

**SCHOOL DISTRICT
OF**

HARRISON TOWNSHIP



**Harrison Township Board of Education
Harrison, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

Harrison Township Board of Education

Harrison, New Jersey

For the Fiscal Year Ended June 30, 2021

**Prepared by
Harrison Township Board of Education
Finance Department**

HARRISON TOWNSHIP SCHOOL DISTRICT

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	10
Required Supplementary Information - Part I Management's Discussion and Analysis	14
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds:	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds	N/A
Notes to the Financial Statements	32

	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	65
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	71
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	72
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB-68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	74
L-2 Schedule of the District Contributions - Public Employees Retirement System	75
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Pension and Annuity Fund	76
M. Schedule Related to Accounting and Reporting for OPEB (GASB-75)	
M-1 Schedule of Changes in the District's Total OPEB Liability Share of the Net OPEB Liability and Related Ratios	77
Notes to the Required Supplementary Information - Part III	
	78
Other Supplementary Information	
D. School Level Schedules :	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	81
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund	
F-1 Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	87
F-2 Summary Statement of Project Expenditures	88
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	91
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	92
G-3 Combining Statement of Cash Flows	93
H. Fiduciary Funds	N/A

	<u>Page</u>
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	95
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Budgetary Comparison Schedule - Debt Service Fund	96

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1 Net Position by Component, Last Ten Fiscal Years	98
J-2 Changes in Net Position, Last Ten Fiscal Years	99
J-3 Fund Balances, Governmental Funds, Last Ten Fiscal Years	100
J-4 Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	101
J-5 General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	102

Revenue Capacity

J-6 Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	103
J-7 Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	104
J-8 Principal Property Tax Payers, Current Year and Nine Years Ago	105
J-9 Property Tax Levies and Collections, Last Ten Fiscal Years	106

Debt Capacity

J-10 Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	107
J-11 Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	108
J-12 Ratios of Overlapping Governmental Activities Debt, As of December 31, 2020	109
J-13 Legal Debt Margin Information, Last Ten Fiscal Years	110

Demographic and Economic Information

J-14 Demographic and Economic Statistics	111
J-15 Principal Employers, Current Year & Nine Years Ago (information not available)	112

Operating Information

J-16 Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years	113
J-17 Operating Statistics, Last Ten Fiscal Years	114
J-18 School Building Information, Last Ten Fiscal Years	115
J-19 Schedule of Required Maintenance, Last Ten Fiscal Years	116
J-20 Insurance Schedule	117

SINGLE AUDIT SECTION

K-1 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	119
K-2 Report on Compliance for Each Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey Circular 15-08-OMB	121
K-3 Schedule of Expenditures of Federal Awards, Schedule A	123
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	124
K-5 Notes to the Schedules of Awards and Financial Assistance	125
K-6 Schedule of Findings and Questioned Costs	
Section 1 - Financial Statement Findings	127
Section 2 -Schedule of Financial Statement Findings	129
Section 3 -Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	130
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	131

Introductory Section

HARRISON TOWNSHIP BOARD OF EDUCATION

**120 N. Main St.
Mullica Hill, New Jersey 08062
(856) 478-2016
fax (856) 478-0699**

**Dr. Missy Peretti
Superintendent**

**Robert E. Scharlé
School Business Admin./Board Secretary**

January 28, 2022

Honorable President and
Members of the Board of Education
Harrison Township School District
County of Gloucester
Mullica Hill, New Jersey

Dear Board Members and Constituents of Harrison Township:

The annual comprehensive financial report of the Harrison Township School District (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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 the Title 2 U.S. Code of federal regulations, cost principles, and audit requirements for federal awards (uniform guidance); and State of New Jersey Circular OMB 15-08. 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: Harrison Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Harrison Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 6. These include regular, as well as special education for gifted and handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 1,311 students, which is 117 less students than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

