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

**Excess Surplus** – As of June 30, 2020, excess surplus created in FY 2019 of \$286,631 will be utilized for expenditures in the 2020-2021 budget, while excess surplus created in FY 2020 of \$213,788 is restricted and will be utilized for budget expenditures in 2021-2022.

**Debt Service Fund** - As of June 30, 2020, there was \$0 fund balance.

**Capital Projects Fund** - The Capital Projects Fund balance as of June 30, 2020, was \$60,710.

**Committed Fund Balance** - The District had no Committed Fund balance as of June 30, 2020.

**Assigned**

As of June 30, 2020, the District has assigned \$0 of General Fund balance. \$12,041 was assigned for other purposes as of the year-end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

**Unassigned**

General Fund - As of June 30, 2020, a balance of \$72,107 of fund balance was unassigned.

Special Revenue Fund - As of June 30, 2020, the fund balance was a deficit of \$33,143.

**NOTE 16: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance as of June 30, 2020, is \$500,419.

**NOTE 17: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$33,143 (Exhibit B-1) in the Special Revenue Fund as of June 30, 2020, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other Government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the School District cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 18: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 56.3% and taxes fund 38.9% of the District's 2019-2020 governmental operations excluding capital projects.

**NOTE 19: TAX ABATEMENTS**

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

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

The Borough of National Park did not have any tax abatements for the year ended December 31, 2019.

**NOTE 20: COMMITMENTS AND CONTINGENCIES**

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

It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the National Park School District that would have a material or adverse effect on the Board or the financial position of the District.

**NOTE 21: SUBSEQUENT EVENTS**

On August 6, 2020, the Board approved a three-year lease for technology equipment at 4.99% per annum. The capital lease is for \$41,920. The lease/purchase agreement is with Wells Fargo Financial Services. The following is a schedule of the future minimum lease payments under the capital leases:

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 21: SUBSEQUENT EVENTS (CONTINUED)**

Year Ended			
June 30,	Principal	Interest	Total
2021	\$ 14,659		\$ 14,659
2022	13,299	\$ 1,360	14,659
2023	13,962	697	14,659
	<u>\$ 41,920</u>	<u>\$ 2,057</u>	<u>\$ 43,977</u>

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and March 1, 2021, the date that the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest, and other local revenues. Other financial impact could occur though such potential impact is unknown at this time.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

NATIONAL PARK SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,083,560		\$ 2,083,560	\$ 2,083,560	
Tuition individuals	2,500		2,500	2,847	\$ 347
Tuition other LEA's	52,500		52,500	52,286	(214)
Interest earned on maintenance reserve funds	5		5		(5)
Interest earned on capital reserve funds	50		50		(50)
Interest of investments	1,400		1,400	825	(575)
Miscellaneous	4,400		4,400	7,696	3,296
Total - local sources	<u>2,144,415</u>		<u>2,144,415</u>	<u>2,147,214</u>	<u>2,799</u>
State sources:					
Categorical transportation aid	15,950		15,950	15,950	
Extraordinary aid				39,623	39,623
Categorical special education aid	152,723		152,723	152,723	
Equalization aid	1,984,211		1,984,211	1,984,211	
Categorical security aid	63,683		63,683	63,683	
TPAF post-retirement medical (on-behalf - non-budgeted)				153,785	153,785
TPAF pensions contributions (on-behalf - non-budgeted)				414,536	414,536
TPAF long term disability insurance (on-behalf - non-budgeted)				337	337
Reimbursed TPAF social security contributions (non-budgeted)				144,751	144,751
Total - state sources	<u>2,216,567</u>		<u>2,216,567</u>	<u>2,969,599</u>	<u>753,032</u>
Total revenues	<u>\$ 4,360,982</u>		<u>\$ 4,360,982</u>	<u>\$ 5,116,813</u>	<u>\$ 755,831</u>

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Kindergarten - salaries of teachers	\$ 120,279		\$ 120,279	\$ 118,244	\$ 2,035
Grades 1-5 - salaries of teachers	924,471	(24,510)	899,961	876,794	23,167
Grades 6-8 - salaries of teachers	189,466	(14,536)	174,930	169,280	5,650
Regular programs - home instruction:					
Salaries of teachers	750		750		750
Purchased professional - educational services	4,500		4,500	2,550	1,950
Regular programs - undistributed instruction:					
Other salaries for instruction	32,918	24	32,942	32,923	19
Purchased professional - educational services	6,100		6,100	348	5,752
Purchased technical services	7,000		7,000	2,946	4,054
Other purchased services	9,995	(24)	9,971	9,836	135
General supplies	107,890		107,890	79,189	28,701
Other objects	1,200		1,200	45	1,155
Total regular programs - instruction	<u>1,404,569</u>	<u>(39,046)</u>	<u>1,365,523</u>	<u>1,292,155</u>	<u>73,368</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	75,097		75,097	73,500	1,597
Other salaries for instruction	44,915	2,440	47,355	34,632	12,723
General supplies	1,220		1,220	813	407
Total learning and/or language disabilities	<u>121,232</u>	<u>2,440</u>	<u>123,672</u>	<u>108,945</u>	<u>14,727</u>
Resource room/resource center:					
Salaries of teachers	218,986	13,093	232,079	232,075	4
Other salaries for instruction	82,653	(20,500)	62,153	61,554	599
General supplies	3,275		3,275	2,665	610
Total resource room/resource center	<u>304,914</u>	<u>(7,407)</u>	<u>297,507</u>	<u>296,294</u>	<u>1,213</u>
Total special education - instruction	<u>426,146</u>	<u>(4,967)</u>	<u>421,179</u>	<u>405,239</u>	<u>15,940</u>

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool disabilities - part time:					
Salaries of teachers	31,350	(22,164)	9,186	1,950	7,236
Other salaries for instruction	12,136	(8,524)	3,612	855	2,757
General supplies	720		720	444	276
Other objects	150		150		150
Total preschool disabilities - part-time	44,356	(30,688)	13,668	3,249	10,419
Home instruction:					
Salaries of teachers	3,000	(720)	2,280	120	2,160
Purchased professional - educational services	1,500	720	2,220	2,220	
Total home instruction	4,500		4,500	2,340	2,160
Basic skills/remedial instruction:					
Salaries of teachers	59,559	5,776	65,335	64,570	765
General supplies	1,150		1,150	1,138	12
Total basic skills/remedial instruction	60,709	5,776	66,485	65,708	777
School-spon. cocurricular actvts. - instruction:					
Salaries	6,800		6,800	5,450	1,350
Purchased professional - educational services	500		500	150	350
General supplies	250		250		250
Other objects	150		150		150
Total school-spon. cocurricular actvts. - instruction	7,700		7,700	5,600	2,100
Community services programs/operations:					
Salaries	3,750		3,750	2,250	1,500
Total community services programs/operations	3,750		3,750	2,250	1,500
Total instructions	1,951,730	(68,925)	1,882,805	1,776,541	106,264

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular		625	625	623	2
Tuition to other LEA's within the state - special	20,200	(625)	19,575	915	18,660
Tuition to CSSD & regional day schools	77,588	(33,934)	43,654	41,400	2,254
Tuition to Priv. Sch. for the disabled within the state	166,285	33,934	200,219	200,219	
<b>Total undistributed expenditures - instruction</b>	<b>264,073</b>		<b>264,073</b>	<b>243,157</b>	<b>20,916</b>
Undistributed expenditures - attendance & social work:					
Salaries	9,812		9,812	9,811	1
Purchased technical services	1,500		1,500	1,182	318
<b>Total undistributed expenditures - attendance &amp; social work</b>	<b>11,312</b>		<b>11,312</b>	<b>10,993</b>	<b>319</b>
Undistributed expenditures - health services:					
Salaries	84,782		84,782	82,172	2,610
Purchased professional - educational services	8,500	(2,065)	6,435	3,903	2,532
Supplies and materials	2,395	2,065	4,460	4,262	198
Other objects	200		200	148	52
<b>Total undistributed expenditures - health services</b>	<b>95,877</b>		<b>95,877</b>	<b>90,485</b>	<b>5,392</b>
Undistributed expend. - speech, OT, PT & related services:					
Salaries	148,467	(300)	148,167	145,389	2,778
Purchased professional - educational services	12,500	(1,524)	10,976	10,019	957
Supplies and materials	1,090		1,090	999	91
Miscellaneous expenditures		249	249	249	
<b>Total undistributed expend. - speech, OT, PT &amp; related services</b>	<b>162,057</b>	<b>(1,575)</b>	<b>160,482</b>	<b>156,656</b>	<b>3,826</b>
Undistributed expend. - other supp. serv. students - extra. serv.:					
Salaries	28,758	31,453	60,211	60,191	20
Supplies and materials	250	1	251	250	1
<b>Total undistributed expend. - other supp. serv. students - extra. serv.</b>	<b>29,008</b>	<b>31,454</b>	<b>60,462</b>	<b>60,441</b>	<b>21</b>

