

**SCHOOL DISTRICT
OF**

BARRINGTON

**Barrington Board of Education
Barrington, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

**Annual Comprehensive
Financial Report**

of the

Barrington Board of Education

Barrington, New Jersey

For the Fiscal Year Ended June 30, 2021

**Prepared by
Barrington Board of Education
Finance Department**

BARRINGTON SCHOOL DISTRICT

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Introductory Section

Barrington School District

311 Reading Avenue

Barrington, NJ 08007

(856) 547-8467

(856) 547-5533 (fax)

Anthony Arcodia
Superintendent

Samuel Dutkin
*School Business Administrator/
Board Secretary*

January 28, 2022

Honorable President and
Members of the Board of Education
Barrington School District
County of Camden, New Jersey

Dear Board Members:

The Annual Comprehensive Annual Financial Report (ACFR) of the Barrington School District for the fiscal year ended June 30, 2021, 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. 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 ACFR 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 officers. The financial section includes the general purpose 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 Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (Uniform Guidance), and State of New Jersey Circular OMB15-08. 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: Barrington School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Barrington Board of Education and all its schools constitute the District's reporting entity.

The District provides the following services:

- K-8 regular education
- Remedial services for at-risk students
- Special Education programs and related services as indicated in the Individual Education Plan (IEP) and required by N.J.A.C. 6:14, including a Preschool Disabilities Program
- Participation in the National School Lunch Program
- Transportation services, both public and nonpublic
- Tuition for the students who choose to attend Haddon Heights High School for grades 9-12.

2. **ECONOMIC CONDITION AND OUTLOOK:** The Barrington area is experiencing little change in demographics. Ratables have decreased. The community continues to benefit from grant programs for economic redevelopment of the downtown landscape.
3. **MAJOR INITIATIVES.** The administration continues to incorporate the common core standards into the educational programs, and to enhance technology use across content areas. Efforts are also being implemented to enhance school/community communications through the use of technology.
4. **INTERNAL ACCOUNTING CONTROLS.** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure 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 the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

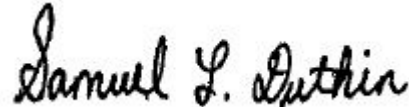
5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.
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. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by a state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board also carried Builders Risk coverage for the facility expansion and renovation projects.
9. **OTHER INFORMATION: Independent Audit –** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, LLC was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of of Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (Uniform Guidance), and State of New Jersey OMB 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.
10. **ACKNOWLEDGMENTS:** We would like to once again express our appreciation to the members of the Barrington 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,



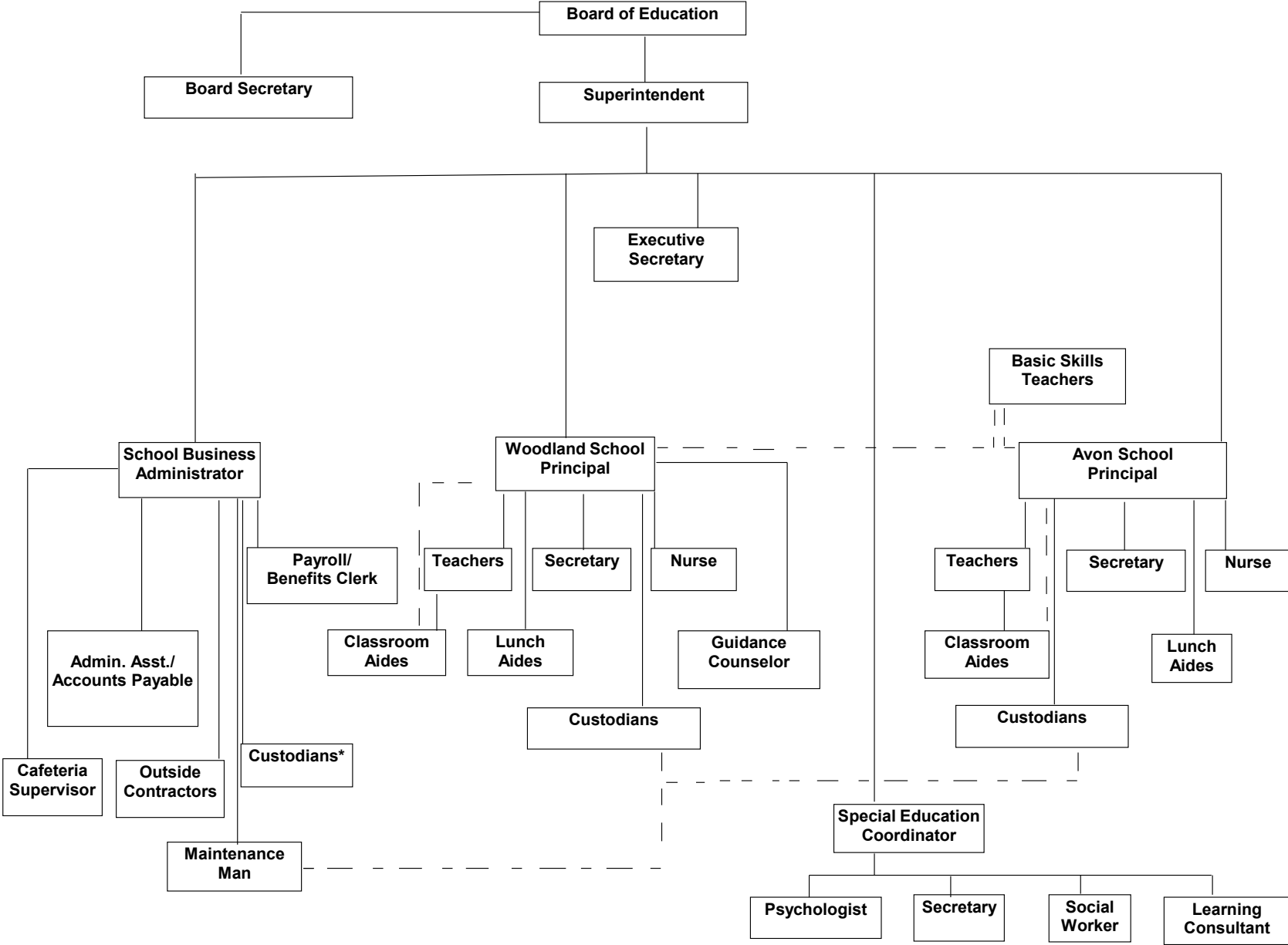
Anthony Arcodia
Superintendent of Schools



Samuel Dutkin
School Business Administrator/
Board Secretary

BARRINGTON BOARD OF EDUCATION

Organizational Chart (Unit Control)



*Summer

BARRINGTON SCHOOL DISTRICT

**Roster of Officials
June 30, 2021**

Members of the Board of Education:

Term Expires

Carla Bolling, President	2022
Jennifer Schuster, Vice President	2023
Christina Barbato	2023
Sherry Chin-Glaser	2021
Mark Correa	2021
Matthew Edwards	2021
Noreen Kinkler	2021
Robert Klopp	2022
Ruth Ross	2023

Other Officials:

- Anthony Arcodia, Superintendent
- Samuel Dutkin, Business Administrator/Board Secretary
- Mary E. Bakey, Treasurer
- Mark G. Toscano, Esq., Solicitor, Comegno Law Group

BARRINGTON SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Mark G. Toscano, Esquire
521 Pleasant Valley Avenue
Moorestown, NJ 08057

Broker of Record

Hardenbergh Insurance Group
8000 Sagemore Drive
Suite 8101
Marlton, NJ 08053

Official Depository

BB&T Bank
305 White Horse Pike
Lawnside, NJ 08045

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@inversocpa.com

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Barrington School District
County of Camden
Barrington, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I 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 School 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 School District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 21 to the financial statements, during the fiscal year ended June 30, 2021, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. My opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Barrington School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 28, 2022 on my consideration of the Barrington School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Barrington School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 28, 2022

Required Supplementary Information - Part I
Management's Discussion and Analysis

**Barrington School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

As management of the Board of Education of the Barrington, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$2,301,873 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$1,988,379. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, accrued interest payable, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$1,738,929, or an 325.60% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the operations in the governmental funds.
- Fund balance of the School District's governmental funds increased by \$370,258 resulting in an ending fund balance of \$3,005,327. This increase is the results of operations in the general fund.
- Business-type activities have unrestricted net position of \$62,363 which may be used for the operation of the School District's enterprise-related activities (Food Services Program).
- The School District's long-term obligations decreased by \$558,814 which is the reduction of general obligation bonds, pension liability, capital leases and compensated absences.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2022. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2022.

The assets of the primary government activities exceeded liabilities by \$2,215,335 with a deficit unrestricted balance of \$1,988,379. As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, capital leases payable, accrued interest payable, the June state aid payment, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

The net position of the primary government does not include internal balances.

A net investment of \$1,513,375 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's students, accounts for 68.31% of the total net position of the District.

Net position of \$2,690,339 has been restricted as follows:

Tuition Reserve	\$ 700,000
Emergency Reserve	68,323
Maintenance Reserve	551,859
Capital projects	1,341,750
Unemployment Compensation	17,570
Student Activities	<u>10,837</u>
	<u>\$ 2,690,339</u>

**Barrington School District
Comparative Summary of Net Position
As of June 30, 2020 and 2021**

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current assets	\$ 3,104,338	\$ 2,671,621	\$ 101,992	\$ 27,658	\$ 3,206,330	\$ 2,699,279
Capital assets	4,756,875	3,829,814	24,175	26,714	4,781,050	3,856,528
Total assets	7,861,213	6,501,435	126,167	54,372	7,987,380	6,555,807
Deferred Outflows of Resources	349,928	468,557			349,928	468,557
LIABILITIES						
Current liabilities	595,694	568,863	39,629	10,385	635,323	579,248
Noncurrent liabilities	4,649,427	5,194,041			4,649,427	5,194,041
Total liabilities	5,245,121	5,762,904	39,629	10,385	5,284,750	5,773,289
Deferred Inflows of Resources	750,685	717,002			750,685	717,002
Net Position	\$ 2,215,335	\$ 490,086	\$ 86,538	\$ 43,987	\$ 2,301,873	\$ 534,073
Net Position Consists of:						
Net investment in						
Capital Assets	\$ 1,513,375	\$ 399,071	\$ 24,175	\$ 26,714	\$ 1,537,550	\$ 425,785
Restricted Assets	2,690,339	2,602,663			2,690,339	2,602,663
Unrestricted Assets	(1,988,379)	(2,511,648)	62,363	17,273	(1,926,016)	(2,494,375)
Net Position	\$ 2,215,335	\$ 490,086	\$ 86,538	\$ 43,987	\$ 2,301,873	\$ 534,073

Governmental Activities

Governmental activities increased the net position of the School District by \$1,696,378 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Depreciation expense of \$581,452.
- Results of Operations in the General Fund of \$370,256.
- Payment of Bond and Capital Lease Principal of \$325,743.

Business-type Activities

Business-type activities increased the School District's net position by \$42,551. Key elements of the increase in net position for business-type activities are as follows:

- The food service fund had a net gain of \$42,551.

Barrington School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenue						
Charges for services	\$ 15,455	\$ -	\$ 70	\$ 76,154	\$ 15,525	\$ 76,154
Operating grants and contributions	6,116,310	4,460,294	226,058	94,715	6,342,368	4,555,009
General Revenue						
Property taxes	11,174,816	10,956,361			11,174,816	10,956,361
State aid - unrestricted	3,708,992	3,524,928			3,708,992	3,524,928
Other revenues	30,016	21,447	17	176	30,033	21,623
Total Revenues	21,045,589	18,963,030	226,145	171,045	21,271,734	19,134,075
Expenses:						
Governmental Activities:						
Instruction	4,999,812	5,139,303			4,999,812	5,139,303
Tuition	4,282,246	3,993,328			4,282,246	3,993,328
Related services	1,168,570	1,136,268			1,168,570	1,136,268
Administrative services	753,458	865,100			753,458	865,100
Operations and Maintenance	9,520	1,098,153			9,520	1,098,153
Transportation	406,149	379,076			406,149	379,076
Interest on debt	133,650	145,650			133,650	145,650
Other	-	104,658			-	104,658
Employee Benefits	7,593,167	5,973,320			7,593,167	5,973,320
Business-Type Activities:						
Food Service			183,594	195,465	183,594	195,465
Total Expenses	19,346,572	18,834,856	183,594	195,465	19,530,166	19,030,321
Increase (Decrease) in Net Position before transfers	1,699,017	128,174	42,551	(24,420)	1,741,568	103,754
Transfers	(2,639)				(2,639)	
Change in Net Position	1,696,378	128,174	42,551	(24,420)	1,738,929	103,754
Net Position, July 1	490,086	361,912	43,987	68,407	534,073	430,319
Prior Period Adjustment	28,871				28,871	
Net Position, July 1 Restated	518,957		43,987		562,944	
Net Position, June 30	\$2,215,335	\$ 490,086	\$86,538	\$ 43,987	\$2,301,873	\$ 534,073

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,005,327, an increase of \$370,256 in comparison with the prior year. The increase can be attributed to the results of operations in the general fund and a prior period adjustment.

The unassigned general fund balance at the end of the fiscal year is \$86,212. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed as follows: 1) restricted cash reserved for future capital outlay expenditures \$1,341,750, 2) appropriated as a revenue source in the subsequent year's budget \$139,036, 3) reserved for year-end encumbrances \$89,740 4) reserved for tuition \$700,000, 5) reserved for emergency \$68,323, 6) reserved for future maintenance projects \$551,859, 7) reserved for unemployment compensation \$17,570, or 8) reserved for student activities \$10,837.