ATTENDANCE DATA
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Attendance Percentage</u>
2020-21	1,311.0	1,256.1	(8.71%)	96.35%
2019-20	1,428.0	1,384.1	6.42%)	96.92%
2018-19	1,358.0	1,300.5	(2.71%)	95.77%
2017-18	1,395.8	1,336.8	(2.50%)	95.77%
2016-17	1,431.6	1,375.8	(1.95%)	96.10%
2015-16	1,460.2	1,398.7	(2.23%)	95.79%
2014-15	1,493.5	1,431.0	1.37%	95.82%
2013-14	1,473.3	1,417.5	2.18%	96.21%
2012-13	1,441.9	1,380.5	(2.73%)	95.74%
2011-12	1,482.30	1,426.30	(0.79%)	96.22%

2) ECONOMIC CONDITION AND OUTLOOK: The Harrison Township School District encompasses 20 square miles in land area. It is a mixture of new housing developments and farms with very little business revenue, and no industry. The District is currently operating two elementary schools. The Harrison Township Elementary School capacity is 835 students, housing students in grades Pre-K through 3. The grade 4-6 Pleasant Valley School capacity is 763 students, housing students in grades 4 through 6. Major housing developments throughout the area have been, and will continue to be, the source of all the new students residing in the area. Financially, the District has a majority of homeowner’s ratables to support the education program.

3) MAJOR INITIATIVES: The Harrison Township School District is very proud of the fact that many positive things are continuing to happen in the District.

The district is currently servicing all students in person with COVID restrictions in place to ensure, to the best of our ability, student and staff safety while continuing to focus on providing appropriate instruction. In the area of curriculum, our Mathematics and English Language Arts Curricula continue to be aligned with the New Jersey Student Learning Standards (NJSLs). We will continue to follow the anticipated updates during the 2021-2022 school year on the state level and will adjust our curriculum, as necessary, to ensure compliance. We are currently piloting a new math program in all grade levels in anticipation of full implementation during the 2021-2022 school year. We continue to ensure that all students have access to the necessary working devices and wireless connection in order to access their education in the classroom. This one to one technology plan also allows us to meet the requirements of the NJ Department of Education communicated in the Remote Learning Plan Checklist. Our main resource in Language Arts Literacy continues to be Pearson’s Reading Street Series in Grades Kindergarten through Sixth with a emphasis on literacy circles and novel studies as supplemental instruction where appropriate.

3) MAJOR INITIATIVES (Cont'd):

Currently and until the previously mention pilot is complete, the Houghton Mifflin Harcourt's Math Expressions is the main resource for Mathematics instruction in Grades Kindergarten through Fifth.

Staff training will also be focused in the following areas to support the overall district goal of student achievement and development:

1. NJSLS
2. Pearson' Reading Street Series
3. Math Expressions
4. School Safety and Security
5. Affirmative Action and overall safety in the workplace
6. FERPA laws and regulations
7. RTI
8. Dyslexia
9. Mandated Security Drill Procedures
10. Handle With Care
11. Covid preparedness and response

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance 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 Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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.

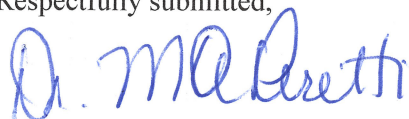
9) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, LLC, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Harrison Township 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,



Dr. Missy Peretti
Superintendent



Robert E. Scharlé
School Business Administrator/Board Secretary

***HARRISON TOWNSHIP BOARD OF EDUCATION
MULLICA HILL, NEW JERSEY***

***ROSTER OF OFFICIALS
JUNE 30, 2021***

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Stacey Muscarella, President	2021
Theresa Vaites, Vice-President	2021
Jennifer Bowen	2022
Walter Bright	2022
Cristie Clark	2023
Janette Coslop	2023
Sean Henderson	2022
Marissa Straccialini	2021
Shannon Williams	2023