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - guidance:					
Salaries of other professional staff	59,552		59,552	59,552	
Purchased professional - educational services	2,500		2,500	579	1,921
Other purchased professional and technical services	3,500		3,500	3,250	250
Supplies and materials	400		400	336	64
Total undistributed expenditures - guidance	<u>65,952</u>		<u>65,952</u>	<u>63,717</u>	<u>2,235</u>
Undistributed expenditures - child study team:					
Salaries of other professional staff	1,250		1,250	375	875
Purchased professional - educational services	95,930		95,930	95,930	
Other purchased professional and technical services	10,000		10,000	1,100	8,900
Total undistributed expenditures - child study team	<u>107,180</u>		<u>107,180</u>	<u>97,405</u>	<u>9,775</u>
Undistributed expenditures - improvement of inst. services:					
Salaries of supervisor of instruction		52,690	52,690	52,690	
Salaries of other professional staff	2,500		2,500	2,500	
Other salaries	1,000	(180)	820		820
Purchased professional - educational services	34,984	(18,000)	16,984	2,500	14,484
Other purchased professional and technical services	1,500		1,500		1,500
Supplies and materials	500		500	122	378
Other objects	1,000		1,000	115	885
Total undistributed expenditures - improvement of inst. services	<u>41,484</u>	<u>34,510</u>	<u>75,994</u>	<u>57,927</u>	<u>18,067</u>

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - edu. media serv./sch. library:					
Salaries	33,804		33,804	33,304	500
Salaries of technology coordinators	67,964		67,964	67,908	56
Purchased professional - educational services	575		575	236	339
Supplies and materials	3,125		3,125	1,633	1,492
Total undistributed expenditures - edu. media serv./sch. library	105,468		105,468	103,081	2,387
Undistributed expenditures - instructional staff training					
Other purchased services	5,000		5,000	711	4,289
Total undistributed expenditures - instructional staff training	5,000		5,000	711	4,289
Undistributed expend. - supp. serv. - general administration:					
Salaries	2,300		2,300	2,300	
Legal services	1,000	2,100	3,100	3,098	2
Audit fees	14,000	(1,023)	12,977	12,950	27
Architectural/engineering services	1,000	(1,000)			
Other purchased professional services	30,500	11,297	41,797	41,797	
Purchased technical services	4,500	(391)	4,109	4,108	1
Other purchased services (400-500 series)	13,540	(854)	12,686	12,686	
Communications/telephone	6,800	(461)	6,339	6,338	1
BOE - other purchased services	1,950	176	2,126	2,125	1
Miscellaneous purchased services	3,100	(1,103)	1,997	1,996	1
General supplies	100	(100)			
Miscellaneous expenditures	500	(359)	141	140	1
BOE membership dues and fees	2,975	(246)	2,729	2,729	
Total undistributed expend. - supp. serv. - general administration	82,265	8,036	90,301	90,267	34



NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - supp. serv. - school administration:					
Salaries of principals/assistant principals	119,529	1	119,530	119,529	1
Salaries of secretarial and clerical assistants	60,332	(146)	60,186	59,833	353
Purchased professional and technical services	5,400	113	5,513	5,513	
Other purchased services (400-500 series)	3,100	(503)	2,597	2,487	110
Supplies and materials	2,000	2,615	4,615	4,375	240
Other objects	1,000	145	1,145	1,145	
Total undistributed expend. - supp. serv. - school administration	191,361	2,225	193,586	192,882	704
Undistributed expend. - central services:					
Purchased professional services	83,600		83,600	83,600	
Purchased technical services	7,250		7,250	7,068	182
Supplies and materials	375		375	187	188
Miscellaneous expenditures	300		300	298	2
Total undistributed expend. - central services	91,525		91,525	91,153	372
Undistributed expend. - required maintenance for school facilities:					
Salaries	71,668		71,668	69,750	1,918
Cleaning, repair, and maintenance services	28,000		28,000	15,695	12,305
General supplies	10,500		10,500	4,152	6,348
Total undistributed expend. - required maintenance for school facilities	110,168		110,168	89,597	20,571

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - custodial services:					
Salaries	68,228		68,228	62,945	5,283
Salaries of non-instructional aides	26,180		26,180	26,164	16
Purchased professional and technical services	2,500		2,500	1,661	839
Cleaning, repair, and maintenance services	7,500	(2,120)	5,380	3,749	1,631
Other purchased property services	11,995	2,120	14,115	7,968	6,147
Insurance	9,750		9,750	8,865	885
Miscellaneous purchased services	425		425		425
General supplies	29,112		29,112	25,210	3,902
Energy (heat and electricity)	113,750	(29,405)	84,345	81,297	3,048
Other objects	775		775	714	61
Total undistributed expend. - custodial services	<u>270,215</u>	<u>(29,405)</u>	<u>240,810</u>	<u>218,573</u>	<u>22,237</u>
Undistributed expend. - security:					
General supplies	2,000	320	2,320	2,320	
Total undistributed expend. - oper. & maint. of plant services	<u>382,383</u>	<u>(29,085)</u>	<u>353,298</u>	<u>310,490</u>	<u>42,808</u>
Undistributed expend. - student transportation services:					
Management fee - ESC transportation program	35		35		35
Contract services - aid in lieu of payments non-public	8,000		8,000	4,002	3,998
Contract transportation - other vendors	3,000		3,000	1,260	1,740
Contract transportation - joint agreement - special	105,000	(69,960)	35,040	35,038	2
Contract services - spec. ESC/CTSA	28,500	97,545	126,045	126,045	
Total undistributed expend. - student transportation services:	<u>144,535</u>	<u>27,585</u>	<u>172,120</u>	<u>166,345</u>	<u>5,775</u>

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - employee benefits:					
Social security contributions	74,500		74,500	55,609	18,891
Other retirement contributions - PERS	57,180	(5,670)	51,510	43,459	8,051
Other retirement contribution - regular		5,670	5,670	5,669	1
Unemployment compensation	11,549		11,549		11,549
Workmen's compensation	19,750		19,750	18,586	1,164
Health benefits	780,310	(26,000)	754,310	739,952	14,358
Tuition reimbursement	5,000		5,000	2,841	2,159
Other employee benefits	1,750		1,750	1,572	178
Unused sick payments	20,000	21,775	41,775	41,775	
Total unallocated benefits - employee benefits	970,039	(4,225)	965,814	909,463	56,351
On-behalf contributions:					
TPAF post retirement medical (on-behalf - non-budgeted)				153,785	(153,785)
TPAF pensions contributions (on-behalf - non-budgeted)				414,536	(414,536)
TPAF long term disability insurance (on-behalf - non-budgeted)				337	(337)
Reimbursed TPAF social security contributions (non-budgeted)				144,751	(144,751)
Total on-behalf contributions				713,409	(713,409)
Total personal services - employee benefits	970,039	(4,225)	965,814	1,622,872	(657,058)
Total undistributed expenditures	2,749,519	68,925	2,818,444	3,358,582	(540,138)
Interest earned on maintenance reserve	5		5		5
Total general current expense	4,701,254		4,701,254	5,135,123	(433,869)

NATIONAL PARK SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay:					
Equipment:					
Custodial services	3,989		3,989	3,989	
Care and upkeep	6,250		6,250	3,791	2,459
Facilities acquisition and construction	155,000		155,000	39,594	115,406
Interest deposited to capital reserve	50		50		50
<b>Total capital outlay</b>	<b>165,289</b>		<b>165,289</b>	<b>47,374</b>	<b>117,915</b>
<b>Total expenditures</b>	<b>4,866,543</b>		<b>4,866,543</b>	<b>5,182,497</b>	<b>(315,954)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(505,561)</b>		<b>(505,561)</b>	<b>(65,684)</b>	<b>1,071,785</b>
Other financing sources:					
Operating transfer out:					
Capital reserve - transfer for capital outlay	(155,000)		(155,000)		(155,000)
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)</b>	<b>(660,561)</b>		<b>(660,561)</b>	<b>(65,684)</b>	<b>916,785</b>
Fund balance, July 1	1,177,170		1,177,170	1,177,170	
Fund balance, June 30	<u>\$ 516,609</u>		<u>\$ 516,609</u>	<u>\$ 1,111,486</u>	<u>\$ 916,785</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess surplus designated for subsequent year's expenditures				\$ 286,631	
Excess surplus current year				213,788	
Capital reserve fund				279,403	
Maintenance reserve fund				30,000	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				12,041	
<b>Unassigned Fund Balance</b>				289,623	
				<u>1,111,486</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(217,516)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 893,970</u>	

NATIONAL PARK SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 307,608	\$ 27,349	\$ 334,957	\$ 239,520	\$ 95,437
Federal sources	221,769	25,802	247,571	217,795	29,776
<b>Total revenues</b>	<b><u>\$ 529,377</u></b>	<b><u>\$ 53,151</u></b>	<b><u>\$ 582,528</u></b>	<b><u>\$ 457,315</u></b>	<b><u>\$ 125,213</u></b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 212,597	\$ (4,590)	\$ 208,007	\$ 185,728	\$ 22,279
Other salaries for instruction	49,822	2,659	52,481	35,784	16,697
Purchased professional - technical services		600	600	585	15
Tuition	74,604	16,986	91,590	70,279	21,311
Other purchased services (400-500 series)	3,900	538	4,438	612	3,826
General supplies	18,488	7,171	25,659	18,667	6,992
Other objects		3,600	3,600	340	3,260
<b>Total instruction</b>	<b><u>359,411</u></b>	<b><u>26,964</u></b>	<b><u>386,375</u></b>	<b><u>311,995</u></b>	<b><u>74,380</u></b>
Support services:					
Salaries	2,600	19,143	21,743	21,097	646
Personal services - employee benefits	95,567	2,698	98,265	64,781	33,484
Purchased professional - technical services	13,090		13,090	12,634	456
Purchased professional - educational services	35,230		35,230	30,830	4,400
Other purchased professional services	1,000		1,000		1,000
Other purchased services (400-500 series)	8,074	3,170	11,244	1,681	9,563
Supplies and materials	2,405	1,051	3,456	2,503	953
Other objects		125	125	125	
<b>Total support services</b>	<b><u>157,966</u></b>	<b><u>26,187</u></b>	<b><u>184,153</u></b>	<b><u>133,651</u></b>	<b><u>50,502</u></b>
Facilities acquisition and cont. serv:					
Non-instructional equipment	12,000		12,000	11,669	331
<b>Total facilities acquisition and cont. services</b>	<b><u>12,000</u></b>		<b><u>12,000</u></b>	<b><u>11,669</u></b>	<b><u>331</u></b>
<b>Total expenditures</b>	<b><u>\$ 529,377</u></b>	<b><u>\$ 53,151</u></b>	<b><u>\$ 582,528</u></b>	<b><u>\$ 457,315</u></b>	<b><u>\$ 125,213</u></b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