The general fund is the chief operating fund of the School District. As discussed earlier, the minimal fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

Revenue is generally recognized at the time that the outlays are identified; therefore, no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$437,563, while total fund balance (budgetary basis) was \$3,345,841. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$16,277,992. Unassigned fund balance (budgetary basis) represents 2.69% of expenditures while total fund balance (budgetary basis) represents 20.55% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$4,781,050 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total increase in the District's investment in capital assets for the current fiscal year was \$924,522, or an 9.18% decrease.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$583,991
- Capital Additions totaling \$1,508,513

Barrington School District
Capital Asset (net of accumulated depreciation)
June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
Land	\$ 133,067	\$ 133,067			\$ 133,067	\$ 133,067
Const. in Progress					-	-
Site Improvements	20,608	24,204			20,608	24,204
Building and Building Improvements	4,468,504	3,561,607			4,468,504	3,561,607
Equipment	134,696	110,936	\$ 24,175	\$ 26,710	158,871	137,646
Total	\$ 4,756,875	\$ 3,829,814	\$ 24,175	\$ 26,710	\$ 4,781,050	\$ 3,856,524

Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2021, the School District had total bonded debt outstanding of \$3,105,000 backed by the full faith and credit of the School District. In addition, the School District has future compensated absences of \$67,785.

General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$15,840,293 and the legal debt margin was \$12,735,293.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District’s budget for the 2021-2022 fiscal year.

- For the 2021-22 fiscal year the School District will be receiving a slight increase in state aid. The local tax levy in the General Fund increased \$214,460 over the previous year. Salaries continue to increase contractually; however, the District has managed to control costs. The 2021-22 General Fund Budget is \$561,019 greater than the previous year or a 3.65% increase.

Requests for Information

This financial report is designed to provide a general overview of the School District’s finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Barrington School District Business Administrator, 311 Reading Avenue, Barrington, New Jersey, 08007, telephone number (856) 547-8648.

Basic Financial Statements

District-Wide Financial Statements

BARRINGTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 155,426	\$ 73,638	\$ 229,064
Accounts Receivables, net	286,980	19,365	306,345
Inventory		8,989	8,989
Restricted assets:			
Cash and cash equivalents	2,661,932		2,661,932
Capital assets, net	4,756,875	24,175	4,781,050
Total Assets	<u>7,861,213</u>	<u>126,167</u>	<u>7,987,380</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>349,928</u>	<u>-</u>	<u>349,928</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>8,211,141</u>	<u>126,167</u>	<u>8,337,308</u>
LIABILITIES:			
Accounts payable			
Other	96,460	21,981	118,441
Related to pensions	123,321		123,321
Internal Balances	(12,748)	12,748	
Accrued Liabilities			
Interest payable	31,050		31,050
Unearned revenue	15,299	4,900	20,199
Noncurrent liabilities:			
Due within one year	342,312		342,312
Due beyond one year	4,649,427		4,649,427
Total Liabilities	<u>5,245,121</u>	<u>39,629</u>	<u>5,284,750</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>750,685</u>	<u>-</u>	<u>750,685</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>5,995,806</u>	<u>39,629</u>	<u>6,035,435</u>
NET POSITION:			
Net investment in capital assets	1,513,375	24,175	1,537,550
Restricted for:			
Capital projects	1,341,750		1,341,750
Maintenance	551,859		551,859
Tuition	700,000		700,000
Emergency	68,323		68,323
Unemployment Compensation	17,570		17,570
Student Activities	10,837		10,837
Unrestricted (Deficit)	<u>(1,988,379)</u>	<u>62,363</u>	<u>(1,926,016)</u>
Total Net Position	<u>\$ 2,215,335</u>	<u>\$ 86,538</u>	<u>\$ 2,301,873</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BARRINGTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 2,967,474	\$ 15,455	\$ 86,356	\$ -	\$ (2,865,663)	\$ -	\$ (2,865,663)
Special Education	1,654,639		186,035		(1,468,604)		(1,468,604)
Other instruction	377,699				(377,699)		(377,699)
Support Services:							
Tuition	4,282,246				(4,282,246)		(4,282,246)
Student & instruction related services	1,168,570		73,131		(1,095,439)		(1,095,439)
General administrative services	249,884				(249,884)		(249,884)
School administrative services	195,819				(195,819)		(195,819)
Central administrative services	307,755				(307,755)		(307,755)
Plant operations and maintenance	9,520				(9,520)		(9,520)
Pupil transportation	406,149				(406,149)		(406,149)
Unallocated employee benefits	7,593,167		5,770,788		(1,822,379)		(1,822,379)
Transfer of funds to Charter Schools	2,639				(2,639)		(2,639)
Interest on long-term debt	133,650				(133,650)		(133,650)
Unallocated depreciation and amortization					-		-
Total Governmental Activities	<u>19,349,211</u>	<u>15,455</u>	<u>6,116,310</u>	<u>-</u>	<u>(13,217,446)</u>	<u>-</u>	<u>(13,217,446)</u>
Business-Type Activities:							
Food service	<u>183,594</u>	<u>70</u>	<u>226,058</u>	<u>-</u>	<u>-</u>	<u>42,534</u>	<u>42,534</u>
Total Business-Type Activities	<u>183,594</u>	<u>70</u>	<u>226,058</u>	<u>-</u>	<u>-</u>	<u>42,534</u>	<u>42,534</u>
Total Primary Government	<u>\$ 19,532,805</u>	<u>\$ 15,525</u>	<u>\$ 6,342,368</u>	<u>\$ -</u>	<u>(13,217,446)</u>	<u>42,534</u>	<u>(13,174,912)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					10,723,016		10,723,016
Taxes levied for debt service					451,800		451,800
Federal and State aid unrestricted					3,708,992		3,708,992
Investment and Interest earnings - restricted					10		10
Miscellaneous					30,006	17	30,023
Special Items:							
Transfer							-
Total general revenues, special items, extraordinary items and transfers					<u>14,913,824</u>	<u>17</u>	<u>14,913,841</u>
Change in Net Position					1,696,378	42,551	1,738,929
Net Position - July 1,					490,086	43,987	534,073
Prior Period Adjustments					28,871		28,871
Net Position - July 1, Restated					<u>518,957</u>	<u>43,987</u>	<u>562,944</u>
Net Position - June 30					<u>\$ 2,215,335</u>	<u>\$ 86,538</u>	<u>\$ 2,301,873</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Fund Financial Statements

BARRINGTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 2,614,572	\$ 10,836	\$ 191,950	\$ -	\$ 2,817,358
Interfund Accounts Receivable					
Special Revenue Fund	47,085				47,085
Capital Projects Fund	191,950				191,950
Enterprise Fund	12,748				12,748
Intergovernmental Accounts Receivables:					
State	210,579				210,579
Federal		71,401			71,401
Other Accounts Receivable	5,000				5,000
Total Assets	<u>\$ 3,081,934</u>	<u>\$ 82,237</u>	<u>\$ 191,950</u>	<u>\$ -</u>	<u>\$ 3,356,121</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable					
General Fund		47,085	191,950		239,035
Accounts Payable:					
Payroll Deductions and Withholdings Payable	1,521				1,521
Unemployment Claims Payable	11,450				11,450
Other	74,473	9,016			83,489
Unearned Revenue		15,299			15,299
Total Liabilities	<u>87,444</u>	<u>71,400</u>	<u>191,950</u>		<u>350,794</u>
Fund Balances:					
Restricted:					
Capital Reserve	1,341,750				1,341,750
Maintenance Reserve	551,859				551,859
Tuition Reserve	700,000				700,000
Emergency Reserve	68,323				68,323
Unemployment Compensation	17,570				17,570
Student Activities		10,837			10,837
Assigned to:					
Other Purposes	89,740				89,740
Designated for Subsequent Year's Expenditures	139,036				139,036
Unassigned	86,212				86,212
Total Fund Balances	<u>2,994,490</u>	<u>10,837</u>			<u>3,005,327</u>
Total Liabilities and Fund Balances	<u>\$ 3,081,934</u>	<u>\$ 82,237</u>	<u>\$ 191,950</u>	<u>\$ -</u>	

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 the assets is \$14,129,540 and the accumulated depreciation is \$9,372,665.	4,756,875
Bond issuance premiums are recorded as revenue in the Governmental Funds in the year of receipt. The premiums are amortized over the life of the issued bonds.	(138,500)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(31,050)
Accounts payable related to the April 1, 2022 required PERS contribution that is not to be liquidated with current financial resources.	(123,321)
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred Outflows of resources from Pensions	\$ 349,928
Net Pension Liability	(1,680,454)
Deferred Inflows of resources from Pensions	<u>(750,685)</u>
	(2,081,211)
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:	
General Obligation Bonds	(3,105,000)
Compensated Absences Payable	<u>(67,785)</u>
	<u>(3,172,785)</u>
Net position of governmental activities	<u>\$ 2,215,335</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BARRINGTON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 10,723,016	\$ -	\$ -	\$ 451,800	\$ 11,174,816
Tuition charges	15,455				15,455
Interest on emergency reserve	45				45
Interest on maintenance reserve	214				214
Interest on capital reserve	523				523
Other restricted miscellaneous revenues	10				10
Unrestricted miscellaneous revenues	29,224				29,224
Federal sources		334,090			334,090
State sources	5,880,235				5,880,235
Local sources		12,537			12,537
Total Revenues	16,648,722	346,627	-	451,800	17,447,149
EXPENDITURES:					
Current expense:					
Regular instruction	2,913,781	86,356			3,000,137
Special education instruction	1,468,604	186,035			1,654,639
Other instruction	377,699				377,699
Support services and undistributed costs:					
Tuition	4,282,246				4,282,246
Student & instruction related services	1,094,965	73,605			1,168,570
General administrative services	249,884				249,884
School administrative services	195,819				195,819
Central services	180,105				180,105
Administrative information technology	127,650				127,650
Plant operations and maintenance	806,485				806,485
Pupil transportation	406,149				406,149
Unallocated employee benefits	4,031,127	1,105			4,032,232
Capital outlay	140,839				140,839
Transfer to Charter School	2,639				2,639
Debt service:					
Principal				315,000	315,000
Interest and other charges				136,800	136,800
Total Expenditures	16,277,992	347,101	-	451,800	17,076,893
Excess (Deficiency) of Revenues over (under) Expenditures	370,730	(474)	-	-	370,256
Other Financing Sources (Uses):					
Transfers in					-
Transfers out					-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	370,730	(474)	-	-	370,256
Fund Balance - July 1	2,606,200	-	-	-	2,606,200
Prior Period Adjustments	17,560	11,311			28,871
Fund Balance - July 1, Restated	2,623,760	11,311			2,635,071
Fund Balances - June 30	\$ 2,994,490	\$ 10,837	\$ -	\$ -	\$ 3,005,327

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BARRINGTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 370,256

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Governmental Funds report capital outlays 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 current period.

Depreciation expense	\$ (581,452)	
Capital Outlay Additions	<u>1,508,513</u>	927,061

Repayment of long-term debt 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. 315,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 10,743

Bond Premium arising from the issuance of the refunding school bonds is recorded as a deferred inflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of amortization. 17,313

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. 37,505

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt. 3,150

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 (+). 15,350

Change in net position of Governmental Activities \$ 1,696,378

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BARRINGTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities Enterprise Funds
	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 73,638
Intergovernmental receivables:	
State	922
Federal	18,443
Inventories	8,989
Total current assets	101,992
Noncurrent assets:	
Machinery and equipment (net of accumulated depreciation)	24,175
Total noncurrent assets	24,175
Total Assets	126,167
LIABILITIES:	
Current liabilities:	
Accounts Payable	21,981
Interfund Payable	12,748
Unearned Revenue	4,900
Total current liabilities	39,629
NET POSITION:	
Net investment in capital assets	24,175
Unrestricted	62,363
Total Net Position	\$ 86,538

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BARRINGTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds
	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ -
Non-reimbursable programs	70
	70
Total Operating Revenue	70
Operating Expenses:	
Salaries	68,770
Employee benefits	11,267
Supplies and materials	3,015
Management fee	22,231
Other costs	10,380
Depreciation	2,539
Cost of Sales - reimbursable programs	65,370
Cost of Sales - non-reimbursable programs	22
	183,594
Total Operating Expenses	183,594
Operating Income (Loss)	(183,524)
Non-Operating Revenues:	
State sources:	
State school lunch program	6,420
Federal sources:	
National school lunch program	134,311
School breakfast program	66,785
Food distribution program	18,542
Local sources:	
Interest earned	17
	226,075
Total Non-Operating Revenues	226,075
Income (Loss) before Contributions and Transfers	42,551
Operating Transfers In	-
Change in Net Position	42,551
Net Position - July 1, 2020	43,987
Net Position - June 30, 2021	\$ 86,538

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

BARRINGTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ (1,676)
Cash payments to employees for services	(55,150)
Cash payments to suppliers for goods and services	(78,214)
	(135,040)
Net Cash Provided by (used for) Operating Activities	(135,040)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	6,050
Cash received from federal sources	192,593
	198,643
Net Cash Provided by (used for) Noncapital Financing Activities	198,643
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	17
	17
Net Increase (Decrease) in Cash and Cash Equivalents	63,620
Cash and Cash Equivalents - July 1, 2020	10,018
	10,018
Cash and Cash Equivalents - June 30, 2021	\$ 73,638
	73,638
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (183,524)
Adjustments to Reconcile Operating Income	
(Loss) to Cash Provided by (used for) Operating Activities:	
Depreciation	2,539
Commodities	18,542
Change in Assets and Liabilities:	
(Increase) Decrease in Inventories	(1,841)
Increase (Decrease) in Accounts Payables	18,241
Increase (Decrease) in Interfund Payables	12,748
Increase (Decrease) in Unearned Revenue	(1,745)
	(1,745)
Net Cash Provided by (used for) Operating Activities	\$ (135,040)

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Barrington School District (“School District”) is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12, attend, on a tuition basis, the Haddon Heights High School District. The Barrington School District has an approximate enrollment at June 30, 2021 of 553 students.