Other Officials

Dr. Missy Peretti, Superintendent

Robert E. Scharlé, School Business Administrator/Board Secretary

Robert Muccilli, Solicitor

***HARRISON TOWNSHIP SCHOOL DISTRICT
MULLICA HILL, NEW JERSEY***

Consultants and Advisors

AUDIT FIRM

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

ATTORNEY

Capehart & Scatchard
8000 Midlantic Drive, Suite 300
Mount Laurel, New Jersey 08054

FISCAL AGENT(S)

TD Bank
1701 Route 70 East
Cherry Hill, New Jersey 08034

OFFICIAL DEPOSITORY

Century Savings Bank
100 N. Main Street
Mullica Hill, New Jersey 08062

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
Harrison Township School District
County of Gloucester
Harrison, 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 Harrison Township School District, in the County of Gloucester, 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 Harrison Township School District, in the County of Gloucester, 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 20 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 Harrison Township 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 Harrison Township 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 Harrison Township 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

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

As management of the Board of Education of the Township of Harrison, 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 \$7,557,174 (*net position*).
- Governmental activities have unrestricted deficit net position of \$5,373,397. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the last two state aid payments, and the state statute that prohibits 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 \$1,791,159, or a 31.06% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased \$681,563 resulting in an ending fund balance of \$3,604,667. This increase is due to the results of operations in the general fund.
- Business-type activities have unrestricted net position of \$67,454, which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$1,408,118 which is the result of the payment of bond principal, decrease in pension liability, and an increase in 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 include 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 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, equipment and vehicles. 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 salaries and benefits, 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 \$7,482,882 with an unrestricted deficit balance of \$5,373,397. The net position of the primary government does not include internal balances.

A net investment of \$10,465,221 in land, improvements, buildings, equipment and vehicles provides the services to the School District's 1,304 public school students. Net position of \$157,780 has been restricted to provide resources for future capital expansion and renovation projects; and \$919,012 has been restricted for maintenance while \$1,125,211 has been restricted for budget appropriation; \$119,925 has been restricted for unemployment compensation and \$69,130 has been restricted for student activities.

As mentioned earlier, the balance of unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, and the last two state aid payments, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

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

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current assets	\$ 3,784,518	\$ 2,748,420	\$ 90,669	\$ 52,801	\$ 3,875,187	\$ 2,801,221
Capital assets	16,711,035	17,057,832	6,838	7,485	16,717,873	17,065,317
Total assets	<u>20,495,553</u>	<u>19,806,252</u>	<u>97,507</u>	<u>60,286</u>	<u>20,593,060</u>	<u>19,866,538</u>
Deferred Outflows of Resources	<u>657,823</u>	<u>618,761</u>			<u>657,823</u>	<u>618,761</u>
LIABILITIES						
Current liabilities	1,429,593	1,287,237	23,215	20,920	1,452,808	1,308,157
Noncurrent liabilities	10,044,583	11,452,700			10,044,583	11,452,700
Total liabilities	<u>11,474,176</u>	<u>12,739,937</u>	<u>23,215</u>	<u>20,920</u>	<u>11,497,391</u>	<u>12,760,857</u>
Deferred Inflows of Resources	<u>2,196,318</u>	<u>2,146,997</u>			<u>2,196,318</u>	<u>2,146,997</u>
Net Position	<u>\$ 7,482,882</u>	<u>\$ 5,538,079</u>	<u>\$ 74,292</u>	<u>\$ 39,366</u>	<u>\$ 7,557,174</u>	<u>\$ 5,577,445</u>
Net Position Consist of:						
Net investment in capital assets	\$ 10,465,221	\$ 9,930,818	\$ 6,838	\$ 7,485	\$ 10,472,059	\$ 9,938,303
Restricted Assets	2,391,058	2,874,098			2,391,058	2,874,098
Unrestricted Assets	<u>(5,373,397)</u>	<u>(7,266,837)</u>	<u>67,454</u>	<u>31,881</u>	<u>(5,305,943)</u>	<u>(7,234,956)</u>
Net Position	<u>\$ 7,482,882</u>	<u>\$ 5,538,079</u>	<u>\$ 74,292</u>	<u>\$ 39,366</u>	<u>\$ 7,557,174</u>	<u>\$ 5,577,445</u>

Governmental Activities

Key elements of the increase in net position for governmental activities are as follows:

- The increase is a result of the asset acquisition

Business-type Activities

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

- The Food Service Program had a net gain of \$34,926.