NATIONAL PARK SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2020

Note A: Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 5,116,813	\$ 457,315
State aid payment recognized for GAAP purposes in the current year, previously recognized for budgetary purposes.	207,023	11,027
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(217,516)</u>	<u>(33,143)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	<u>\$ 5,106,320</u>	<u>\$ 435,199</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	<u>\$ 5,182,497</u>	<u>\$ 457,315</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	<u>\$ 5,182,497</u>	<u>\$ 457,315</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**



**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)**

NATIONAL PARK SCHOOL DISTRICT  
Schedule of the District's Proportionate Share of the Net Pension Liability - PERS  
Last Six Fiscal Years

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0044610193%	0.0045950376%	0.0046817430%	0.0047424787%	0.0047395300%	0.0044549997%
District's proportionate share of the net pension liability (asset)	\$ 835,225	\$ 1,031,494	\$ 1,386,133	\$ 1,103,973	\$ 933,190	\$ 802,723
District's covered-employee payroll	328,175	324,787	307,525	326,842	316,769	327,482
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	254.51%	317.59%	450.74%	337.77%	294.60%	245.12%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.59%	56.27%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

NATIONAL PARK SCHOOL DISTRICT  
 Schedule of District Contributions - PERS  
 Last Six Fiscal Years

	Fiscal Year Ended					
	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Contractually required contribution	\$ 36,776	\$ 39,505	\$ 41,578	\$ 43,934	\$ 47,143	\$ 43,334
Contributions in relation to the contractually required contribution	36,776	39,505	41,578	43,934	47,143	43,334
Contribution deficiency (excess)	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 328,175	\$ 324,787	\$ 307,525	\$ 326,842	\$ 316,769	\$ 327,482
Contributions as a percentage of covered-employee payroll	11.21%	12.16%	13.52%	13.44%	14.88%	13.23%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

NATIONAL PARK SCHOOL DISTRICT  
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF  
 Last Six Fiscal Years

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0172994261%	0.0173624945%	0.0177525004%	0.0176721489%	0.0177984980%	0.0174573687%
District's proportionate share of the net pension liability (asset)	\$ 9,245,980	\$ 10,973,838	\$ 13,965,247	\$ 11,915,200	\$ 11,323,022	\$ 10,713,752
District's covered-employee payroll	1,728,211	1,830,930	1,916,143	1,882,908	2,040,496	2,057,196
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	535.00%	599.36%	728.82%	632.81%	554.92%	520.79%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

The data in the above schedule represents the allocation of the State of New Jersey's obligation *on behalf* of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also, on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS**

NATIONAL PARK SCHOOL DISTRICT  
 Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Three Fiscal Years

	Fiscal Year Ended		
	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 451,304	\$ 373,809	\$ 366,844
Interest	385,071	445,925	427,989
Changes of benefit terms			
Differences between expected and actual experience		(694,208)	(2,518,494)
Changes of assumptions or other inputs	(1,538,383)	(1,242,176)	133,706
Member contributions	10,423	10,004	8,160
Benefit payments	(283,057)	(289,446)	(275,276)
Net change in total OPEB liability	(974,642)	(1,396,092)	(1,857,071)
Total OPEB liability - beginning	13,195,325	12,220,683	10,824,591
Total OPEB liability - ending	\$ 12,220,683	\$ 10,824,591	\$ 8,967,520
Covered employee payroll	\$ 2,257,011	\$ 2,357,265	\$ 2,384,678
Total OPEB liability as a percentage of covered employee payroll	541.45%	459.20%	376.05%

**Notes to Schedule:**

*Changes of benefit terms:*

There were no changes in benefit terms during the year.

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

3.58%	3.87%	3.50%
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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**NOTES RELATED TO PENSIONS**

**NOTE 1: CONTRIBUTIONS**

The contribution policy for the PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**NOTE 2: ACTUARIAL ASSUMPTIONS**

The total pension liability for the June 30, 2019, measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.



**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS**

**NOTE 3: CONTRIBUTIONS**

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

**NOTE 4: ACTUARIAL ASSUMPTIONS**

The total nonemployer OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 3.05% based on service years
Thereafter	1.55 – 3.05% based on service years
Salary increases (PERS):	
Through 2026	2.00 – 6.00% based on service years
Thereafter	3.00 – 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for the TPAF and PERS, respectively.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

## **OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

NATIONAL PARK SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Exhibit E-1a)	Title I	Title I Reallocated	Title I SIA	Total 2020
<b>REVENUES:</b>					
Federal sources	\$ 96,097	\$ 79,683	\$ 9,815	\$ 32,200	\$ 217,795
State sources	239,520				239,520
<b>Total revenues</b>	<b>\$ 335,617</b>	<b>\$ 79,683</b>	<b>\$ 9,815</b>	<b>\$ 32,200</b>	<b>\$ 457,315</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 118,090	\$ 63,334	\$ 4,304		\$ 185,728
Other salaries of instruction	35,784				35,784
Purchased professional - technical services			585		585
Tuition	70,279				70,279
Other purchased services (400-500 series)	612				612
General supplies	11,338		1,286	\$ 6,043	18,667
Other objects			340		340
<b>Total instruction</b>	<b>236,103</b>	<b>63,334</b>	<b>6,515</b>	<b>6,043</b>	<b>311,995</b>
Support services:					
Salaries	3,050		960	17,087	21,097
Personal services - employees benefits	42,175	16,224	402	5,980	64,781
Purchased professional - technical services	9,544			3,090	12,634
Purchased professional/educational services	30,830				30,830
Other purchased services (400-500 series)	1,481		200		1,681
Supplies and materials	765		1,738		2,503
Other objects		125			125
<b>Total support services</b>	<b>87,845</b>	<b>16,349</b>	<b>3,300</b>	<b>26,157</b>	<b>133,651</b>
Facilities acquisition and cont. serv:					
Non-instructional equipment	11,669				11,669
<b>Total facilities acquisition and cont. services</b>	<b>11,669</b>				<b>11,669</b>
<b>Total expenditures</b>	<b>\$ 335,617</b>	<b>\$ 79,683</b>	<b>\$ 9,815</b>	<b>\$ 32,200</b>	<b>\$ 457,315</b>

NATIONAL PARK SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Exhibit E-1b)	Title IIA	Title IV	Total Carried Forward
<b>REVENUES:</b>				
Federal sources	\$ 83,942	\$ 2,611	\$ 9,544	\$ 96,097
State sources	239,520			239,520
<b>Total revenues</b>	<b>\$ 323,462</b>	<b>\$ 2,611</b>	<b>\$ 9,544</b>	<b>\$ 335,617</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of teachers	\$ 118,090			\$ 118,090
Other salaries of instruction	35,784			35,784
Tuition	70,279			70,279
Other purchased services (400-500 series)	612			612
General supplies	11,338			11,338
<b>Total Instruction</b>	<b>236,103</b>			<b>236,103</b>
Support Services:				
Salaries	2,000	\$ 1,050		3,050
Personal services - employees benefits	42,095	80		42,175
Purchased professional - technical services			\$ 9,544	9,544
Purchased professional/educational services	30,830			30,830
Other purchased services (400-500 series)		1,481		1,481
Supplies and materials	765			765
<b>Total support services</b>	<b>75,690</b>	<b>2,611</b>	<b>9,544</b>	<b>87,845</b>
Facilities acquisition and cont. serv:				
Non-instructional equipment	11,669			11,669
<b>Total facilities acquisition and cont. services</b>	<b>11,669</b>			<b>11,669</b>
<b>Total expenditures</b>	<b>\$ 323,462</b>	<b>\$ 2,611</b>	<b>\$ 9,544</b>	<b>\$ 335,617</b>

NATIONAL PARK SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	Preschool Education (Exhibit E-2)	IDEA Basic	IDEA Preschool	Total Carried Forward
<b>REVENUES:</b>				
Federal sources		\$ 81,109	\$ 2,833	\$ 83,942
State sources	\$ 239,520			239,520
<b>Total revenues</b>	<b>\$ 239,520</b>	<b>\$ 81,109</b>	<b>\$ 2,833</b>	<b>\$ 323,462</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of teachers	\$ 118,090			\$ 118,090
Other salaries of instruction	35,784			35,784
Tuition		\$ 70,279		70,279
Other purchased services (400-500 series)	612			612
General supplies	9,505	1,500	\$ 333	11,338
<b>Total instruction</b>	<b>163,991</b>	<b>71,779</b>	<b>333</b>	<b>236,103</b>
Support services:				
Salaries liaison	2,000			2,000
Personal services - employees benefits	42,095			42,095
Purchased professional/educational services	19,000	9,330	2,500	30,830
Supplies and materials	765			765
<b>Total support services</b>	<b>63,860</b>	<b>9,330</b>	<b>2,500</b>	<b>75,690</b>
Facilities acquisition and cont. serv:				
Non-instructional equipment	11,669			11,669
<b>Total facilities acquisition and cont. services</b>	<b>11,669</b>			<b>11,669</b>
<b>Total expenditures</b>	<b>\$ 239,520</b>	<b>\$ 81,109</b>	<b>\$ 2,833</b>	<b>\$ 323,462</b>