The primary criteria for including activities within the School District’s reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government’s management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the 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. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and 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 classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America 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 which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds - Proprietary funds are used to account for the School District’s ongoing activities, which are similar to those in the private sector.

Enterprise Funds – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District’s enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued) – The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as 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 School 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 School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued) - Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America 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. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

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. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned 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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and 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.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 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 public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2021 and 2020 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Bond Discount and Bond Premium – Bond discount and bond premium arising from the issuance of the general obligation bonds are recorded as liabilities. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount of the bonds.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position (Continued) Net position is classified into the following three components:

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net position is 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 law or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District’s policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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:

Nonspendable – The nonspendable 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” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2021.

Restricted – This 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 (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This 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. 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 imposing the commitment.

Assigned – This 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 – This fund balance classification is the residual classification for the General Fund. It 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 governmental 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, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition fees for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements – In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. This Statement should have no impact on the District's financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. This Statement should have no impact on the District's financial statements.

In May 2020, the 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 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$3,147,614 as of June 30, 2021, \$250,000 was insured under FDIC and the remaining balance of \$2,897,614 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District 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 School District’s approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-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, 2020 to June 30, 2021 fiscal year is as follow:

Balance – July 1, 2020		\$ 1,137,180
Increased by:		
Interest earned	\$ 945	
Unspent appropriations	183,625	
Board resolution	370,000	554,570
		1,691,750
Decreased by:		
Budget withdrawal		350,000
Balance – June 30, 2021		\$ 1,340,750

The June 30, 2021 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2021 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2021 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 210,579	\$ -	\$ 922	\$ 211,501
Federal	-	71,401	18,443	89,844
Other	5,000	-	-	5,000
Total	<u>\$ 215,579</u>	<u>\$ 71,401</u>	<u>\$ 19,365</u>	<u>\$ 306,345</u>

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Land	\$ 133,067	\$ -	\$ -	\$ 133,067
Construction in Progress	-			-
Total Capital Assets Not Being Depreciated	133,067			133,067
Land Improvements	164,050			164,050
Building and Improvements	11,660,612	1,462,509		13,123,121
Vehicles	54,170			54,170
Equipment	609,128	46,004		655,132
Total Historical Cost	<u>12,621,027</u>	<u>1,508,513</u>	<u>-</u>	<u>14,129,540</u>
Less Accumulated Depreciation:				
Land Improvements	(139,846)	(3,596)		(143,442)
Building and Improvements	(8,099,005)	(555,612)		(8,654,617)
Vehicles	(32,769)	(3,021)		(35,790)
Equipment	(519,593)	(19,223)		(538,816)
Total Accumulated Depreciation	<u>(8,791,213)</u>	<u>(581,452)</u>	<u>-</u>	<u>(9,372,665)</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,829,814</u>	<u>\$ 927,061</u>	<u>\$ -</u>	<u>\$ 4,756,875</u>

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

5. CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-Type Activities:				
Equipment	\$ 85,889	\$ -	\$ -	\$ 85,889
Less - Accumulated Depreciation	<u>(59,175)</u>	<u>(2,539)</u>		<u>(61,714)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 26,714</u>	<u>\$ (2,539)</u>	<u>\$ -</u>	<u>\$ 24,175</u>

Depreciation expense in the amount of \$581,452 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 407,016
Central Administration	29,073
General Administration	29,073
Unallocated	<u>116,290</u>
Total depreciation expense	<u>\$ 581,452</u>

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$ 6,719
Supplies	<u>2,270</u>
	<u>\$ 8,989</u>

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations:

	<u>Principal</u> <u>Outstanding</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal</u> <u>Outstanding</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences Obligations under Capital Leases	\$ 83,135	\$ -	\$ 15,350	\$ 67,785	\$ -
Unamortized Bond Premium	10,743	-	10,743	-	-
General Obligation Bonds	155,813	-	17,313	138,500	17,312
Net Pension Liability	3,420,000	-	315,000	3,105,000	325,000
	1,880,862	-	200,408	1,680,454	-
	<u>\$ 5,550,553</u>	<u>\$ -</u>	<u>\$ 558,814</u>	<u>\$ 4,991,739</u>	<u>\$ 342,312</u>

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7. LONG-TERM OBLIGATIONS (Continued)

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Outstanding bonds issued by the School District are as follows:

Series 2012 Refunding Bonds dated December 19, 2012 in the amount of \$3,105,000 due in annual installments through April 1, 2029, bearing an interest rate of 4.00%.

As of June 30, 2021, principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 325,000	\$ 124,200	\$ 449,200
2023	345,000	111,200	456,200
2024	370,000	97,400	467,400
2025	385,000	82,600	467,600
2026	405,000	67,200	472,200
2027-2029	<u>1,275,000</u>	<u>102,000</u>	<u>1,377,000</u>
Total	<u>\$ 3,105,000</u>	<u>\$ 584,600</u>	<u>\$ 3,689,600</u>

As of June 30, 2021, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

8. OPERATING LEASES

At June 30, 2021, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$13,912 for the fiscal year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ 13,912
2023	<u>11,278</u>
	<u>\$ 25,190</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$1,095,330 and was paid by April 1, 2021. School District employee contributions to the pension plan during the fiscal year ended June 30, 2021 were \$392,385.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2021, the School District recognized pension expense of \$1,979,284 and revenue of \$1,979,284 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/20</u>	<u>06/30/19</u>
Collective deferred outflows of resources	\$ 9,458,881,999	\$ 9,932,767,606
Collective deferred inflows of resources	14,424,322,612	17,539,845,423
Collective net pension liability (Non-Employer – State of New Jersey)	65,993,498,688	61,519,112,443
State's portion of the net pension liability that was associated with the School District	31,829,338	27,985,628
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0483370073%	.0456007786%

Actuarial assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55- 4.45%
	based on years of service
Thereafter	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality tables with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Discount rate. The discount rate used to measure the State's total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 5.40%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.40%) or 1 percentage point higher (6.40%) that the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	37,387,285	31,829,338	27,214,396
	\$ 37,387,285	\$ 31,829,338	\$ 27,214,396

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The School District's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Based on the most recent PERS measurement date of June 30, 2020, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$112,730 and was paid by April 1, 2021. School District employee contributions to the pension plan during the fiscal year ended June 30, 2021 were \$58,955.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2021	\$ 12,870	\$ 94,411	\$ 5,449	\$ -	\$ 112,730
2020	9,396	86,949	5,192	77	101,614
2019	12,290	81,588	4,472	97	98,447

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2021, the School District reported a liability of \$1,680,454 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2021, the School District recognized pension expense of \$75,224. At June 30, 202, the School District reported a liability of \$1,680,454 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,598	\$ 5,943
Changes of assumptions	54,516	703,622
Net Difference between projected and actual earnings on pension plan investments	57,439	-
Changes in proportion	84,054	41,120
District contributions subsequent to the measurement date	123,321	
Total	\$ 349,928	\$ 750,685

\$123,321 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (189,746)
2023	(151,526)
2024	(112,611)
2025	(59,576)
2026	(10,619)
Total	\$ (524,078)

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.16	-
June 30, 2020	5.16	
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00

Additional Information

Collective balances at June 30, 2020 and 2019 are as follows:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective deferred outflows of resources	\$ 2,590,600,991	\$ 3,149,522,616
Collective deferred inflows of resources	\$ 12,009,239,423	\$ 7,645,087,574
Collective net pension liability	\$ 16,435,616,426	\$ 18,143,832,135
School District's Proportion	.0103048627%	.0104385147%

Actuarial assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
 Investment Rate of Return	 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 2,115,411	\$ 1,680,454	\$ 1,311,381

Pension Plan fiduciary net position. 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.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. 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 provisions are established by N.J.S.A. 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. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted 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, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Total Liability	Paid by School District
2021	\$ 5,335	\$ 5,335
2020	5,339	5,339
2019	4,418	4,418

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 – Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the “State”) in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32F, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teacher’s Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS). 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.

Plan Membership

As of June 30, 2019, the program membership consisted of the following:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	366,108

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 Plan for qualified retired PERS, TPAF and PFRS 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.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases Through 2026	1.55 – 4.45% based on service years	2.00 – 6.00% based on service years	3.25 – 15.25% based on service years
Thereafter	1.55 – 4.45% based on service years	3.00 - 7.00% based on service years	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy Teacher’s (TPAF), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using the Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 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, PERS and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate - The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	Total OPEB Liability
Balance as of June 30, 2019	\$ 18,017,972
Changes for the years'	
Service Cost	857,290
Interest	652,082
Changes of benefit terms	
Differences between expected and actual experience	4,831,003
Changes in assumptions	5,333,671
Gross Benefit Payments	(508,332)
Contributions from the Non-employer	N/A
Contributions from the Member	15,408
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ 11,181,122
Balance at 06/30/2020	\$ 29,199,094

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 35,201,015	\$ 29,199,094	\$ 24,506,170

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2020, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 23,570,493	\$ 29,199,094	\$ 35,901,506

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the fiscal year ended June 30, 2021, the School District recognized \$1,543,932 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, 2020 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 by the School District.

At June 30, 2021, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 239,577	\$ (94,247)
Differences between expected and actual experience	4,433,183	(3,948,922)
Changes of assumptions	4,966,670	(3,331,782)
Total	\$ 9,639,430	\$ (7,374,951)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State’s proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2021	\$ 19,988
2022	19,988
2023	19,988
2024	19,988
2025	19,988
Thereafter	2,164,539
Total	\$ 2,264,479

Detailed information about the pension plan’s sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$1,366,096, \$428,113, and \$1,068, respectively. In addition, \$375,966 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Joint Insurance Pool - The School District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). Insurance coverage as provided by the Fund can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Annual contributions to the Fund are determined by the Fund’s Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund’s Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained at www.njsbaig.com.

New Jersey Unemployment Compensation Insurance - Effective January 1, 2015, The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "benefit reimbursement method" in lieu of the “contributory method”. Under this plan, the District is required to maintain a trust fund and reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the School District’s unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ -	\$ -	\$ 10	\$ -	\$ 17,570
2019-2020	10,545	39	42	2,374	17,560
2018-2019	10,328	6,412	1	17,905	9,308

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

14. COMPENSATED ABSENCES

The School 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 not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years.

Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2021, the liability for compensated absences in the governmental activities fund types was \$67,785.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2022. The following interfund balances were recorded on the various balance sheets as of June 30, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 251,783	\$ -
Special Revenue	-	47,085
Capital Projects	-	191,950
Proprietary Fund	-	12,748
	<u>\$ 251,783</u>	<u>\$ 251,783</u>

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2021, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. 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.

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

17. TAX ABATEMENTS (CONTINUED)

If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

The Borough of Barrington (Municipality) provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Municipality are for affordable housing and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

The municipality recognized revenue of \$92,906 from the annual service charge in lieu of payment of taxes in 2020. The assessed value on these tax exemption properties amounted to \$22,326,900 which would have resulted in 2020 taxes billed in full of \$982,384. A portion of the \$889,478 abatement would have been allocated to the District.

18. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with a third party to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to the third party for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ -	\$ 7,202	\$ 6,938	\$ 1,521
2020	-	411	5,738	1,257
2019	-	15,940	12,611	3,255

**Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

20. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2021, a deficit of \$1,988,379 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2021	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 86,212
Assigned	228,776
Liabilities:	
Accrued Interest Payable	(31,050)
Net Pension Differences	(2,204,532)
Compensated Absences	<u>(67,785)</u>
Unrestricted Net Position (Deficit)	<u>\$ (1,988,379)</u>

21. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District’s fund balance are summarized as follows:

General Fund:

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2021 in the amount of \$700,000 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. \$350,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022 and \$350,000 is reserved for use in the June 30, 2023 year.

Capital Reserve – As of June 30, 2021, the balance in the capital reserve account is \$1,341,750. Of this amount, \$400,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022. The remaining amount is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long-Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2021, the balance in the maintenance reserve account is \$551,859. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Emergency Reserve – As of June 30, 2021, the balance in the emergency reserve is \$68,323. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Unemployment Compensation – As of June 30, 2021, the balance in the unemployment compensation reserve is \$17,570. These funds are restricted for the purpose of financing unemployment claims.

Special Revenue Fund:

Student Activities – As of June 30, 2021, the balance in student activities is \$10,837.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

21. FUND BALANCES (Continued)

ASSIGNED

As stated in Note 1, 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. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021, \$139,036 of general fund balance.

Other Purposes – At June 30, 2021 the School District has \$89,740 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2021, the unassigned fund balance of the general fund was \$86,212.

Barrington School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

21. PRIOR PERIOD ADJUSTMENT

GASB Statement No. 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020, were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 490,086	\$ 28,871	\$ 518,957
<u>Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	2,606,200	17,560	2,623,760
Special Revenue Fund:			
Fund Balance - June 30		11,311	11,311
<u>Statement of Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	17,560	(17,560)	-
Student Activity Fund:			
Net Position - End of the Year	11,311	(11,311)	-

22. SUBSEQUENT EVENTS

COVID-19 - The management of the School District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. The COVID-19 pandemic in New Jersey is ongoing. While the impact that COVID-19 will have on the School District is uncertain, there has been no material impact to the financial statements at this time.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 10,723,016	\$ -	\$ 10,723,016	\$ 10,723,016	\$ -
Tuition from Individuals	8,000		8,000	8,000	
Tuition from other LEA's (within state)	6,000		6,000	7,455	1,455
Interest earned on Emergency Reserve	1,352		1,352	45	(1,307)
Interest earned on Maintenance Reserve	3,203		3,203	214	(2,989)
Interest earned on Capital Reserve	5,707		5,707	523	(5,184)
Other restricted miscellaneous revenues				10	10
Unrestricted miscellaneous revenues	13,738	-	13,738	29,224	15,486
Total local sources	10,761,016		10,761,016	10,768,487	7,471
State sources:					
Categorical Special Education Aid	557,456		557,456	557,456	
Equalization Aid	3,008,272	(176,923)	2,831,349	2,831,349	
Security Aid	81,247		81,247	81,247	
Transportation Aid	75,087		75,087	75,087	
Extraordinary Aid				150,199	150,199
Nonpublic Transportation Aid				11,600	11,600
Homelss Aid				12,052	12,052
On-behalf TPAF pension contrib.. (non-budgeted)				1,366,096	1,366,096
On-behalf Post Retirement Medical (non-budgeted)				428,113	428,113
On-behalf Long Term Disability Insurance (non-budgeted)				1,068	1,068
Reimbursed TPAF social security contribution (non-budgeted)				375,966	375,966
Total state sources	3,722,062	(176,923)	3,545,139	5,890,233	2,345,094
TOTAL REVENUES	14,483,078	(176,923)	14,306,155	16,658,720	2,352,565
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	330,290		330,290	328,489	1,801
Grades 1-5	1,437,030	(108,709)	1,328,321	1,299,371	28,950
Grades 6-8	1,080,755	(700)	1,080,055	980,371	99,684
Regular Programs - Home Instruction:					
Salaries of teachers	2,000		2,000		2,000
Regular Programs - Undistributed Instruction:					
Other salaries for instruction					
Purchased professional - educational services	88,450	5,629	94,079	90,066	4,013
Purchased technical services	15,000		15,000	13,372	1,628
Other purchased services	1,500		1,500	500	1,000
General supplies	263,062	(31,090)	231,972	200,783	31,189
Textbooks	15,500		15,500		15,500
Other objects	1,940		1,940	829	1,111
Total - Regular Programs - Instruction	3,235,527	(134,870)	3,100,657	2,913,781	186,876

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of teachers	\$ 248,617	\$ (129,306)	\$ 119,311	\$ 118,476	\$ 835
Other salaries for instruction	91,047	53,728	144,775	138,325	6,450
General supplies	1,000		1,000	417	583
Total multiple disabilities	<u>340,664</u>	<u>(75,578)</u>	<u>265,086</u>	<u>257,218</u>	<u>7,868</u>
Resource room/resource center:					
Salaries of teachers	904,328	99,476	1,003,804	998,567	5,237
Other salaries for instruction	108,560	(23,898)	84,662	77,657	7,005
General supplies	5,000		5,000	2,727	2,273
Textbooks	2,000		2,000	-	2,000
Total resource room/resource center	<u>1,019,888</u>	<u>75,578</u>	<u>1,095,466</u>	<u>1,078,951</u>	<u>16,515</u>
Preschool disabilities - part time:					
Salaries of teachers	82,254		82,254	81,509	745
Other salaries for instruction	54,083		54,083	50,113	3,970
General supplies	1,000		1,000	813	187
Total preschool disabilities - part time	<u>137,337</u>		<u>137,337</u>	<u>132,435</u>	<u>4,902</u>
Total Special Education - Instruction	<u>1,497,889</u>		<u>1,497,889</u>	<u>1,468,604</u>	<u>29,285</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	282,917	50,000	332,917	332,019	898
General supplies	3,000		3,000	773	2,227
Total basic skills/remedial - instruction	<u>285,917</u>	<u>50,000</u>	<u>335,917</u>	<u>332,792</u>	<u>3,125</u>
School Sponsored Cocurricular Activities - Instruc.					
Salaries	10,000	17,976	27,976	27,976	
School Sponsored Athletics - Instruc.					
Salaries	20,000	(5,639)	14,361	14,361	
Purchased services	5,000	(2,610)	2,390	2,390	
Supplies and Materials	3,000	(2,820)	180	180	
Other objects	3,700	(3,700)	-	-	
Total school sponsored athletics - instruc	<u>31,700</u>	<u>(14,769)</u>	<u>16,931</u>	<u>16,931</u>	
Total Instruction	<u>5,061,033</u>	<u>(81,663)</u>	<u>4,979,370</u>	<u>4,760,084</u>	<u>219,286</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	\$ 3,394,644	\$ (12,411)	\$ 3,382,233	\$ 3,382,233	\$ -
Tuition to other LEAs within the state - spec	434,711	29,213	463,924	463,896	28
Tuition to County Voc. School Districts - reg.	30,000	12,184	42,184	42,184	
Tuition to County Voc. School Districts - spec.	30,000	13,842	43,842	40,401	3,441
Tuition to CSSD & Reg. Day Schools					
Tuition to priv. sch. for the disabled in state	399,090	(55,205)	343,885	330,082	13,803
Tuition - other	14,000	9,450	23,450	23,450	
Total undistributed expenditures - instruction	4,302,445	(2,927)	4,299,518	4,282,246	17,272
Attendance and Social Work Services:					
Salaries	55,885	(8,573)	47,312	30,066	17,246
Total attendance and social work services	55,885	(8,573)	47,312	30,066	17,246
Health Services:					
Salaries	145,748	8,573	154,321	154,321	
Purchased professional and technical services	10,000		10,000	7,294	2,706
Other purchased services	600		600	150	450
Supplies and materials	6,000		6,000	4,555	1,445
Other objects	5,250		5,250	5,250	
Total health services	167,598	8,573	176,171	166,320	9,851
Speech, OT, PT & Related Services:					
Salaries	170,999	(24,598)	146,401	119,383	27,018
Purchased professional - educational services	30,000	25,598	55,598	55,598	
Supplies and materials	1,000	(1,000)			
Total speech, ot, pt & related services	201,999	(1,000)	201,999	174,981	27,018
Other Support Services Student - Extra. Serv.					
Salaries	67,442		67,442		67,442
Purchased professional - educational services	250,000	(4,617)	245,383	41,411	203,972
Supplies and materials	1,037	835	1,872	1,872	
Total other support services student - extra. serv.	318,479	(3,782)	314,697	43,283	271,414
Guidance:					
Salaries of other professional staff	144,308		144,308	132,944	11,364
Supplies and materials	1,000		1,000		1,000
Total guidance	145,308		145,308	132,944	12,364

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Child Study Teams:					
Salaries of other professional staff	\$ 327,803	\$ -	\$ 327,803	\$ 322,490	\$ 5,313
Salaries of secretarial and clerical assistants	51,542		51,542	51,542	
Purchased professional - educational services	16,781		16,781		16,781
Other purchased services	4,000		4,000	2,875	1,125
Supplies and materials	6,000		6,000	5,672	328
Other objects	3,000		3,000		3,000
Total child study teams	409,126		409,126	382,579	26,547
Improvement of Instructional Services:					
Salaries of supervisors of instruction	101,964	790	102,754	102,754	
Other purchased services	200		200		200
Total improvement of instructional services	102,164	790	102,954	102,754	200
Educational Media Services/School Library:					
Salaries	61,954	(790)	61,164	48,967	12,197
Purchased professional and technical services	4,700		4,700	3,727	973
Other purchased services	1,000		1,000		1,000
Supplies and materials	6,400	1,123	7,523	3,604	3,919
Total educational media services/school library	74,054	333	74,387	56,298	18,089
Instructional Staff Training Services:					
Purchased professional - educational services	4,499	(1,123)	3,376		3,376
Other purchased services	15,000		15,000	4,823	10,177
Supplies and materials	1,000		1,000	917	83
Total instructional staff training services	20,499	(1,123)	19,376	5,740	13,636
General Administration:					
Salaries	166,966		166,966	166,966	
Legal services	15,000	(3,000)	12,000	10,079	1,921
Audit fees	25,000	500	25,500	25,500	
Architectural/Engineering Services	5,000	10,000	15,000		15,000
Purchased technical services	4,500		4,500		4,500
Communications / telephone	42,000	4,999	46,999	27,478	19,521
BOE other purchased services	3,000		3,000		3,000
Other purchased services	10,000		10,000	8,266	1,734
Supplies and materials	2,000	13,946	15,946		15,946
BOE In-House Training/Meeting supplies	1,000		1,000		1,000
Miscellaneous expenditures	6,000		6,000	4,857	1,143
BOE membership dues and fees	9,000		9,000	6,738	2,262
Total general administration	289,466	26,445	315,911	249,884	66,027

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Administration:					
Salaries of principals/assist. principals	\$ 114,819	\$ 870	\$ 115,689	\$ 115,689	\$ -
Salaries of secretarial and clerical assistants	55,885	23,817	79,702	79,702	
Other purchased services	1,100	(951)	149	149	
Supplies and materials	3,000	(2,810)	190	190	
Other objects	3,500	(3,411)	89	89	
Total school administration	178,304	17,515	195,819	195,819	
Central Services:					
Salaries	144,580	20,787	165,367	165,366	1
Purchased technical services	20,700	(9,946)	10,754	9,658	1,096
Misc. purchased services	2,500		2,500	883	1,617
Supplies and materials	9,500	(1,839)	7,661	1,009	6,652
Other objects	3,200	8	3,208	3,189	19
Total central services	180,480	9,010	189,490	180,105	9,385
Administrative Information Technology:					
Salaries	79,560	14,551	94,111	94,111	
Purchased technical services	39,276	25,450	64,726	25,983	38,743
Other purchased services	1,000		1,000		1,000
Supplies and materials	37,950	(15,787)	22,163	7,556	14,607
Total admin. information technology	157,786	24,214	182,000	127,650	54,350
Required Maintenance School Facilities:					
Salaries	82,778	(63,995)	18,783	6,520	12,263
Cleaning, repair and maintenance services	127,740	26,649	154,389	149,540	4,849
General supplies	25,000	737	25,737	24,209	1,528
Total required maintenance school facilities	235,518	(36,609)	198,909	180,269	18,640
Custodial Services:					
Salaries	267,278	65,285	332,563	319,911	12,652
Salaries of Non-Instructional Aides	51,467	(20,000)	31,467	24,294	7,173
Unused vacation payment to term/retired staff					
Purchased prof. and technical services	7,000	(1,290)	5,710	3,981	1,729
Cleaning, repair and maintenance services	11,000		11,000	9,250	1,750
Other purchased property services	20,000	8,739	28,739	28,739	
Insurance	75,500	1,261	76,761	71,531	5,230
General Supplies	24,780	2,815	27,595	5,455	22,140
Energy (Electricity)	99,890	(14,820)	85,070	82,549	2,521
Energy (Gasoline)	1,500		1,500	661	839
Energy (Natural Gas)	100,110	(12,566)	87,544	61,779	25,765
Total custodial services	658,525	29,424	687,949	608,150	79,799
Care and Upkeep of Grounds:					
Purchased prof. and technical services	15,000		15,000	14,531	469
Cleaning, repair and maintenance services	2,000		2,000		2,000
General Supplies	1,000		1,000		1,000
Total care and upkeep of grounds	18,000		18,000	14,531	3,469
Security:					
Salaries					
Purchased prof. and technical services	7,000		7,000	3,535	3,465
Total security	7,000		7,000	3,535	3,465
Total operation & maint. of plant services	919,043	(7,185)	911,858	806,485	105,373

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Management fee - ESC Transp. programs	\$ 7,000	\$ 2,000	\$ 9,000	\$ 6,513	\$ 2,487
Contr. serv. (between home & sch) - vendor	316,000	(61,996)	254,004	241,276	12,728
Contr. serv. (not between home & sch) - vendor	40,700	(25,700)	15,000	7,350	7,650
Contr. Serv. (Regular Students) - ESC	40,000	(7,569)	32,431	30,169	2,262
Contr. Serv. (Spl. Ed. Students) - ESC	40,000	45,265	85,265	85,264	1
Contr. Serv. - Aid in Lieu of Payments - nonpublic	40,000		40,000	34,777	5,223
Contr. Serv. - Aid in Lieu of Payments - charter sch	884		884	800	84
Contr. Serv. - Aid in Lieu of Payments - choice sch	4,420		4,420		4,420
Total student transportation services	489,004	(48,000)	441,004	406,149	34,855
Unallocated Benefits - Employee Benefits:					
Social security contributions	100,000	23,190	123,190	85,556	37,634
Other retirement contributions - PERS	105,000	14,400	119,400	119,400	
Unemployment compensation	15,000	(14,400)	600		600
Workmen's compensation	75,000	(3,368)	71,632	69,362	2,270
Health benefits	1,593,260	(162,920)	1,430,340	1,413,468	16,872
Tuition reimbursement	25,000		25,000		25,000
Unused Sick Payment to Term/Retired Staff	9,000	(9,000)			
Other employee benefits	80,000	92,098	172,098	172,098	
Total unallocated benefits - employee benefits	2,002,260	(60,000)	1,942,260	1,859,884	82,376
On-behalf TPAF pension contr. (non-budgeted)				1,366,096	(1,366,096)
On-behalf Post Retirement Medical (non-budgeted)				428,113	(428,113)
On-behalf Long Term Disability Insurance (non-budgeted)				1,068	(1,068)
Reimbursed TPAF social security contr. (non-budgeted)				375,966	(375,966)
Total Undistributed Expenditures	10,013,900	(44,710)	9,969,190	11,374,430	(1,405,240)
Total General Current Expense	15,074,933	(126,373)	14,948,560	16,134,514	(1,185,954)
CAPITAL OUTLAY:					
Undistributed Expend. - Req. Maint. for School Fac.					
Facilities Acquisition and Constr. Services:					
Purchased prof. and technical services	100,000	(100,000)			
Architectural/engineering Services		100,000	100,000		100,000
Construction Services	284,806		284,806	119,716	165,090
Assessment for Debt Service on SDA Funding	21,123		21,123	21,123	
Total facilities acq. and constr. services	405,929		405,929	140,839	265,090
Total Capital Outlay	405,929		405,929	140,839	265,090
Transfer to Charter Schools		16,964	16,964	2,639	14,325
TOTAL EXPENDITURES	15,480,862	(109,409)	15,371,453	16,277,992	(906,539)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(997,784)	(67,514)	(1,065,298)	380,728	1,446,026