NATIONAL PARK SCHOOL DISTRICT  
Special Revenue Fund  
Preschool Education Aid Schedule(s) of Expenditures -  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 140,369	\$ 118,090	\$ 22,279
Other salaries of instruction	52,481	35,784	16,697
Other purchased services (400-500 series)	2,938	612	2,326
General supplies	14,670	9,505	5,165
Other objects	3,000		3,000
<b>Total instruction</b>	<u>213,458</u>	<u>163,991</u>	<u>49,467</u>
Support services:			
Salaries community parent involvement	2,000	2,000	
Personal services - employee benefits	75,530	42,095	33,435
Other purchased educations services	20,000	19,000	1,000
Other purchased professional services	1,000		1,000
Other purchased services (400-500 series)	9,469		9,469
Supplies and materials	1,500	765	735
<b>Total support services</b>	<u>109,499</u>	<u>63,860</u>	<u>45,639</u>
Facilities acquisition and cont. serv:			
Non-instructional equipment	12,000	11,669	331
<b>Total facilities acquisition and cont. services</b>	<u>12,000</u>	<u>11,669</u>	<u>331</u>
<b>Total expenditures</b>	<u>\$ 334,957</u>	<u>\$ 239,520</u>	<u>\$ 95,437</u>

CALCULATION OF BUDGET AND CARRYOVER

Total revised 2019-20 Preschool Education Aid Allocation	\$ 307,608
Add: Actual ECPA/PEA Carryover June 30, 2019	27,349
Add: Budgeted Transfer from the General Fund 2019-20	0
<b>Total Preschool Education Aid Funds Available for 2019-20 Budget</b>	<u>334,957</u>
Less: 2019-20 Budgeted Preschool Education Aid	(334,957)
Add: June 30, 2020, Unexpended Preschool Education Aid	95,437
<b>2018-19 Carryover - Preschool Education Aid</b>	<u>\$ 95,437</u>
<b>2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21</b>	<u>\$ 95,437</u>

## **CAPITAL PROJECTS FUND**



NATIONAL PARK SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2020

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2020
			Prior Years	Current Year	
Roof repairs to elementary school	12/14/2010	\$ 961,000	\$ 900,290		\$ 60,710

NATIONAL PARK SCHOOL DISTRICT  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budgetary Basis  
For the Year Ended June 30, 2020

Fund balance - beginning	\$ 60,710
Fund balance - ending	<u>\$ 60,710</u>

NATIONAL PARK SCHOOL DISTRICT  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Roof Replacement to Elementary School  
 From Inception and for the Year Ended June 30, 2020

	Prior Periods	Current Period	Totals	Revised Authorized Costs
Revenues and other financing sources:				
State sources - SDA grant	\$ 599,550		\$ 599,550	\$ 599,550
Bond proceeds and transfers	361,450		361,450	361,450
Total revenues	<u>961,000</u>		<u>961,000</u>	<u>961,000</u>
Expenditures and other financing uses:				
Legal services	14,163		14,163	14,163
Audit fees	605		605	1,000
Architect/engineer services	74,660		74,660	79,375
Other professional services	61,438		61,438	57,563
Purchased technical services	750		750	1,305
Construction services	743,200		743,200	801,900
Miscellaneous purchased services	5,280		5,280	5,500
Miscellaneous expenses	194		194	194
Total expenditures	<u>900,290</u>		<u>900,290</u>	<u>961,000</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ 60,710</u>		<u>\$ 60,710</u>	
Additional project information:				
Project number		3490-050-10-1001		
Grant date/letter of notification		7/23/2010		
Bond authorization/referendum date		12/14/2010		
Bonds authorized	\$ 361,450			
Bonds issued	361,450			
Original project authorized cost	961,000			
Percentage completion	87%			
Original target completion date		8/28/2011		
Revised target completion date		12/31/2020		

## **FIDUCIARY FUNDS**

NATIONAL PARK SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2020

	Trust		Agency		Total 2020
	Unemployment Compensation Trust	Scholarship Fund	Student Activities	Payroll	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,526	\$ 411	\$ 17,688	\$ 7,595	\$ 38,220
Interfund receivable	1,790				1,790
Total assets	<u>\$ 14,316</u>	<u>\$ 411</u>	<u>17,688</u>	<u>7,595</u>	<u>40,010</u>
<b>LIABILITIES</b>					
Payroll deductions and withholdings				5,805	5,805
Due to student groups			17,688		17,688
Interfund payable				1,790	1,790
Total liabilities			<u>17,688</u>	<u>7,595</u>	<u>25,283</u>
<b>NET POSITION</b>					
Held in trust for unemployment Claims	\$ 14,316				14,316
Expendable scholarship fund		\$ 411			411
Total net position	<u>\$ 14,316</u>	<u>\$ 411</u>			<u>\$ 14,727</u>

NATIONAL PARK SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Trust	Scholarship Fund	Total 2020
<b>ADDITIONS:</b>			
Contributions	\$ 5,135		\$ 5,135
Interest earned	15	\$ 1	16
Total additions	<u>5,150</u>	<u>1</u>	<u>5,151</u>
<b>DEDUCTIONS:</b>			
Unemployment claims	5,048		5,048
Total deductions	<u>5,048</u>		<u>5,048</u>
Change in net position	102	1	103
Net position - beginning	14,214	410	14,624
Net position - end	<u>\$ 14,316</u>	<u>\$ 411</u>	<u>\$ 14,727</u>

NATIONAL PARK SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
<b>SCHOOLS:</b>				
National Park School	\$ 15,912	\$ 21,415	\$ 19,639	\$ 17,688

NATIONAL PARK SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and cash equivalents	\$ 37,286	\$ 3,059,302	\$ 3,088,993	\$ 7,595
Total assets	<u>\$ 37,286</u>	<u>\$ 3,059,302</u>	<u>\$ 3,088,993</u>	<u>\$ 7,595</u>
<b>LIABILITIES</b>				
Accrued salaries and wages		\$ 1,666,902	\$ 1,666,902	
Payroll deductions and withholdings	\$ 32,337	1,390,564	1,417,096	\$ 5,805
Interfund payable	4,949	1,836	4,995	1,790
Total liabilities	<u>\$ 37,286</u>	<u>\$ 3,059,302</u>	<u>\$ 3,088,993</u>	<u>\$ 7,595</u>

## **LONG-TERM DEBT**



NATIONAL PARK SCHOOL DISTRICT  
 Schedule of Serial Bonds  
 June 30, 2020

Issue	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Balance June 30, 2019	Paid	Balance June 30, 2020
			Date	Amount				
Refunding Bonds Series 2009	12/10/2009	\$ 2,950,000	2/1/21	\$ 205,000	4.50%			
			2/1/22	195,000	4.00%			
			2/1/23	195,000	4.00%			
			2/1/24	200,000	4.00%			
			2/1/25	210,000	4.00%	\$ 1,205,000	\$ 200,000	\$ 1,005,000
School Bonds of 2011	3/8/11	361,450	9/1/20	41,450	4.00%	86,450	45,000	41,450
						<u>\$ 1,291,450</u>	<u>\$ 245,000</u>	<u>\$ 1,046,450</u>

NATIONAL PARK SCHOOL DISTRICT  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 187,976		\$ 187,976	\$ 187,976	
State sources:					
Debt service aid type II	109,806		109,806	109,806	
Total revenues	<u>297,782</u>		<u>297,782</u>	<u>297,782</u>	
EXPENDITURES:					
Regular debt service:					
Interest	52,783		52,783	52,783	
Redemption of principal	245,000		245,000	245,000	
Total expenditures	<u>297,783</u>		<u>297,783</u>	<u>297,783</u>	
Excess (deficit) of revenues over (under) expenditures	(1)		(1)	(1)	
Balance - July 1	<u>1</u>		<u>1</u>	<u>1</u>	
Balance - June 30	<u>None</u>		<u>None</u>	<u>None</u>	

**STATISTICAL SECTION  
(Unaudited)**

**NATIONAL PARK SCHOOL DISTRICT  
Statistical Section**

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	102-106
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	107-110
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	111-114
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	115-116
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	117-121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting District-wide information include information beginning in that year.