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources:					
Proceeds of Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(997,784)	(67,514)	(1,065,298)	380,728	1,446,026
Fund Balance - July 1,	2,947,553		2,947,553	2,947,553	
Prior Period Adjustment				17,560	17,560
Fund Balance, July 1, Restated	<u>2,947,553</u>		<u>2,947,553</u>	<u>2,965,113</u>	<u>17,560</u>
Fund Balance - June 30	<u>\$ 1,949,769</u>	<u>\$ (67,514)</u>	<u>\$ 1,882,255</u>	<u>\$ 3,345,841</u>	<u>\$ 1,463,586</u>
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 400,000	
Capital Reserve				941,750	
Maintenance Reserve				551,859	
Tuition Reserve 2021-2022				350,000	
Tuition Reserve 2022-2023				350,000	
Emergency Reserve				68,323	
Unemployment Compensation				17,570	
Assigned:					
Year-end encumbrances				89,740	
Designated for Subsequent Year's Expenditures				139,036	
Unassigned				<u>437,563</u>	
				3,345,841	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(351,351)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 2,994,490</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ 12,537	\$ 12,537
State sources	-	-	-	-	-
Federal sources	440,395	-	440,395	334,090	(106,305)
Total Revenues	440,395	-	440,395	346,627	(93,768)
EXPENDITURES:					
Instruction:					
Salaries of teachers	14,437	-	14,437	10,313	4,124
Purchased professional - educ. services	18,875	-	18,875	12,225	6,650
Purchased professional - tech. services	5,000	-	5,000	5,000	-
Tuition	196,080	-	196,080	186,035	10,045
Other purchased services	-	-	-	-	-
Textbooks	-	-	-	-	-
General supplies	74,222	-	74,222	58,818	15,404
Total Instruction	308,614	-	308,614	272,391	36,223
Support Services:					
Salaries of other professional staff	-	-	-	-	-
Personal services - employee benefits	1,105	-	1,105	1,105	-
Purchased professional - educ. services	13,000	-	13,000	5,230	7,770
Other Purchased Services	5,755	-	5,755	-	5,755
Supplies and Materials	110,721	-	110,721	55,364	55,357
Other Objects	1,200	-	1,200	-	1,200
Student Activities	-	-	-	13,011	(13,011)
Total Support Services	131,781	-	131,781	74,710	57,071
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Total Facilities Acq. and Const. Services	-	-	-	-	-
Total Expenditures	440,395	-	440,395	347,101	93,294
Total Outflows	440,395	-	440,395	347,101	93,294
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	-	-	-	(474)	(474)
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	11,311	-
Fund Balance, July 1 (Restated)	-	-	-	11,311	-
Fund Balance, June 30	-	-	-	\$ 10,837	-
Recapitulation:					
Restricted:					
Student Activities	-	-	-	\$ 10,837	-
Total Fund Balance	-	-	-	\$ 10,837	-

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

BARRINGTON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2021

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 16,658,720	\$ 346,627
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	341,353	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(351,351)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 16,648,722	\$ 346,627
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 16,277,992	\$ 347,101
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 16,277,992	\$ 347,101

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Eight Fiscal Years

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0103048627%	0.0104385147%	0.0098876327%	0.0099548442%	0.0101209416%	0.0097681625%	0.0093361653%	0.0090908901%
District's proportionate share of the net pension liability (asset)	\$ 1,680,454	\$ 1,880,862	\$ 1,946,826	\$ 2,317,329	\$ 2,997,553	\$ 2,192,757	\$ 1,747,985	\$ 1,737,450
District's covered-employee payroll	786,071	768,491	734,101	737,221	696,643	674,631	666,509	648,986
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	213.78%	244.75%	265.20%	314.33%	430.29%	325.03%	262.26%	267.72%
Plan fiduciary net position as a percentage of the total pension liability	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Eight Fiscal Years

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 123,321	\$ 112,730	\$ 101,614	\$ 98,350	\$ 92,221	\$ 89,913	\$ 83,980	\$ 76,966
Contributions in relation to the contractually required contributions	<u>(123,321)</u>	<u>(112,730)</u>	<u>(101,614)</u>	<u>(98,350)</u>	<u>(92,221)</u>	<u>(89,913)</u>	<u>(83,980)</u>	<u>(76,966)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 786,071	\$ 768,491	\$ 734,101	\$ 737,221	\$ 696,643	\$ 674,631	\$ 666,509	\$ 648,986
Contributions as a percentage of covered-employee payroll	15.69%	14.67%	13.84%	13.34%	13.24%	13.33%	12.60%	11.86%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Eight Fiscal Years

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0483370073%	0.0456007786%	0.0448336774%	0.0449331258%	0.0430353966%	0.0398964849%	0.0394278417%	0.0414913849%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 31,829,338</u>	<u>\$ 27,985,628</u>	<u>\$ 28,522,223</u>	<u>\$ 30,295,534</u>	<u>\$ 33,854,383</u>	<u>\$ 25,216,282</u>	<u>\$ 21,072,898</u>	<u>\$ 20,969,420</u>
Total	<u>\$ 31,829,338</u>	<u>\$ 27,985,628</u>	<u>\$ 28,522,223</u>	<u>\$ 30,295,534</u>	<u>\$ 33,854,383</u>	<u>\$ 25,216,282</u>	<u>\$ 21,072,898</u>	<u>\$ 20,969,420</u>
District's covered-employee payroll	\$ 5,215,097	\$ 5,078,686	\$ 5,086,514	\$ 5,100,498	\$ 4,728,854	\$ 4,602,687	\$ 4,503,664	\$ 4,382,275
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

BARRINGTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Four Fiscal Years

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.04%	0.04%	0.04%	0.04%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 29,199,094	\$ 18,017,972	\$ 19,732,133	\$ 22,881,868
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 29,199,094</u>	<u>\$ 18,017,972</u>	<u>\$ 19,732,133</u>	<u>\$ 22,881,868</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service Cost	\$ 857,290	\$ 750,439	\$ 815,736	\$ 986,693
Interest	652,082	782,389	839,336	725,673
Difference between expected and actual experiences	4,831,003	(2,978,935)	(2,031,052)	-
Changes of assumptions and other inputs	5,333,671	268,649	(2,264,361)	(3,048,997)
Member Contributions	15,408	16,395	18,236	19,516
Benefit payments	<u>(508,332)</u>	<u>(553,098)</u>	<u>(527,630)</u>	<u>(529,993)</u>
Net Change in total OPEB Liability	\$ 11,181,122	\$ (1,714,161)	\$ (3,149,735)	\$ (1,847,108)
Total OPEB Liability - beginning	<u>\$ 18,017,972</u>	<u>\$ 19,732,133</u>	<u>\$ 22,881,868</u>	<u>\$ 24,728,976</u>
Total OPEB Liability - ending	<u>\$ 29,199,094</u>	<u>\$ 18,017,972</u>	<u>\$ 19,732,133</u>	<u>\$ 22,881,868</u>
District's covered-employee payroll	6,001,168	5,847,177	5,820,615	5,837,719
Total OPEB Liability as a percentage of covered-employee payroll	486.56%	308.15%	339.00%	391.97%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Barrington School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2021

Teacher's Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 5.40% as of June 30, 2020 from 5.60% as of June 30, 2019 and the long-term rate of return remained at 7.00%.

Public Employees' Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 7.00% as of June 30, 2020 from 6.28% as of June 30, 2019 and the long-term rate of return remained at 7.00%.

Other Post-Retirement Plan – Public Employees' Retirement System and Teachers' Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 2.21% as of June 30, 2020 from 3.50% as of June 30, 2019.

Other Supplementary Information

Special Revenue Fund

BARRINGTON SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year ended June 30, 2021

	Individuals with Disabilities Act		No Child Left Behind			CARES Act	Corona Virus Relief	Student Activity Fund	Total
	Basic	Preschool	Title I	Title II A	Title IV				
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,537	\$ 12,537
State sources	-	-	-	-	-	-	-	-	-
Federal sources	179,652	6,383	82,157	5,230	5,304	26,183	29,181	-	334,090
Total revenues	179,652	6,383	82,157	5,230	5,304	26,183	29,181	12,537	346,627
EXPENDITURES:									
<u>Instruction:</u>									
Salaries of teachers			10,313						10,313
Purchased professional educational services			12,225						12,225
Purchased professional technical services					5,000				5,000
Tuition	179,652	6,383							186,035
General Supplies			58,818						58,818
Total instruction	179,652	6,383	81,356	-	5,000	-	-	-	272,391
<u>Support services:</u>									
Personal services-employee benefits			801		304				1,105
Purchased professional educational services				5,230					5,230
General Supplies						26,183	29,181		55,364
Student Activities								13,011	13,011
Total support services	-	-	801	5,230	304	26,183	29,181	13,011	74,710
<u>Facilities acquisition & construction services</u>									
Instructional equipment									-
Noninstructional equipment									-
Total facilities acquisition & construction services	-	-	-	-	-	-	-	-	-
Total expenditures	179,652	6,383	82,157	5,230	5,304	26,183	29,181	13,011	347,101
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	(474)	(474)
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	11,311	11,311
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	11,311	11,311
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,837	\$ 10,837

Proprietary Funds

BARRINGTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2021

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 73,638
Accounts receivable:	
State	922
Federal	18,443
Inventories	<u>8,989</u>
Total Current Assets	<u>101,992</u>
Noncurrent Assets:	
Equipment	85,889
Less - accumulated depreciation	<u>(61,714)</u>
Total Noncurrent Assets	<u>24,175</u>
Total Assets	<u>\$ 126,167</u>
 LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 21,981
Interfund Payable	12,748
Unearned Revenue	<u>4,900</u>
Total Current Liabilities	<u>39,629</u>
 NET POSITION:	
Invested in capital assets	24,175
Unrestricted	<u>62,363</u>
Total Net Position	<u>\$ 86,538</u>

BARRINGTON SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2021

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ -
School breakfast	-
Daily sales non-reimbursable programs	
Adult and a la carte sales	-
Miscellaneous	70
	<hr/>
Total Operating Revenues	70
OPERATING EXPENSES:	
Salaries	68,770
Employee benefits	11,267
Supplies and materials	3,015
Management fee	22,231
Other costs	10,380
Depreciation	2,539
Cost of Sales - reimbursable programs	65,370
Cost of Sales - non-reimbursable programs	22
	<hr/>
Total Operating Expenses	183,594
Operating Income (Loss)	<hr/> <u>(183,524)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	6,420
Federal sources:	
National school lunch program	134,311
School breakfast program	66,785
Food distribution program	18,542
Local sources:	
Interest earned	17
	<hr/>
Total Non-Operating Revenues	226,075
Income (Loss) before Contributions and Transfers	42,551
Operating Transfers In	<hr/> -
Change in Net Position	42,551
Net Position - July 1, 2020	<hr/> 43,987
Net Position - June 30, 2021	<hr/> <u>\$ 86,538</u>

BARRINGTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Food Service Fund
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ (1,676)
Cash payments to employees for services	(55,150)
Cash payments to suppliers for goods and services	(78,214)
Net cash provided by (used for) operating activities	(135,040)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	6,050
Cash received from federal sources	192,593
Net cash provided by noncapital financing activities	198,643
Cash Flows Used by Capital and Related Financing Activities:	
Capital asset adjustment from prior year	-
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	17
Net increase (decrease) in cash and cash equivalents	63,620
Cash and Cash Equivalents - July 1, 2020	10,018
Cash and Cash Equivalents - June 30, 2021	\$ 73,638
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (183,524)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	2,539
Commodities	18,542
Change in assets and liabilities:	
(Increase) decrease in inventories	(1,841)
Increase (decrease) in accounts payable	18,241
Increase (decrease) in interfund payable	12,748
Increase (decrease) in unearned revenue	(1,745)
Net cash provided by (used for) operating activities	\$ (135,040)

Long-Term Debt Schedules

BARRINGTON SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
			Date	Amount					
Series 2012 Refunding Bonds	12/19/12	\$ 5,030,000	4/01/22	\$ 325,000	4.000%	\$ 3,420,000	\$ -	\$ 315,000	\$ 3,105,000
			4/01/23	345,000	4.000%				
			4/01/24	370,000	4.000%				
			4/01/25	385,000	4.000%				
			4/01/26	405,000	4.000%				
			4/01/27	425,000	4.000%				
			4/01/28	425,000	4.000%				
			4/01/29	425,000	4.000%				
						\$ 3,420,000	\$ -	\$ 315,000	\$ 3,105,000

BARRINGTON SCHOOL DISTRICT
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2021

Series	Date of Lease	Maturity Date	Interest Rate	Amount of Original Issue		Amount Outstanding July 1, 2020	Issued	Retired	Amount Outstanding June 30, 2021
				Principal	Interest				
Phone System	12/21/15	07/01/20	4.02%	\$ 50,616	\$ 5,262	\$ 10,743	\$ -	\$ 10,743	\$ -
						<u>\$ 10,743</u>	<u>\$ -</u>	<u>\$ 10,743</u>	<u>\$ -</u>

BARRINGTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 451,800	\$ -	\$ 451,800	\$ 451,800	\$ -
Total Revenues	451,800	-	451,800	451,800	-
EXPENDITURES:					
Regular debt service:					
Interest on Bonds	136,800	-	136,800	136,800	-
Principal on Bonds	315,000	-	315,000	315,000	-
Total Expenditures	451,800	-	451,800	451,800	-
Excess (Deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources:					
Transfers from other funds	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	-	-	-	-	-
Fund Balance - July 1, 2020	-	-	-	-	-
Fund Balance - June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -

Statistical Section

Barrington School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 3,082,076	\$ 3,106,894	\$ 3,042,304	\$ 998,793	\$ 690,191	\$ 421,969	\$ 201,685	\$ 480,998	\$ 399,071	\$ 1,513,375
Restricted for:										
Capital projects	520,226	313,731	314,071	234,024	437,275	836,652	992,190	945,655	1,137,180	1,341,750
Debt service	197	38,216	38,216	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-	10,837
Other purposes	657,692	1,047,096	1,011,666	972,056	1,239,010	1,114,867	1,337,790	1,433,930	1,465,483	1,337,752
Unrestricted	(246,700)	(177,829)	(227,737)	(1,906,403)	(1,937,859)	(2,214,331)	(2,363,272)	(2,498,671)	(2,511,648)	(1,988,379)
Total governmental activities net position	<u>\$ 4,013,491</u>	<u>\$ 4,328,108</u>	<u>\$ 4,178,520</u>	<u>\$ 298,470</u>	<u>\$ 428,617</u>	<u>\$ 159,157</u>	<u>\$ 168,393</u>	<u>\$ 361,912</u>	<u>\$ 490,086</u>	<u>\$ 2,215,335</u>
Business-type activities:										
Net investment in capital assets	\$ 16,596	\$ 9,958	\$ 16,623	\$ 12,083	\$ 11,077	\$ 10,070	\$ 31,034	\$ 29,253	\$ 26,714	\$ 24,175
Unrestricted	67,642	69,098	46,761	61,602	46,981	59,384	47,700	39,154	17,273	62,363
Total business-type activities net position	<u>\$ 84,238</u>	<u>\$ 79,056</u>	<u>\$ 63,384</u>	<u>\$ 73,685</u>	<u>\$ 58,058</u>	<u>\$ 69,454</u>	<u>\$ 78,734</u>	<u>\$ 68,407</u>	<u>\$ 43,987</u>	<u>\$ 86,538</u>
District-wide:										
Net investment in capital assets	\$ 3,098,672	\$ 3,116,852	\$ 3,058,927	\$ 1,010,876	\$ 701,268	\$ 432,039	\$ 232,719	\$ 510,251	\$ 425,785	\$ 1,537,550
Restricted:										
Capital projects	520,226	313,731	314,071	234,024	437,275	836,652	992,190	945,655	1,137,180	1,341,750
Debt service	197	38,216	38,216	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-	10,837
Other purposes	657,692	1,047,096	1,011,666	972,056	1,239,010	1,114,867	1,337,790	1,433,930	1,465,483	1,337,752
Unrestricted	(179,058)	(108,731)	(180,976)	(1,844,801)	(1,890,878)	(2,154,947)	(2,315,572)	(2,459,517)	(2,494,375)	(1,926,016)
Total district net position	<u>\$ 4,097,729</u>	<u>\$ 4,407,164</u>	<u>\$ 4,241,904</u>	<u>\$ 372,155</u>	<u>\$ 486,675</u>	<u>\$ 228,611</u>	<u>\$ 247,127</u>	<u>\$ 430,319</u>	<u>\$ 534,073</u>	<u>\$ 2,301,873</u>

Barrington School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 2,356,419	\$ 2,767,185	\$ 2,826,277	\$ 3,634,351	\$ 3,279,189	\$ 3,366,236	\$ 3,741,504	\$ 3,336,081	\$ 3,330,576	\$ 2,967,474
Special education	1,253,984	1,167,771	1,275,374	1,160,139	1,400,181	1,433,344	1,652,424	1,719,508	1,701,877	1,654,639
Other instruction	132,951	129,602	128,154	149,707	143,912	166,949	190,833	122,453	106,850	377,699
Support Services:										
Tuition	4,849,768	3,968,660	4,204,377	3,739,380	3,737,670	3,842,255	3,277,077	3,805,316	3,993,328	4,282,246
Student & instruction related services	1,006,425	911,637	887,788	1,044,259	1,134,161	1,176,168	1,197,322	1,194,350	1,136,268	1,168,570
School administrative services	242,768	221,099	167,302	187,326	159,401	175,749	188,609	192,509	206,813	195,819
General and business administrative services	418,260	363,212	514,319	541,394	548,194	597,514	605,427	583,937	658,287	557,639
Plant operations and maintenance	734,569	501,324	722,348	1,214,681	749,376	765,718	1,179,150	1,055,913	1,098,153	9,520
Pupil transportation	385,491	415,007	463,689	449,777	462,781	435,809	466,314	451,280	379,076	406,149
Unallocated employee benefits	2,023,740	2,360,090	2,241,382	2,472,777	2,899,324	3,422,623	6,882,697	6,254,984	5,973,320	7,593,167
Transfer to Charter School		8,347	35,055	5,571	68,094	29,991	-			2,639
Interest on long-term debt	246,381	181,865	196,250	187,450	161,100	170,988	163,225	155,012	145,650	133,650
Unallocated depreciation	310,297	286,687	296,561	97,417	114,214	93,307	89,956	104,417	104,658	
Total governmental activities expenses	<u>13,961,053</u>	<u>13,282,486</u>	<u>13,958,876</u>	<u>14,884,229</u>	<u>14,857,597</u>	<u>15,676,651</u>	<u>19,634,538</u>	<u>18,975,760</u>	<u>18,834,856</u>	<u>19,349,211</u>
Business-type activities:										
Food service	205,550	211,842	216,298	202,067	236,872	206,066	205,137	206,714	195,465	183,594
Total business-type activities expense	<u>205,550</u>	<u>211,842</u>	<u>216,298</u>	<u>202,067</u>	<u>236,872</u>	<u>206,066</u>	<u>205,137</u>	<u>206,714</u>	<u>195,465</u>	<u>183,594</u>
Total district expenses	<u>\$ 14,166,603</u>	<u>\$ 13,494,328</u>	<u>\$ 14,175,174</u>	<u>\$ 15,086,296</u>	<u>\$ 15,094,469</u>	<u>\$ 15,882,717</u>	<u>\$ 19,839,675</u>	<u>\$ 19,182,474</u>	<u>\$ 19,030,321</u>	<u>\$ 19,532,805</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 1,045,161	\$ 1,296,205	\$ 1,141,282	\$ 1,483,956	\$ 1,555,032	\$ 1,647,553	\$ 5,560,339	\$ 4,744,757	\$ 4,460,294	\$ 6,116,310
Charges for services - Tuition					26,946	112,718	145,701	196,111		15,455
Capital grants and contributions										
Total governmental activities program revenues	<u>1,045,161</u>	<u>1,296,205</u>	<u>1,141,282</u>	<u>1,483,956</u>	<u>1,581,978</u>	<u>1,760,271</u>	<u>5,706,040</u>	<u>4,940,868</u>	<u>4,460,294</u>	<u>6,131,765</u>

(Continued)

Barrington School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Food service	\$ 110,915	\$ 121,464	\$ 116,546	\$ 120,434	\$ 123,313	\$ 122,455	\$ 122,111	\$ 108,138	\$ 76,154	\$ 70
Operating grants and contributions	84,373	85,072	84,060	91,910	97,911	94,981	92,283	88,229	94,715	226,058
Capital grants and contributions										
Total business type activities program revenues	<u>195,288</u>	<u>206,536</u>	<u>200,606</u>	<u>212,344</u>	<u>221,224</u>	<u>217,436</u>	<u>214,394</u>	<u>196,367</u>	<u>170,869</u>	<u>226,128</u>
Total district program revenues	<u>\$ 1,240,449</u>	<u>\$ 1,502,741</u>	<u>\$ 1,341,888</u>	<u>\$ 1,696,300</u>	<u>\$ 1,803,202</u>	<u>\$ 1,977,707</u>	<u>\$ 5,920,434</u>	<u>\$ 5,137,235</u>	<u>\$ 4,631,163</u>	<u>\$ 6,357,893</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (12,915,892)	\$ (11,986,281)	\$ (12,817,594)	\$ (13,400,273)	\$ (13,275,619)	\$ (13,916,380)	\$ (13,928,498)	\$ (14,034,892)	\$ (14,374,562)	\$ (13,217,446)
Business-type activities	(10,262)	(5,306)	(15,692)	10,277	(15,648)	11,370	9,257	(10,347)	(24,596)	42,534
Total district-wide net expense	<u>\$ (12,926,154)</u>	<u>\$ (11,991,587)</u>	<u>\$ (12,833,286)</u>	<u>\$ (13,389,996)</u>	<u>\$ (13,291,267)</u>	<u>\$ (13,905,010)</u>	<u>\$ (13,919,241)</u>	<u>\$ (14,045,239)</u>	<u>\$ (14,399,158)</u>	<u>\$ (13,174,912)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,063,933	\$ 8,812,500	\$ 8,988,750	\$ 9,168,525	\$ 9,626,000	\$ 9,868,231	\$ 10,065,596	\$ 10,306,628	\$ 10,512,761	\$ 10,723,016
Taxes levied for debt service	457,655	449,884	416,250	389,234	425,250	427,900	435,250	442,150	443,600	451,800
Unrestricted grants and contributions	3,099,923	3,061,305	3,259,343	3,326,395	3,302,529	3,338,827	3,412,084	3,477,216	3,524,928	3,708,992
Other restricted miscellaneous revenue										10
Investment earnings	347		340	408	251	377	538	220	4,539	-
Miscellaneous income	34,194	11,060	3,323	24,945	51,736	11,585	24,266	2,197	16,908	30,006
Loss on disposal of assets										
Transfers										
Total governmental activities	<u>12,656,052</u>	<u>12,334,749</u>	<u>12,668,006</u>	<u>12,909,507</u>	<u>13,405,766</u>	<u>13,646,920</u>	<u>13,937,734</u>	<u>14,228,411</u>	<u>14,502,736</u>	<u>14,913,824</u>
Business-type activities:										
Investment earnings	363	124	20	24	21	26	23	20	176	17
Transfers										
Total business-type activities	<u>363</u>	<u>124</u>	<u>20</u>	<u>24</u>	<u>21</u>	<u>26</u>	<u>23</u>	<u>20</u>	<u>176</u>	<u>17</u>
Total district-wide	<u>\$ 12,656,415</u>	<u>\$ 12,334,873</u>	<u>\$ 12,668,026</u>	<u>\$ 12,909,531</u>	<u>\$ 13,405,787</u>	<u>\$ 13,646,946</u>	<u>\$ 13,937,757</u>	<u>\$ 14,228,431</u>	<u>\$ 14,502,912</u>	<u>\$ 14,913,841</u>
Change in Net Position:										
Governmental activities	\$ (259,840)	\$ 348,468	\$ (149,588)	\$ (490,766)	\$ 130,147	\$ (269,460)	\$ 9,236	\$ 193,519	\$ 128,174	\$ 1,696,378
Business-type activities	(9,899)	(5,182)	(15,672)	10,301	(15,627)	11,396	9,280	(10,327)	(24,420)	42,551
Total district-wide	<u>\$ (269,739)</u>	<u>\$ 343,286</u>	<u>\$ (165,260)</u>	<u>\$ (480,465)</u>	<u>\$ 114,520</u>	<u>\$ (258,064)</u>	<u>\$ 18,516</u>	<u>\$ 183,192</u>	<u>\$ 103,754</u>	<u>\$ 1,738,929</u>

**Barrington School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund:										
Restricted for:										
Capital reserve	\$ 223,549	\$ 313,731	\$ 314,071	\$ 231,079	\$ 437,275	\$ 836,652	\$ 992,190	\$ 945,655	\$ 1,137,180	\$ 1,341,750
Maintenance reserve		200,000	200,000	200,000	200,000	160,000	320,160	320,229	321,645	551,859
Emergency reserve		200,000	200,000	200,000	200,000	160,000	160,160	135,193	135,791	68,323
Tuition reserve	160,533	447,096	423,623	457,060	640,000	600,000	620,000	680,000	690,000	700,000
Unemployment Compensation			-	-	-					17,570
Assigned to:										
Year end encumbrances	105,514	-	-	-	-	24,189	-	61,107	89,013	89,740
Designated for subsequent year's budget	391,645	200,000	188,043	114,996	199,010	170,678	237,470	237,401	229,034	139,036
Unassigned	(29,473)	1,398	(40,177)	(28,886)	(7,562)	11,098	13,244	(5,475)	3,537	86,212
Total general fund	<u>\$ 851,768</u>	<u>\$ 1,362,225</u>	<u>\$ 1,285,560</u>	<u>\$ 1,174,249</u>	<u>\$ 1,668,723</u>	<u>\$ 1,962,617</u>	<u>\$ 2,343,224</u>	<u>\$ 2,374,110</u>	<u>\$ 2,606,200</u>	<u>\$ 2,994,490</u>
All Other Governmental Funds										
Restricted for, reported in:										
Special revenue fund										\$ 10,837
Capital projects fund	\$ 296,677	\$ -	\$ -	\$ 2,945						
Debt service fund	197	38,216	38,216							
Total all other governmental funds	<u>\$ 296,874</u>	<u>\$ 38,216</u>	<u>\$ 38,216</u>	<u>\$ 2,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,837</u>