NATIONAL PARK SCHOOL DISTRICT  
 Net Position by Component  
 Last Ten Fiscal Years  
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 703,620	\$ 1,476,033	\$ 1,635,653	\$ 1,778,049	\$ 1,991,224	\$ 2,045,028	\$ 2,108,084	\$ 2,213,472	\$ 2,301,271	\$ 2,421,598
Restricted	1,246,569	956,068	1,086,419	1,006,954	1,054,248	1,233,323	1,163,357	1,073,587	966,899	882,573
Unrestricted	(14,584)	(15,618)	(34,768)	(34,371)	(943,164)	(937,298)	(1,019,572)	(14,823,317)	(1,115,295)	(1,064,587)
Total governmental activities net position	<u>\$ 1,935,605</u>	<u>\$ 2,416,483</u>	<u>\$ 2,687,304</u>	<u>\$ 2,750,632</u>	<u>\$ 2,102,308</u>	<u>\$ 2,341,053</u>	<u>\$ 2,251,869</u>	<u>\$ (11,536,258)</u>	<u>\$ 2,152,875</u>	<u>\$ 2,239,584</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 703,620	\$ 1,476,033	\$ 1,635,653	\$ 1,778,049	\$ 1,991,224	\$ 2,045,028	\$ 2,108,084	\$ 2,213,472	\$ 2,301,271	\$ 2,421,598
Restricted	1,246,569	956,068	1,086,419	1,006,954	1,054,248	1,233,323	1,163,357	1,073,587	966,899	882,573
Unrestricted	(14,584)	(15,618)	(34,768)	(34,371)	(943,164)	(937,298)	(1,019,572)	(14,823,317)	(1,115,295)	(1,064,587)
Total district-wide net position	<u>\$ 1,935,605</u>	<u>\$ 2,416,483</u>	<u>\$ 2,687,304</u>	<u>\$ 2,750,632</u>	<u>\$ 2,102,308</u>	<u>\$ 2,341,053</u>	<u>\$ 2,251,869</u>	<u>\$ (11,536,258)</u>	<u>\$ 2,152,875</u>	<u>\$ 2,239,584</u>

Source: District records

NATIONAL PARK SCHOOL DISTRICT  
Changes in Net Position  
Last Ten Fiscal Years  
Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>EXPENSES:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 1,463,469	\$ 1,212,338	\$ 1,266,166	\$ 1,283,583	\$ 1,264,083	\$ 1,259,160	\$ 1,315,859	\$ 1,280,353	\$ 1,331,734	\$ 1,292,155
Special education	308,617	545,516	565,202	591,396	634,332	590,687	598,768	710,388	683,501	717,234
Other special instruction			69,692	81,069	122,941	140,766	168,793	140,592	97,838	71,297
Other instruction	57,858	49,820	8,034	8,806	8,909	8,731	8,616	6,539	6,869	7,850
Support services:										
Tuition	42,609	56,693	117,424	243,078	205,439	158,838	204,403	96,012	185,019	243,157
Student & instructional related services	549,456	565,067	626,315	684,181	609,503	607,437	670,753	691,523	726,848	686,670
School administration services	334,174	326,082	162,666	161,505	166,925	173,162	179,315	183,694	184,928	192,882
General & business administrative services			154,610	176,081	163,937	157,575	168,825	163,667	175,487	181,420
Plant operations & maintenance	311,130	313,755	291,098	328,120	306,398	309,437	322,844	313,107	354,388	310,490
Pupil transportation	68,508	98,698	94,701	127,460	81,437	136,098	113,861	72,852	142,061	166,345
Employee benefits	897,730	887,850	937,144	886,953	961,326	1,033,657	1,325,597	1,950,607	1,952,652	1,770,640
Interest on long-term debt	103,163	111,438	106,921	101,921	96,721	87,720	78,820	69,820	62,283	52,783
Capital outlay		10,876	677	1,199		6,350	13,980		6,996	15,461
Unallocated depreciation	109,425	157,148	162,619	167,541	174,272	168,840	172,344	176,556	170,567	168,255
Total governmental activities expenses	4,246,139	4,335,281	4,563,269	4,842,893	4,796,223	4,838,458	5,342,778	5,855,710	6,081,171	5,876,639
Total district-wide expenses	\$ 4,246,139	\$ 4,335,281	\$ 4,563,269	\$ 4,842,893	\$ 4,796,223	\$ 4,838,458	\$ 5,342,778	\$ 5,855,710	\$ 6,081,171	\$ 5,876,639
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Operating grants & contributions	\$ 309,318	\$ 284,826	\$ 270,919	\$ 289,575	\$ 366,349	\$ 316,800	\$ 305,449	\$ 290,416	\$ 425,574	\$ 435,199
Total governmental activities program revenues	309,318	284,826	270,919	289,575	366,349	316,800	305,449	290,416	425,574	435,199
Total district program revenues	\$ 309,318	\$ 284,826	\$ 270,919	\$ 289,575	\$ 366,349	\$ 316,800	\$ 305,449	\$ 290,416	\$ 425,574	\$ 435,199
<b>Net (expense)/revenue:</b>										
Governmental activities	\$ (3,936,821)	\$ (4,050,455)	\$ (4,292,350)	\$ (4,553,318)	\$ (4,429,874)	\$ (4,521,658)	\$ (5,037,329)	\$ (5,565,294)	\$ (5,655,597)	\$ (5,441,440)
Total district-wide net expense	\$ (3,936,821)	\$ (4,050,455)	\$ (4,292,350)	\$ (4,553,318)	\$ (4,429,874)	\$ (4,521,658)	\$ (5,037,329)	\$ (5,565,294)	\$ (5,655,597)	\$ (5,441,440)
<b>General revenues &amp; other changes in net position:</b>										
Governmental activities:										
Property taxes levied for general purposes	\$ 1,710,736	\$ 1,738,150	\$ 1,772,913	\$ 1,808,371	\$ 1,859,429	\$ 1,896,618	\$ 1,934,550	\$ 1,973,241	\$ 2,042,706	\$ 2,083,560
Taxes levied for debt service	159,974	182,803	202,266	201,738	200,446	191,975	192,322	188,374	185,246	187,976
Unrestricted grants & contributions	2,342,630	2,497,194	2,540,506	2,521,587	2,590,632	2,635,330	2,724,807	2,784,149	3,383,072	3,192,959
State aid restricted	599,550									
Tuition received	7,300									55,133
Interest earned on capital reserve fund	3	1	2	1	1	2	1	1		825
Miscellaneous income	29,875	113,185	47,886	84,951	61,922	36,478	96,465	26,727	52,246	7,696
Prior year receivable canceled			(402)	(2)						
Loss on retirement of asset					(650)					
Total governmental activities	4,850,068	4,531,333	4,563,171	4,616,646	4,711,780	4,760,403	4,948,145	4,972,492	5,663,270	5,528,149
Total district-wide	\$ 4,850,068	\$ 4,531,333	\$ 4,563,171	\$ 4,616,646	\$ 4,711,780	\$ 4,760,403	\$ 4,948,145	\$ 4,972,492	\$ 5,663,270	\$ 5,528,149
<b>Change in net position:</b>										
Governmental activities	\$ 913,247	\$ 480,878	\$ 270,821	\$ 63,328	\$ 281,906	\$ 238,745	\$ (89,184)	\$ (592,802)	\$ 7,673	\$ 86,709
Total district-wide	\$ 913,247	\$ 480,878	\$ 270,821	\$ 63,328	\$ 281,906	\$ 238,745	\$ (89,184)	\$ (592,802)	\$ 7,673	\$ 86,709

Source: District records

NATIONAL PARK SCHOOL DISTRICT  
 Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted	\$ 306,323	\$ 652,855	\$ 903,982	\$ 921,342	\$ 983,441	\$ 1,157,319	\$ 1,075,152	\$ 985,155	\$ 897,526	\$ 809,822
Assigned	124,011	176,977	120,525	24,902	10,097	15,293	26,493	26,720	8,662	12,041
Unassigned	65,657	52,401	53,241	54,233	66,227	58,535	71,265	52,463	63,959	72,107
Total general fund	<u>\$ 495,991</u>	<u>\$ 882,233</u>	<u>\$ 1,077,748</u>	<u>\$ 1,000,477</u>	<u>\$ 1,059,765</u>	<u>\$ 1,231,147</u>	<u>\$ 1,172,910</u>	<u>\$ 1,064,338</u>	<u>\$ 970,147</u>	<u>\$ 893,970</u>
All other governmental funds:										
Restricted for:										
Capital projects	\$ 801,683	\$ 126,234	\$ 61,910	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710
Debt service fund	14,552	2	2			1	1,002	1,002	1	
Unassigned	(13,848)	(10,386)	(8,819)	(9,051)	(14,482)	(12,671)	(15,387)	(11,766)	(11,027)	(33,143)
Total all other governmental funds	<u>\$ 802,387</u>	<u>\$ 115,850</u>	<u>\$ 53,093</u>	<u>\$ 51,659</u>	<u>\$ 46,228</u>	<u>\$ 48,040</u>	<u>\$ 46,325</u>	<u>\$ 49,946</u>	<u>\$ 49,684</u>	<u>\$ 27,567</u>