Barrington School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,								
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
Revenues									
Tax levy	\$ 9,521,588	\$ 9,262,384	\$ 9,405,000	\$ 9,557,759	\$ 10,051,250	\$ 10,296,131	\$ 10,500,846	\$ 10,956,361	\$ 11,174,816
Tuition				22,138	26,946	112,718	145,701	6,950	15,455
Interest earnings	347	-	340	408	251	377	538	4,539	792
Miscellaneous	34,194	11,060	3,323	2,807	51,736	11,585	24,266	9,958	29,224
Local sources									12,537
State sources	3,705,289	3,983,279	4,061,072	4,457,669	4,436,988	4,662,021	4,949,005	5,372,411	5,880,235
Federal sources	439,795	374,231	339,553	352,682	420,573	324,359	340,445	357,477	334,090
Total revenue	<u>13,701,213</u>	<u>13,630,954</u>	<u>13,809,288</u>	<u>14,393,463</u>	<u>14,987,744</u>	<u>15,407,191</u>	<u>15,960,801</u>	<u>16,707,696</u>	<u>17,447,149</u>
Expenditures									
Instruction									
Regular Instruction	2,354,150	2,789,552	2,790,601	3,215,363	2,893,556	3,002,604	3,315,669	2,974,045	3,000,137
Special education instruction	1,253,984	1,167,771	1,275,374	1,160,139	1,400,181	1,433,344	1,652,424	1,701,877	1,654,639
Other instruction	132,951	129,602	128,154	149,707	143,912	166,949	190,833	106,850	377,699
Support Services:									
Tuition	4,849,768	3,968,660	4,204,377	3,739,380	3,737,670	3,842,255	3,277,077	3,993,328	4,282,246
Student & instruction related services	1,006,425	911,637	887,788	1,044,259	1,134,161	1,176,168	1,197,322	1,136,268	1,168,570
School administrative services	242,768	221,099	167,302	158,193	159,401	175,749	188,609	206,813	195,819
General and business admin.services	416,397	361,349	513,388	512,261	491,086	542,204	551,793	605,959	557,639
Plant operations and maintenance	635,652	578,674	723,029	717,604	723,713	757,160	792,418	838,646	806,485
Pupil transportation	385,491	415,007	463,689	449,777	462,781	435,809	466,314	379,076	406,149
Other support services	2,023,740	2,360,090	2,241,382	2,461,104	2,830,587	3,102,041	3,097,010	3,693,603	4,032,232
Transfer to Charter School		8,347	35,055	5,571	68,094	29,991	-	-	2,639
Capital outlay	153,934	55,502	39,564	499,237	76,439	21,123	415,475	395,541	140,839
Debt service:									
Principal	210,000	230,000	220,000	240,000	245,000	255,000	270,000	295,000	315,000
Interest and other charges	248,481	181,865	196,250	187,450	180,250	172,900	165,250	148,600	136,800
Total expenditures	<u>13,913,741</u>	<u>13,379,155</u>	<u>13,885,953</u>	<u>14,540,045</u>	<u>14,546,831</u>	<u>15,113,297</u>	<u>15,580,194</u>	<u>16,475,606</u>	<u>17,076,893</u>
Excess (Deficiency) of revenues over (under) expenditures	(212,528)	251,799	(76,665)	(146,582)	440,913	293,894	380,607	232,090	370,256
Other Financing sources (uses)									
Proceeds from borrowing					50,616				
Accrued interest on sale of bonds									
Prior year payable canceled									
Capital reserve transfer to Capital Projctcs									
Capital outlay transfer to Capital Projects									
Transfers in		90,182		278,400	2,945				
Transfers out		(90,182)		(278,400)	(2,945)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (212,528)</u>	<u>\$ 251,799</u>	<u>\$ (76,665)</u>	<u>\$ (146,582)</u>	<u>\$ 491,529</u>	<u>\$ 293,894</u>	<u>\$ 380,607</u>	<u>\$ 232,090</u>	<u>\$ 370,256</u>
Debt service as a percentage of noncapital expenditures	3.33%	3.09%	3.01%	3.04%	2.94%	2.84%	2.87%	2.76%	2.67%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Barrington School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals</u>	<u>Custodial</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 12,673	\$ -	\$ 21,357	\$ -	\$ -	\$ 511	\$ 34,541
2013	3,646					7,414	11,060
2014	1,634		28			1,661	3,323
2015	1,382	22,138	1,425				24,945
2016	2,055	26,946	18,963		23,282	7,687	78,933
2017	2,271	112,718	2,950	700		6,041	124,680
2018	2,193	145,701	20,967	-		1,644	170,505
2019	539	196,111				1,878	198,528
2020	10,433	6,950	4,064				21,447
2021	945	15,455	26,794			1,485	44,679
	<u>\$ 37,771</u>	<u>\$ 526,019</u>	<u>\$ 96,548</u>	<u>\$ 700</u>	<u>\$ 23,282</u>	<u>\$ 28,321</u>	<u>\$ 712,641</u>

Source: District records

Barrington School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2012	\$ 3,931,000	\$ 448,796,300	\$ 521,200	\$ 40,940,900	\$ 30,174,100	\$ 44,707,700	\$ 569,071,200	\$ 1,027,921	\$ 570,099,121	\$ 145,896,800	\$ 1.648	\$ 549,911,838
2013	3,839,000	446,818,000	521,200	40,054,500	30,174,100	37,129,900	558,536,700	986,545	559,523,245	146,061,300	1.668	527,825,972
2014	3,894,000	444,079,600	521,200	35,620,800	30,154,100	37,053,900	551,323,600	863,954	552,187,554	146,579,000	1.717	518,282,758
2015	3,702,400	442,083,600		35,588,700	26,054,100	37,053,900	544,482,700	870,278	545,352,978	146,942,700	1.798	511,919,710
2016	3,443,200	439,400,700		35,580,000	25,894,400	36,669,000	540,987,300	861,706	541,849,006	146,638,800	1.878	512,007,524
2017	2,798,500	387,324,500		31,387,510	33,276,600	39,190,300	493,977,410	871,110	494,848,520	144,473,200	2.101	446,453,328
2018	3,239,100	387,420,073		31,419,510	33,276,600	39,190,300	494,545,583	847,527	495,393,110	145,959,100	2.142	495,904,537
2019	3,223,900	387,828,000		31,288,510	33,276,600	39,190,300	494,807,310	875,518	495,682,828	145,959,100	2.190	541,276,616
2020	3,014,700	387,928,300		31,102,910	33,276,600	39,190,300	494,512,810	921,075	495,433,885	147,236,500	2.233	521,076,992
2021	2,848,400	389,580,700		30,838,300	33,276,600	37,970,300	494,514,300	910,631	495,424,931	146,907,000	2.277	541,561,980

Source:
 Municipal Tax Assessor

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

- a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 of assessed valuation.
- c Not available.
- R Revaluation

Barrington School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Barrington School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Barrington	Camden County	
2012	\$ 1.573	\$ 0.075	\$ 1.648	\$ 0.857	\$ 0.739	\$ 3.244
2013	1.594	0.074	1.668	0.903	0.718	3.289
2014	1.645	0.072	1.717	0.966	0.792	3.475
2015	1.720	0.078	1.798	1.007	0.823	3.628
2016	1.800	0.078	1.878	1.045	0.828	3.751
2017	2.015	0.086	2.101	1.172	0.916	4.189
2018	2.055	0.087	2.142	1.199	0.955	4.296
2019	2.101	0.089	2.190	1.244	0.947	4.381
2020	2.143	0.090	2.233	1.274	0.893	4.400
2021	2.187	0.090	2.277	1.274	0.923	4.474

Source: Municipal Tax Collector

R Revaluation

**Barrington School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Taxpayer	2021		Taxpayer	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Barrington TIC Investors, LLC	\$ 21,599,300	4.36%	Willows Apartments	\$ 23,356,100	4.10%
AION Willows, LLC	17,350,000	3.50%	Barrington Mews	18,121,400	3.18%
Haddonfield Holdings 2015, LLC	16,600,000	3.35%	Villafe of Haddonfield Apartments	16,433,100	2.88%
International Paper Company	5,726,100	1.16%	Barrington Business Center	15,500,000	2.72%
101 Gloucester Pike Assoc.	3,709,700	0.75%	International Paper	7,390,300	1.30%
120 E Barrington LLC	3,116,100	0.63%	Kamin/Rite Aid	5,000,000	0.88%
Daniel G. Kamin (Rite Aid)	2,792,900	0.56%	Edmunds	4,300,000	0.75%
Barrington Commons	1,884,100	0.38%	Berg Enterprises	3,632,100	0.64%
Sieck Brothers/Royal Courts	1,718,800	0.35%	BVW Associates Office Complex	2,421,000	0.42%
JVS 1100 Barrington, LLC	1,450,000	0.29%	Sieck Brothers/Royal Courts	2,088,500	0.37%
Total	\$ 75,947,000	15.33%	Total	\$ 98,242,500	17.23%

Source: Municipal Tax Assessor

**Barrington School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2012	\$ 9,521,588	\$ 9,521,588	100.00%	-
2013	9,262,384	8,262,384	89.20%	-
2014	9,405,000	9,405,000	100.00%	-
2015	9,557,759	9,557,759	100.00%	-
2016	10,051,250	10,051,250	100.00%	-
2017	10,296,131	10,296,131	100.00%	-
2018	10,500,846	10,500,846	100.00%	-
2019	10,748,778	10,748,778	100.00%	-
2020	10,956,361	10,956,361	100.00%	-
2021	11,174,816	11,174,816	100.00%	-

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

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

**Barrington School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	\$ 5,707,000	\$ 16,982	\$ -	\$ -	\$ 5,723,982	1.87%	\$ 834
2013	5,230,000	6,621	-	-	5,236,621	1.70%	769
2014	5,010,000	2,320	-	-	5,012,320	1.58%	739
2015	4,770,000	160	-	-	4,770,160	1.44%	706
2016	4,525,000	-	-	-	4,525,000	1.33%	670
2017	4,270,000	40,539	-	-	4,310,539	1.24%	641
2018	4,000,000	30,997	-	-	4,030,997	1.12%	603
2019	3,715,000	21,070	-	-	3,736,070	1.01%	562
2020	3,420,000	10,743			3,430,743	c	519
2021	3,105,000				3,105,000	c	c

Sources:

- a District Records
- b Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- c Information not available.

**Barrington School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2012	\$ 5,707,000	\$ -	\$ 5,707,000	1.15%	\$ 831
2013	5,230,000	-	5,230,000	1.06%	768
2014	5,010,000	-	5,010,000	0.91%	739
2015	4,770,000	-	4,770,000	0.87%	706
2016	4,525,000	-	4,525,000	0.84%	670
2017	4,270,000	-	4,270,000	0.86%	635
2018	4,000,000	-	4,000,000	0.81%	598
2019	3,715,000	-	3,715,000	0.75%	559
2020	3,420,000	-	3,420,000	0.69%	518
2021	3,105,000	-	3,105,000	0.63%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation.
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.
- d Information not available.

**Barrington School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2020**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Barrington	\$ 11,922,981 (1)	100.000%	\$ 11,922,981
Camden County General Obligation Debt	485,294,543 (1)	1.311% (2)	6,362,211
			<hr/>
Subtotal, overlapping debt			18,285,192
Barrington School District Direct Debt			<hr/> 3,420,000
Total direct and overlapping debt			<hr/> \$ 21,705,192 <hr/>

Sources:

- (1) Entity's Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2019 Equalized Valuation. The source for this computation was the 2019 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis (1)	
	2018	\$ 534,734,295
	2019	514,513,164
	2020	534,781,886
		<u>\$ 1,584,029,345</u>
	Average equalized valuation of taxable property	<u>\$ 528,009,782</u>
	Debt limit (3% of average equalized valuation) (2)	15,840,293
	Net bonded school debt (3)	3,105,000
	Legal debt margin	<u>\$ 12,735,293</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 17,132,672	\$ 16,469,440	\$ 15,903,776	\$ 15,578,788	\$ 15,365,580	\$ 15,324,735	\$ 15,436,352	\$ 15,701,246	\$ 15,713,671	\$ 15,840,293
Total net debt applicable to limit (3)	<u>5,707,000</u>	<u>5,230,000</u>	<u>5,010,000</u>	<u>4,770,000</u>	<u>4,525,000</u>	<u>4,270,000</u>	<u>4,000,000</u>	<u>3,715,000</u>	<u>3,420,000</u>	<u>3,105,000</u>
Legal debt margin	<u>\$ 11,425,672</u>	<u>\$ 11,239,440</u>	<u>\$ 10,893,776</u>	<u>\$ 10,808,788</u>	<u>\$ 10,840,580</u>	<u>\$ 11,054,735</u>	<u>\$ 11,436,352</u>	<u>\$ 11,986,246</u>	<u>\$ 12,293,671</u>	<u>\$ 12,735,293</u>
Total net debt applicable to the limit as a percentage of debt limit	33.31%	31.76%	31.50%	30.62%	29.45%	27.86%	25.91%	23.66%	21.76%	19.60%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Barrington School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2012	6,866	\$ 306,278,528	\$ 44,608	6.9%
2013	6,811	308,231,805	45,255	6.7%
2014	6,780	318,158,280	46,926	6.4%
2015	6,761	330,403,309	48,869	5.0%
2016	6,752	339,152,960	50,230	4.2%
2017	6,724	348,901,636	51,889	4.0%
2018	6,684	359,198,160	53,740	4.0%
2019	6,642	370,490,760	55,780	3.1%
2020	6,605	e	e	9.2%
2021	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Barrington School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Function/Program	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	38.0	41.0	42.0	42.0	43.0	43.0	44.0	42.0	47.0	48.5
Special education	13.0	13.0	13.0	13.0	12.0	17.0	19.0	17.0	18.0	18.5
Support Services:										
Student & instruction related services	22.0	19.0	19.0	19.0	19.0	20.0	22.0	22.0	22.0	22.0
School administrative services	3.0	5.5	5.5	6.5	6.5	6.0	10.0	10.0	10.0	10.0
General and business administrative services	0.6	0.6	0.6	0.6	0.6	1.0	2.0	2.0	2.0	2.0
Plant operations and maintenance	6.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Business and other support services	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total	84.8	87.8	88.8	89.8	89.8	95.7	105.7	101.7	107.7	109.7

Source:
District Personnel Records

**Barrington School District
Operating Statistics,
Last Ten Fiscal Years**

Fiscal Year	Resident Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	855	\$ 13,301,326	\$ 15,557	-6.63%	51	1:10	619.2	592.5	-1.02%	95.69%
2013	864	12,903,441	14,935	-4.00%	54	1:10	615.3	587.8	-0.63%	95.53%
2014	852	13,430,139	15,763	5.55%	55	1:11	612.9	587.8	-0.39%	95.90%
2015	835	13,613,358	16,303	3.43%	55	1:11	617.4	591.7	0.73%	95.84%
2016	820	14,045,142	17,128	5.06%	55	1:11	615.8	590.0	-0.26%	95.81%
2017	819	14,664,274	17,905	4.54%	60	1:10	614.7	589.7	-0.18%	95.93%
2018	812	14,729,469	18,140	1.31%	63	1:10	620.6	590.8	0.96%	95.20%
2019	785	15,422,706	19,647	8.31%	59	1:10	592.5	566.5	-4.53%	95.61%
2020	802	15,636,465	19,497	-0.76%	65	1:10	602.8	582.2	1.74%	96.58%
2021	833	16,484,254	19,789	1.50%	65	1:10	553.3	535.3	-8.21%	96.75%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Barrington School District
School Building Information
Last Ten Fiscal Years**

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
<u>Elementary</u>										
Woodland Elementary (1982)										
Square Feet	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462	51,462
Capacity (students)	353	353	353	353	353	353	353	353	353	353
Enrollment	237	250	224	248	256	264	287	265	262	248
Avon Elementary (1982)										
Square Feet	45,876	45,876	45,876	45,876	45,876	45,876	45,876	45,876	45,876	45,876
Capacity (students)	308	308	308	308	308	308	308	308	308	308
Enrollment	377	375	389	370	360	350	333	301	341	305
<u>Other</u>										
Central Administration (1982)										
Square Feet	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820
Number of Schools at June 30, 2021										
Elementary = 1										
Middle School = 1										
Senior High School = 0										
Other = 0										

Source: District Facilities Office

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

	Fiscal Year Ending June 30,										Total
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
* School Facilities											
Woodland School	\$ 30,122	\$ 61,265	\$ 56,949	\$ 70,057	\$ 65,692	\$ 63,871	\$ 71,261	\$ 48,199	\$ 57,590	\$ 93,740	\$ 618,746
Avon School	35,844	55,258	50,772	62,457	58,553	56,938	63,038	42,638	50,945	82,924	559,367
Other Facilities	11,087	3,604	2,008	2,470	2,329	2,258	2,741	1,854	2,215	3,605	34,171
Total School Facilities	<u>\$ 77,053</u>	<u>\$ 120,127</u>	<u>\$ 109,729</u>	<u>\$ 134,984</u>	<u>\$ 126,574</u>	<u>\$ 123,067</u>	<u>\$ 137,040</u>	<u>\$ 92,691</u>	<u>\$ 110,750</u>	<u>\$ 180,269</u>	<u>\$ 1,212,284</u>

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

Source: District records

**Barrington School District
Insurance Schedule
June 30, 2021**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)		
Limits of liability per occurrence	\$ 500,000,000	\$ 5,000
Equipment Breakdown	100,000,000	5,000
General Liability	16,000,000	
Automobile Liability	16,000,000	1,000
School Leaders Errors and Omissions	3,000,000	5,000
Workers' Compensation	3,000,000	
Public Employee Dishonesty	500,000	500
Electronic Data Processing Equipment	780,000	1,000
Student Accident Coverage (Catastrophic Plan) (2)	1,000,000	
Surety Bonds (3)		
Treasurer	200,000	
Business Administrator / Board Secretary	50,000	

- (1) New Jersey School Boards Association Insurance Group
- (2) Zurich American Insurance Company
- (3) Selective Insurance

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: rinverso@inversocpa.com

-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

**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

The Honorable President and Members
 of the Board of Education
 Barrington School District
 County of Camden
 Barrington, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Barrington School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

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

My 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 in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Barrington School District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 28, 2022

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: rinverso@inversocpa.com

-Member of-
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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 REQUIRED BY NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Barrington School District
 County of Camden
 Barrington, New Jersey

Report on Compliance for Each Major State Program

I have audited Barrington School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2021. The 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that I 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 School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In my opinion, the Barrington School District, in the County of Camden, State of New Jersey 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 fiscal year ended June 30, 2021.

Other Matters

The results of my auditing procedures disclosed instances of noncompliance, which are required to be reported under State of New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2021-001. My opinion on the major state program is not modified with respect to this matter.

The School District's response to the finding identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Barrington 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 my audit of compliance, I considered the 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 the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Barrington 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 28, 2022

BARRINGTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2020			Carryover/ Walkover	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2021		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I:																
Fiscal Year 2021	84.010	S010A200030	ESSA019021	\$ 94,913	7/1/20 - 9/30/21	\$ -	\$ -	\$ -	\$ -	\$ 14,686	\$ (82,157)	\$ -	\$ -	\$ (67,471)	\$ -	\$ -
Fiscal Year 2020	84.010	S010A190030	ESSA019020	113,361	7/1/19 - 9/30/20	(46,429)				46,429				-		
Title II A:																
Fiscal Year 2021	84.367	S367A200029	ESSA019021	21,105	7/1/20 - 9/30/21					5,230	(5,230)			-		
Fiscal Year 2020	84.367	S367A190029	ESSA019020	18,713	7/1/19 - 9/30/20	(17,713)				17,713				-		
Title IV:																
Fiscal Year 2021	84.424	S424A200031	ESSA019021	10,921	7/1/20 - 9/30/21					2,500	(5,304)			(2,804)		
Fiscal Year 2020	84.424	S424A190031	ESSA019020	13,868	7/1/19 - 9/30/20	(12,947)				12,947				-		
I.D.E.A. Part B - Basic:																
Fiscal Year 2021	84.027	H027A200100	IDEA019021	189,697	7/1/20 - 9/30/21					163,883	(179,652)			(15,769)		
I.D.E.A. Part B - Preschool:																
Fiscal Year 2021	84.173	H173A200114	IDEA019021	8,033	7/1/20 - 9/30/21						(6,383)			(6,383)		
Fiscal Year 2020	84.173	H173A190114	IDEA019020	8,364	7/1/19 - 9/30/20	(8,363)				8,363				-		
Coronavirus Relief Grant CARES Act																
Fiscal Year 2021	93.224	N/A	N/A	80,218	7/1/20 - 9/30/21					7,471	(26,183)			(18,712)		
Fiscal Year 2020	93.224	N/A	N/A	76,064	7/1/19 - 9/30/20	(202)				202				-		
Total U.S. Department of Education						(85,654)				323,904	(334,090)			(111,139)	15,299	
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program																
Fiscal Year 2021	10.565	211NJ304N1099	N/A	18,542	7/1/20 - 6/30/21					18,542	(18,542)			-		
School Breakfast Program:																
Fiscal Year 2021	10.553	211NJ304N1099	N/A	66,785	7/1/20 - 6/30/21					62,082	(66,785)			(4,703)		
Fiscal Year 2020	10.553	201NJ304N1099	N/A	20,724	7/1/19 - 6/30/20	(3,850)				3,850				-		
National School Lunch Program:																
Fiscal Year 2021	10.555	211NJ304N1099	N/A	134,311	7/1/20 - 6/30/21					120,571	(134,311)			(13,740)		
Fiscal Year 2020	10.555	201NJ304N1099	N/A	60,796	7/1/19 - 6/30/20	(6,090)				6,090				-		
Total U.S. Department of Agriculture						(9,940)				211,135	(219,638)			(18,443)		
Total Federal Awards						\$ (95,594)	\$ -	\$ -	\$ -	\$ 535,039	\$ (553,728)	\$ -	\$ -	\$ (129,582)	\$ 15,299	\$ -

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

BARRINGTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2021

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2020			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2021		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
State Department of Education													
General Fund:													
Equalization Aid	21-495-034-5120-078	\$ 2,831,349	7/1/20 - 6/30/21	\$ -	\$ -	\$ -	\$ -	\$ 2,550,740	\$ (2,831,349)	\$ -	\$ (280,609)	\$ -	\$ -
Equalization Aid	20-495-034-5120-078	2,746,512	7/1/19 - 6/30/20	(270,988)				270,988					
Special Education Categorical Aid	21-495-034-5120-089	557,456	7/1/20 - 6/30/21					502,208	(557,456)		(55,248)		
Special Education Categorical Aid	20-495-034-5120-089	557,456	7/1/19 - 6/30/20	(54,954)				54,954					
Categorical Security Aid	21-495-034-5120-084	81,247	7/1/20 - 6/30/21					73,195	(81,247)		(8,052)		
Categorical Security Aid	20-495-034-5120-084	81,247	7/1/19 - 6/30/20	(8,009)				8,009					
Categorical Transportation Aid	21-495-034-5120-014	75,087	7/1/20 - 6/30/21					67,645	(75,087)		(7,442)		
Categorical Transportation Aid	20-495-034-5120-014	75,087	7/1/19 - 6/30/20	(7,402)				7,402					
Extraordinary Special Education Cost Aid	21-495-034-5120-044	150,199	7/1/20 - 6/30/21						(150,199)		(150,199)		
Extraordinary Special Education Cost Aid	20-495-034-5120-044	68,654	7/1/19 - 6/30/20	(68,654)				68,654					
Nonpublic Transportation Aid	21-495-034-5120-014	11,600	7/1/20 - 6/30/21						(11,600)		(11,600)		
Nonpublic Transportation Aid	20-495-034-5120-014	528	7/1/19 - 6/30/20	(528)				528					
Homeless Tuition	21-495-034-5120-005	12,052	7/1/20 - 6/30/21						(12,052)		(12,052)		
On-behalf TPAF Pension Contribution	21-495-034-5094-002	1,366,096	7/1/20 - 6/30/21					1,366,096	(1,366,096)				
On-behalf TPAF Post Retirement Medical	21-495-034-5094-001	428,113	7/1/20 - 6/30/21					428,113	(428,113)				
On-behalf TPAF Long Term Disability Ins.	21-495-034-5094-004	1,068	7/1/20 - 6/30/21					1,068	(1,068)				
Reimbursed TPAF Social Security Contr.	21-495-034-5094-003	375,966	7/1/20 - 6/30/21					339,238	(375,966)		(36,728)		
Reimbursed TPAF Social Security Contr.	20-495-034-5094-003	366,570	7/1/19 - 6/30/20	(36,331)				36,331					
Total General Fund				<u>(446,866)</u>				<u>5,775,169</u>	<u>(5,890,233)</u>		<u>(561,930)</u>		
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)	21-100-010-3350-023	6,420	7/1/20 - 6/30/21					5,498	(6,420)		(922)		
National School Lunch Program (State Share)	20-100-010-3350-023	1,994	7/1/19 - 6/30/20	(552)				552					
Total Enterprise Fund				<u>(552)</u>				<u>6,050</u>	<u>(6,420)</u>		<u>(922)</u>		
Total State Financial Assistance				<u>\$ (447,418)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,781,219</u>	<u>\$ (5,896,653)</u>	<u>\$ -</u>	<u>\$ (562,852)</u>	<u>\$ -</u>	<u>\$ -</u>
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 15-08													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									(1,366,096)				
On-Behalf TPAF Contribution - Post Retirement Medical (Non-Budgeted)									(428,113)				
On-Behalf TPAF Contribution - Long Term Disability Insurance (Non-Budgeted)									(1,068)				
Total State Financial Assistance Subject to New Jersey OMB Circular 15-08									<u>\$ (4,101,376)</u>				

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

Barrington School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Barrington School District ("School District"). The School District is defined in Note 1 to the School District'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, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 the 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 *N.J.S.A. 18A:22-44.2*. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more of the 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 the one or more June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,998) for the general fund. See Exhibit C-3, 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 follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 5,880,235	\$ 5,880,235
Special Revenue	334,090		334,090
Food Service	219,638	6,420	226,058
Total	<u>\$ 553,728</u>	<u>\$ 5,886,655</u>	<u>\$ 6,440,383</u>

Barrington School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021
(Continued)

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**BARRINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified? _____ yes X none reported

Noncompliance material to general purpose financial statements noted? _____ yes X no

Federal Awards

NOT APPLICABLE

Internal Control over major programs:

Material weaknesses identified? _____ yes _____ no

Significant deficiencies identified? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? _____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to distinguish between type A and type B programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no

**BARRINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings and/or questioned costs identified.

**BARRINGTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, 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) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

Finding No. 2021-001

Information on the State Program:

Equalization Aid; GMIS No. 21-495-034-5120-078

Special Education Categorical Aid; GMIS No. 21-495-034-5120-089

Criteria or specific requirement:

The District is required to complete the Application for State School Aid (ASSA) in accordance with the instructions provided by the State Department of Education.

Condition:

The student counts for on roll students did not agree to supporting documents.

Questioned Costs:

None

Context:

My test of the ASSA disclosed an overstatement of nineteen students in the On Roll count when compared to the District's supporting documents.

Effect:

The reported differences may have an impact on the District's State Aid allocation.

Cause:

Oversight

Recommendation:

That care is exercised in preparing the Application for State School Aid.

View of Responsible Officials and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**BARRINGTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.