Source: District records

NATIONAL PARK SCHOOL DISTRICT  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES:</b>										
Tax levy	\$ 1,870,710	\$ 1,920,953	\$ 1,975,179	\$ 2,010,109	\$ 2,059,875	\$ 2,088,593	\$ 2,126,872	\$ 2,161,615	\$ 2,227,952	\$ 2,271,536
Tuition charges	7,300									55,133
Interest earnings	2,922	922	1,238	1,186	1,113	1,365	1,448	1,380	1,160	825
Miscellaneous	27,149	112,264	46,650	83,766	60,810	35,115	95,018	25,348	51,086	7,696
State sources	3,076,511	2,533,286	2,630,374	2,612,022	2,730,017	2,763,855	2,851,095	2,905,433	3,041,876	3,286,316
Federal sources	174,987	248,734	181,051	199,140	226,964	188,275	179,161	169,132	317,065	217,795
<b>Total revenue</b>	<b>5,159,579</b>	<b>4,816,159</b>	<b>4,834,492</b>	<b>4,906,223</b>	<b>5,078,779</b>	<b>5,077,203</b>	<b>5,253,594</b>	<b>5,262,908</b>	<b>5,639,139</b>	<b>5,839,301</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular instruction	1,463,662	1,212,338	1,266,166	1,283,583	1,264,083	1,259,160	1,315,859	1,280,353	1,331,734	1,292,155
Special education instruction	308,617	545,516	565,202	591,396	634,332	590,687	598,768	710,388	683,501	717,234
Other special instruction			69,692	81,069	122,941	140,766	168,793	140,592	97,838	71,297
Other instruction	57,858	49,820	8,034	8,806	8,909	8,731	8,616	6,539	6,869	7,850
Support services:										
Tuition	42,609	56,693	117,424	243,078	205,439	158,838	204,403	96,012	185,019	243,157
Student & instruction related services	562,415	573,827	604,758	683,818	613,943	608,184	670,672	686,348	739,456	710,286
School administrative services	334,174	326,082	162,666	161,505	166,925	173,162	179,315	183,694	184,928	192,882
Other administrative services			154,610	176,081	163,937	157,575	168,825	163,667	175,487	181,420
Plant operations & maintenance	311,130	313,755	291,098	328,120	306,398	309,437	322,844	313,107	354,388	310,490
Pupil transportation	68,508	98,698	94,701	127,460	81,437	136,098	113,861	72,852	142,061	166,345
Employee benefits	897,730	887,850	937,144	886,953	971,760	1,047,301	1,233,390	1,362,543	1,504,666	1,687,653
Capital outlay	179,201	730,437	102,916	86,136	163,097	6,350	24,380	51,944	30,362	59,043
Debt services:										
Principal	180,000	210,000	220,000	225,000	225,000	220,000	225,000	230,000	235,000	245,000
Interest	103,163	111,438	106,921	101,921	96,721	87,720	78,820	69,820	62,283	52,783
<b>Total expenditures</b>	<b>4,509,067</b>	<b>5,116,454</b>	<b>4,701,332</b>	<b>4,984,926</b>	<b>5,024,922</b>	<b>4,904,009</b>	<b>5,313,546</b>	<b>5,367,859</b>	<b>5,733,592</b>	<b>5,937,595</b>
Excess (deficiency) of revenues over (under) expenditures	650,512	(300,295)	133,160	(78,703)	53,857	173,194	(59,952)	(104,951)	(94,453)	(98,294)
Other financing sources (uses):										
Prior year receivable canceled			(402)	(2)						
<b>Total other financing sources (uses)</b>			<b>(402)</b>	<b>(2)</b>						
<b>Net change in fund balance</b>	<b>\$ 650,512</b>	<b>\$ (300,295)</b>	<b>\$ 132,758</b>	<b>\$ (78,705)</b>	<b>\$ 53,857</b>	<b>\$ 173,194</b>	<b>\$ (59,952)</b>	<b>\$ (104,951)</b>	<b>\$ (94,453)</b>	<b>\$ (98,294)</b>
Debt service as a percentage of noncapital expenditures	7.00%	7.91%	7.65%	7.15%	7.09%	6.70%	6.09%	5.98%	5.50%	5.34%

Source: District records



NATIONAL PARK SCHOOL DISTRICT  
 General Fund Other Local Revenue by Source  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Refunds	Tuition	Local Grant	Miscellaneous	Annual Totals
2011		\$ 7,300	\$ 193	\$ 26,956	\$ 34,449
2012		92,182		20,082	112,264
2013		39,303		7,347	46,650
2014	\$ 17,967	44,214		21,585	83,766
2015		49,979		10,831	60,810
2016		30,790		4,325	35,115
2017	363	87,580	4,715	2,360	95,018
2018	164	17,509		7,675	25,348
2019		48,968		2,118	51,086
2020		55,133		7,696	62,829

Source: District records

NATIONAL PARK SCHOOL DISTRICT  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2011	3,334,200	166,522,300	7,963,500		607,300	178,427,300	368,601	178,795,901	181,023,553	1.074
2012	3,262,900	165,757,700	7,676,900	209,400	607,300	177,514,200	337,422	177,851,622	182,564,425	1.110
2013	3,301,600	165,387,600	7,532,000	209,400	607,300	177,037,900	393,301	177,431,201	174,814,958	1.132
2014	2,238,000	149,817,400	5,876,700	166,300	579,800	158,678,200	356,578	159,034,778	162,601,818	1.295
2015	2,195,500	149,475,000	6,232,100	166,300	745,600	158,814,500	359,196	159,173,696	158,100,720	1.312
2016	2,195,500	149,215,800	6,169,400	166,300	745,600	158,492,600	361,232	158,853,832	150,388,319	1.339
2017	2,194,800	148,996,700	6,060,700	166,300	709,100	158,127,600	366,124	158,493,724	155,870,012	1.363
2018	2,194,300	148,823,300	5,993,100	166,300	709,100	157,886,100	355,082	158,241,182	158,666,764	1.408
2019	2,263,500	148,945,300	6,043,100	166,300	709,100	158,127,300	354,579	158,481,879	159,128,593	1.434
2020	2,219,600	148,806,100	6,800,100	166,300	709,100	158,701,200	342,774	159,043,974	159,179,774	1.449

Source: Gloucester County Abstract of Ratables

NATIONAL PARK SCHOOL DISTRICT  
 Direct and Overlapping Property Tax Rates  
 (Rate Per \$100 of Assessed Value)  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	National Park School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Gateway High School Tax Rate	Borough of National Park	Gloucester County	
2011	0.982	0.092	1.074	0.953	0.820	0.591	3.438
2012	1.004	0.106	1.110	1.101	0.844	0.608	3.663
2013	1.016	0.116	1.132	1.077	0.844	0.639	3.692
2014	1.165	0.130	1.295	1.139	0.901	0.676	4.011
2015	1.184	0.128	1.312	1.138	0.873	0.699	4.022
2016	1.216	0.123	1.339	1.159	0.883	0.683	4.064
2017	1.240	0.123	1.363	1.264	0.893	0.710	4.230
2018	1.285	0.123	1.408	1.316	0.905	0.732	4.361
2019	1.315	0.119	1.434	1.294	0.916	0.735	4.379
2020	1.329	0.120	1.449	1.346	0.932	0.773	4.500

Source: Municipal Tax Collector

NATIONAL PARK SCHOOL DISTRICT  
 Principal Property Taxpayers  
 Current Year and Nine Years Ago  
 Unaudited

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
618 Hessian LLC	1,046,000	1	0.66%			
Individual Taxpayer 1	599,500	2	0.38%	659,000	2	0.37%
Individual Taxpayer 2	579,000	3	0.36%	615,400	3	0.34%
Individual Taxpayer 3	527,700	4	0.33%	502,400	5	0.28%
The Bank	493,800	5	0.31%	592,200	4	0.33%
Individual Taxpayer 4	421,500	6	0.26%	501,100	6	0.28%
VRH NP LLC	380,600	7	0.24%			
PSE&G Power LLC	373,800	8	0.23%	1,054,500	1	0.59%
Individual Taxpayer 5	360,400	9	0.23%	500,500	7	0.28%
Individual Taxpayer 6	351,600	10	0.22%	497,400	8	0.28%
Individual Taxpayer 7				489,700	9	0.27%
Individual Taxpayer 8				480,700	10	0.27%
	<u>5,133,900</u>		<u>2.57%</u>	<u>5,892,900</u>		<u>3.30%</u>

Source: Municipal Tax Assessor

NATIONAL PARK SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 1,870,710	\$ 1,870,710	100.00%	
2012	1,920,953	1,920,953	100.00%	
2013	1,975,179	1,975,179	100.00%	
2014	2,010,109	2,010,109	100.00%	
2015	2,059,875	2,059,875	100.00%	
2016	2,088,593	2,088,593	100.00%	
2017	2,126,782	2,126,872	100.00%	
2018	2,161,615	2,161,615	100.00%	
2019	2,227,952	2,227,952	100.00%	
2020	2,271,536	2,271,536	100.00%	

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

NATIONAL PARK SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases			
2011	\$ 3,081,450		\$ 3,081,450	2.32%	1,017
2012	2,871,450		2,871,450	2.12%	953
2013	2,651,450		2,651,450	1.93%	884
2014	2,426,450		2,426,450	1.71%	811
2015	2,201,450		2,201,450	1.48%	737
2016	1,981,450		1,981,450	1.31%	667
2017	1,756,450		1,756,450	1.13%	593
2018	1,526,450		1,526,450	0.94%	517
2019	1,291,450		1,291,450	N/A	439
2020	1,046,450		1,046,450	N/A	N/A

N/A - At the time of CAFR completion, this data was not available.

NATIONAL PARK SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2011	\$ 3,081,450		\$ 3,081,450	1.72%	1,017
2012	2,871,450		2,871,450	1.61%	953
2013	2,651,450		2,651,450	1.49%	884
2014	2,426,450		2,426,450	1.53%	811
2015	2,201,450		2,201,450	1.38%	737
2016	1,981,450		1,981,450	1.25%	667
2017	1,756,450		1,756,450	1.11%	593
2018	1,526,450		1,526,450	0.96%	517
2019	1,291,450		1,291,450	0.81%	439
2020	1,046,450		1,046,450	0.66%	N/A

N/A - At the time of CAFR completion, this data was not available.

NATIONAL PARK SCHOOL DISTRICT  
 Direct and Overlapping Governmental Activities Debt  
 as of December 31, 2019  
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
National Park Borough	\$ 4,550,352	100.00%	\$ 4,550,352
Gloucester County General Obligation Debt	227,739,500	0.60%	1,367,497
Gateway Regional School District debt	4,340,000	17.93%	778,000
Subtotal, overlapping debt			<u>6,695,849</u>
National Park District direct debt			1,046,450
Total direct and overlapping debt			<u><u>\$ 7,742,299</u></u>

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



NATIONAL PARK SCHOOL DISTRICT  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

	Equalized valuation basis
	2019    \$ 164,083,532
	2018    158,377,069
	2017    158,396,875
	<u>          \$ 480,857,476</u>
Average equalized valuation of taxable property	<u>          \$ 160,285,825</u>
Debt limit (2 1/2% of average equalized value)	\$ 4,007,146
Total net debt applicable to limit	<u>          1,046,450</u>
Legal debt margin	<u>          \$ 2,960,696</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 4,618,609	\$ 4,572,658	\$ 4,483,106	\$ 4,333,681	\$ 4,120,928	\$ 3,916,457	\$ 3,860,874	\$ 3,868,895	\$ 3,937,328	\$ 4,007,146
Total net debt applicable to limit	3,081,450	2,871,450	2,651,450	2,426,450	2,201,450	1,981,450	1,756,450	1,526,450	1,291,450	1,046,450
Legal debt margin	<u>\$ 1,537,159</u>	<u>\$ 1,701,208</u>	<u>\$ 1,831,656</u>	<u>\$ 1,907,231</u>	<u>\$ 1,919,478</u>	<u>\$ 1,935,007</u>	<u>\$ 2,104,424</u>	<u>\$ 2,342,445</u>	<u>\$ 2,645,878</u>	<u>\$ 2,960,696</u>
Total net debt applicable to the limit as a percentage of debt limit	66.72%	62.80%	59.14%	55.99%	53.42%	50.59%	45.49%	39.45%	32.80%	26.11%

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

NATIONAL PARK SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income *	Unemployment Rate
2011	3,030	132,686,730	43,791	11.50%
2012	3,014	135,449,160	44,940	11.80%
2013	3,000	137,700,000	45,900	12.60%
2014	2,993	141,844,256	47,392	9.30%
2015	2,988	148,399,020	49,665	8.00%
2016	2,972	150,820,084	50,747	7.00%
2017	2,963	155,424,165	52,455	7.00%
2018	2,955	161,771,475	54,745	5.70%
2019	2,943	N/A	N/A	4.70%
2020	N/A	N/A	N/A	N/A

N/A At the time of CAFR completion, this data was not available.

\* Represents information for Gloucester County.

Source:

Population information provided by the NJ Department of Labor and Workforce Development.  
Personal income has been estimated based upon the municipal population and per capita  
per personal income presented.

Per capita personal income estimated based upon the Census published by the U.S. Bureau  
of Economic Analysis.

Unemployment data provided by the NJ Department of Labor and Workforce Development.

NATIONAL PARK SCHOOL DISTRICT  
Principal Employers  
Current Year and Nine Years Ago  
Unaudited

Employer	2020			2011		
	Employees	Rank	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Amazon	4,500	1	N/A			
Rowan University	3,500	2	N/A	1,300	4	N/A
Inspira Health	2,051	3	N/A			
Underwood Memorial Hospital				1,825	1	N/A
Jefferson Health	2,015	4	N/A			
Kennedy Health Alliance				1,200	5	N/A
Washington Township School District	1,550	5	N/A	1,504	2	N/A
Shop Rite	1,300	6	N/A			
County of Gloucester	1,200	7	N/A	1,500	3	N/A
US Foodservices	1,014	8	N/A	800	7	N/A
Monroe Township School District	805	9	N/A	714	8	N/A
Walmart - Turnersville	800	10	N/A			
Missa Bay LLC				950	6	N/A
Valero				640	9	N/A
Goodwin Pumps				640	10	N/A
	18,735			11,073		

Source: Gloucester County Department of Economic Development

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

NATIONAL PARK SCHOOL DISTRICT  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	21	21	19	20	20	20	20	20	20	20
Special education	5	5	6	6	8	8	10	9	9	10
Support Services										
Student & instruction related services	11	11	11	16	17	19	22	24	23	23
General administration	1	1	1	1	1	1	1	1	1	1
Total	<u>38</u>	<u>38</u>	<u>37</u>	<u>43</u>	<u>46</u>	<u>48</u>	<u>53</u>	<u>54</u>	<u>53</u>	<u>54</u>

Source: District Personnel Records

NATIONAL PARK SCHOOL DISTRICT  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
2011	292	4,046,703	13,859	5.24%	26	8.9	286	272	-8.04%	95%
2012	275	4,064,579	14,780	6.65%	26	9.5	263	251	-8.04%	95%
2013	266	4,271,495	16,058	8.65%	25	9.4	255	241	-3.04%	95%
2014	290	4,571,869	15,765	-1.83%	26	9.0	272	255	6.67%	94%
2015	283	4,540,104	16,043	1.76%	28	9.9	271	254	-0.37%	94%
2016	287	4,589,939	15,993	-0.31%	28	9.8	272	254	0.37%	93%
2017	271	4,985,346	18,396	15.03%	30	11.1	261	244	-4.04%	93%
2018	280	5,016,095	17,915	-2.62%	29	10.4	272	256	4.21%	94%
2019	283	5,405,947	19,102	6.63%	29	10.2	270	257	-0.74%	95%
2020	294	5,580,769	18,982	-0.63%	30	10.2	289	279	7.04%	97%

Source: Enrollment based on annual October District count.

NATIONAL PARK SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary										
Square Feet	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073
Capacity (students)	394	394	394	394	394	394	394	394	394	394
Enrollment	292	275	266	290	283	287	271	280	283	294

Number of Schools at June 30, 2020  
 Elementary = 1

Source: District Office

NATIONAL PARK SCHOOL DISTRICT  
 Schedule of Required Maintenance Expenditures by School Facility  
 Last Ten Fiscal Years  
 Unaudited

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

* School Facilities	Gross Square	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Elementary	52,073	\$ 79,118	\$ 87,756	\$ 90,877	\$ 94,787	\$ 88,767	\$ 100,958	\$ 102,822	\$ 115,474	\$ 126,581	\$ 89,597	\$ 976,737

\* School facilities as defined under EFCFA.  
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

Source: District records

NATIONAL PARK SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2020  
Unaudited

The National Park School District has retained insurance through the Gloucester, Cumberland, and Salem School Districts Joint Insurance Fund. The following is a summary of the coverage obtained thru this fund.

	Coverage	
I. Property, Inland Marine, and Automobile Physical Damages		
A. Limit of Liability	\$ 175,000,000	Per Occurrence
1. GCSSDJIF Self Insured Retention	250,000	Per Occurrence
2. Member District Deductible	500	Per Occurrence
3. Perils Included	"All Risk"	
B. Property Valuation		
1. Buildings and Contents		Replacement Cost
2. Contractors Equipment		Actual Cash Value
3. Automobiles		Replacement Cost
II. Boiler and Machinery		
A. Limit of Liability	125,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	1,000	
III. Crime		
A. Limit of Liability	500,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	500	
IV. General and Automobile Liability		
A. Limit of Liability	20,000,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
V. Worker's Compensation		
A. Limit of Liability	Statutory	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
VI. Educator's Legal Liability		
A. Limit of Liability	20,000,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
VII. Pollution Legal Liability		
A. Limit of Liability	3,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	25,000	
3. Member District Deductible - Mold Incident	100,000 - 250,000	
VIII. Cyber Liability		
A. Limit of Liability	2,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	10,000	
IX. Violent Malicious Acts		
A. Limit of Liability	1,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	15,000	
X. Disaster Management Services		
A. Limit of Liability	2,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	15,000	
Public employees' faithful performance bonds -		
Selective Insurance Co. of America		
Surety Bond - Charles Owens, Treasurer	170,000	
Surety Bond - Donna J. Contrevo, School Business Administrator/ Board Secretary	5,000	

Source: District records



## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
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## EXHIBIT K-1

### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

#### Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
National Park School District  
516 Lakehurst Avenue  
National Park, New Jersey 08063

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the National Park School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise National Park School District's basic financial statements, and have issued our report thereon dated March 1, 2021.

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

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

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

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

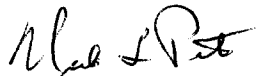
***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the National Park 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

***Purpose of this Report***

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

March 1, 2021

# PETRONI & ASSOCIATES LLC

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## EXHIBIT K-2

### REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB'S CIRCULAR 15-08

#### Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
National Park School District  
516 Lakehurst Avenue  
National Park, New Jersey 08063

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

We have audited the National Park School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the National Park School District's major state programs for the year ended June 30, 2020. National Park School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the National Park School District's major state programs based on our audit of the types of compliance requirements referred to above. 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, Uniform Guidance and New Jersey OMB's Circular 15-08, 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 state program occurred. An audit includes examining, on a test basis, evidence about the National Park 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 on compliance for each major state program. However, our audit does not provide a legal determination of the National Park School District's compliance.

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

In our opinion, the National Park School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

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

Management of National Park School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the National Park School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, 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 the National Park School District's internal control over compliance.

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

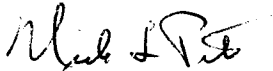
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance  
Required by the Uniform Guidance and New Jersey OMB's Circular 15-08**

We have audited the financial statements National Park School District as of and for the year ended June 30, 2020, and have issued our report thereon dated March 1, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the 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 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 schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

March 1, 2021

NATIONAL PARK SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010A	S010A190030	NCLB349020	\$ 79,683	7/1/19	6/30/20				\$ (79,683)		\$ (79,683)				\$ 79,683
Title I, Part A	84.010A	S010A180030	NCLB349019	88,975	7/1/18	6/30/19	\$ (88,975)		\$ 88,975							88,975
Title I Reallocated	84.010A	S010A190030	NCLB349020	9,783	7/1/19	6/30/20			7,525	(9,815)			(2,290)			9,815
Title I Reallocated	84.010A	S010A180030	NCLB349019	8,800	7/1/18	6/30/19	(742)		742							742
Title I SIA	84.010A	S010A190030	NCLB349020	32,200	7/1/19	6/30/20				(32,200)			(32,200)			32,200
Title I SIA	84.010A	S010A180030	NCLB349019	116,237	7/1/18	6/30/19	(116,237)		116,237							116,237
Subtotal	84.010A						(205,954)		213,479	(121,698)			(114,173)			
IDEA Part B, Basic Regular	84.027	H027A190100	FT349020	105,820	7/1/19	6/30/20			62,721	(81,109)			(18,388)			81,109
IDEA Part B, Basic Regular	84.027	H027A180100	FT349019	107,403	7/1/18	6/30/19	(73,374)		73,374							90,417
Subtotal	84.027						(73,374)		136,095	(81,109)			(18,388)			
IDEA Part B, Preschool	84.173	H173A190114	FT349020	3,167	7/1/19	6/30/20			333	(2,833)			(2,500)			2,833
IDEA Part B, Preschool	84.173	H173A180114	FT349019	6,178	7/1/18	6/30/19	(6,178)		6,178							6,178
Subtotal	84.173						(6,178)		6,511	(2,833)			(2,500)			
Total Special Education Cluster							(79,552)		142,606	(83,942)			(20,888)			
Title II Part A	84.367A	S367A190029	NCLB349020	3,142	7/1/19	6/30/20				(2,611)			(2,611)			2,611
Title II Part A	84.367A	S367A180029	NCLB349019	4,748	7/1/18	6/30/19	(4,516)		4,516							4,516
Subtotal	84.367A						(4,516)		4,516	(2,611)			(2,611)			
Title IV	84.424	S424A190031	NCLB349020	10,000	7/1/19	6/30/20				(9,544)			(9,544)			9,544
Title IV	84.424	S424A180031	NCLB349019	10,526	7/1/18	6/30/19	(10,000)		10,000							10,000
Subtotal	84.424						(10,000)		10,000	(9,544)			(9,544)			19,544
Total Special Revenue Fund							(300,022)		370,601	(217,795)			(147,216)			554,404
Total Federal Financial Awards							\$ (300,022)		\$ 370,601	\$ (217,795)			\$ (147,216)			\$ 554,404

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

NATIONAL PARK SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2020			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid Public:															
Special Education Categorical Aid	20-495-034-5120-089	\$ 152,723	7/1/19	6/30/20				\$ 152,723	\$ (152,723)					\$ 15,272	\$ 152,723
Equalization Aid	20-495-034-5120-078	1,984,211	7/1/19	6/30/20				1,984,211	(1,984,211)					194,281	1,984,211
Security Aid	20-495-034-5120-084	63,683	7/1/19	6/30/20				63,683	(63,683)					6,368	63,683
Transportation Aid	20-495-034-5120-014	15,950	7/1/19	6/30/20				15,950	(15,950)					1,595	15,950
Extraordinary Aid	20-495-034-5120-044	39,623	7/1/19	6/30/20					(39,623)		\$ (39,623)				39,623
Extraordinary Aid	19-495-034-5120-044	19,532	7/1/18	6/30/19	\$ (19,532)			19,532							19,532
Reimbursement of Nonpublic Transportation	N/A	1,450	7/1/18	6/30/19	(1,450)			1,450							1,450
On-behalf TPAF Pension Contribution	20-495-034-5094-002	414,536	7/1/19	6/30/20				414,536	(414,536)						414,536
On-behalf TPAF Post-retirement Contribution	20-495-034-5094-001	153,785	7/1/19	6/30/20				153,785	(153,785)						153,785
On-behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	337	7/1/19	6/30/20				337	(337)						337
Reimbursed TPAF Social Security Aid	20-495-034-5094-003	144,751	7/1/19	6/30/20				137,704	(144,751)		(7,047)				144,751
Reimbursed TPAF Social Security Aid	19-495-034-5094-003	144,671	7/1/18	6/30/19	(7,359)			7,359							144,671
<b>Total General Fund</b>					<b>(28,341)</b>			<b>2,951,270</b>	<b>(2,969,599)</b>		<b>(46,670)</b>			<b>217,516</b>	<b>3,135,252</b>
State Department of Education															
Special Revenue Fund:															
Preschool Education Aid	20-495-034-5120-086	334,957	7/1/19	6/30/20			\$ 27,349	307,608	(239,520)		\$ 95,437			33,143	239,520
Preschool Education Aid	19-495-034-5120-086	110,256	7/1/18	6/30/19	27,349		(27,349)								107,770
<b>Total Preschool Education</b>					<b>27,349</b>			<b>307,608</b>	<b>(239,520)</b>		<b>95,437</b>			<b>33,143</b>	<b>347,290</b>
Department of Community Affairs															
Passed through County of Gloucester															
Municipal Alliance	N/A	750	7/1/11	6/30/12	53						53				714
Municipal Alliance	N/A	600	7/1/10	6/30/11	600						600				
Municipal Alliance	N/A	2,400	7/1/09	6/30/10	132						132				2,268
<b>Total Municipal Alliance</b>					<b>785</b>						<b>785</b>				<b>2,982</b>
<b>Total Special Revenue Fund</b>					<b>28,134</b>			<b>307,608</b>	<b>(239,520)</b>		<b>96,222</b>			<b>33,143</b>	<b>350,272</b>
NJ Schools Development Authority															
Capital Projects Fund:															
SDA Grant	3490-050-10-1001	599,550	12/14/10	N/A	(561,674)						(561,674)				561,674
<b>Total Capital Project Fund</b>					<b>(561,674)</b>						<b>(561,674)</b>				<b>561,674</b>
State Department of Education															
Debt Services Fund:															
State Department of Education															
Debt Service Aid Type II	20-100-034-5120-125	109,806	7/1/19	6/30/20				109,806	(109,806)						111,036
<b>Total Debt Service Fund</b>								<b>109,806</b>	<b>(109,806)</b>						<b>111,036</b>
<b>Total State Financial Assistance</b>					<b>\$ (561,881)</b>			<b>\$ 3,368,684</b>	<b>\$ (3,318,925)</b>		<b>\$ (608,344)</b>	<b>\$ 96,222</b>		<b>\$ 250,659</b>	<b>\$ 4,158,234</b>
Less: On-behalf TPAF Pension System Contributions:															
On-behalf TPAF Pension Contribution									\$ (414,536)						
On-behalf TPAF Post-retirement Contribution									(153,785)						
On-behalf TPAF Non-Contributory Insurance									(337)						
									<b>\$ (568,658)</b>						
<b>Total for State Financial Assistance - Major Program Determination</b>									<b>\$ (2,750,267)</b>						

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



**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2020**

**NOTE 1: GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, National Park School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200-*Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, New Jersey OMB's Circular 15-08, *Audits of States, Local Governments, and Non-Profit Organizations* and the *New Jersey State Aid/Grant Compliance Supplement*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.

**NATIONAL PARK SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2020**

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,493) for the General Fund and (\$22,116) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund		\$ 2,959,106	\$ 2,959,106
Special revenue fund	\$ 217,795	217,404	435,199
Debt service fund		109,806	109,806
Total financial assistance	<u>\$ 217,795</u>	<u>\$ 3,286,316</u>	<u>\$ 3,504,111</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

The amount reported as the TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. The TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for the TPAF members for the year ended June 30, 2020.

NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits, and Long-Term Disability Insurance Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial Assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

NOTE 7: INDIRECT COST RATE

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

**NATIONAL PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section I – Summary of Auditor’s Results**

**Financial Statements:**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified?        Yes   X   No
- 2. Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None reported

Noncompliance material to basic financial statements noted?        Yes   X   No

**Federal Awards**

**N/A**

**State Awards**

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

Auditee qualified as low-risk auditee?   X   Yes        No

Internal control over major programs:

- 1. Material weakness(es) identified?        Yes   X   No
- 2. Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB’s Circular 15-08?        Yes   X   No

Identification of major programs:

GMIS Numbers

495-034-5120-078  
495-034-5120-089  
495-034-5120-084

Name of State Program

State Aid Public:  
Equalization Aid  
Special Education Categorical Aid  
Security Aid

**NATIONAL PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section II – Financial Statement Findings**

No matters were reported

**Section III – State Financial Assistance Findings and Questioned Costs**

FEDERAL AWARDS

N/A

STATE AWARDS

No matters were reported

**NATIONAL PARK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Status of Prior Year Findings: N/A

Finding: N/A

Condition: N/A

Current status: N/A