**Township of Harrison 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:						
Charges for services	\$ -	\$ -	\$ 15,706	\$ 144,989	\$ 15,706	\$ 144,989
Operating grants and contributions	11,176,606	8,044,420	261,001	92,491	11,437,607	8,136,911
General Revenues						
Property taxes	13,962,459	13,593,274			13,962,459	13,593,274
State aid - unrestricted	6,359,095	6,501,243			6,359,095	6,501,243
Tuition	100,701	133,833			100,701	133,833
Other revenues	138,398	172,523			138,398	172,523
Total Revenues	<u>31,737,259</u>	<u>28,445,293</u>	<u>276,707</u>	<u>237,480</u>	<u>32,013,966</u>	<u>28,682,773</u>
Expenses:						
Governmental Activities:						
Instruction	10,371,205	10,310,071			10,371,205	10,310,071
Tuition	60,714	206,052			60,714	206,052
Related services	1,899,902	1,778,525			1,899,902	1,778,525
Administrative services	1,107,499	1,052,026			1,107,499	1,052,026
Operations and Maintenance	1,817,572	2,191,281			1,817,572	2,191,281
Transportation	1,022,696	1,050,691			1,022,696	1,050,691
Central Services	728,939	653,979			728,939	653,979
Employee benefits	12,638,184	10,393,546			12,638,184	10,393,546
Interest on debt	198,983	226,784			198,983	226,784
Other	75,199	3,240			75,199	3,240
Loss on disposal of capital assets	60,132				60,132	-
Business-Type Activities:						
Food Service			241,781	283,145	241,781	283,145
Total Expenses	<u>29,981,025</u>	<u>27,866,195</u>	<u>241,781</u>	<u>283,145</u>	<u>30,222,806</u>	<u>28,149,340</u>
Increase (Decrease) in Net Position before transfers	1,756,234	579,098	34,926	(45,665)	1,791,160	533,433
Transfers						
Change in Net Position	<u>1,756,234</u>	<u>579,098</u>	<u>34,926</u>	<u>(45,665)</u>	<u>1,791,160</u>	<u>533,433</u>
Net Position, July 1	5,538,079	4,958,981	39,366	85,031	5,577,445	5,044,012
Prior Period Adjustment	188,569				188,569	
Net Position, July 1 Restated	5,726,648		39,366		5,766,014	
Net Position, June 30	<u>\$ 7,482,882</u>	<u>\$ 5,538,079</u>	<u>\$ 74,292</u>	<u>\$ 39,366</u>	<u>\$ 7,557,174</u>	<u>\$ 5,577,445</u>

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 \$3,604,667, an increase of \$681,563 in comparison with the prior year.

The unreserved fund balance for the School District at the end of the fiscal year includes a unreserved fund balance of \$245,310 in the General Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures \$157,780, 2) restricted for unemployment compensation \$119,925, 3) reserve for student activities \$69,130, 4) reserve for encumbrances \$968,300 5) reserved for maintenance \$919,011 or 6) reserved for future budget appropriation in accordance with state statutes \$1,125,211.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the last two state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

General Fund Budgetary Highlights

There is no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$808,427, while total fund balance (budgetary basis) was \$3,947,519. As a measure of the general fund's liquidity, it may be useful to compare both unreserved 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 \$22,805,881. Unreserved fund balance (budgetary basis) represents 3.54% of expenditures while total fund balance (budgetary basis) represents 17.31% 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 \$16,717,683 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$347,634, or a 2.04% decrease. The decrease is due to asset depreciation.

Capital Assets (net of accumulated depreciation) June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
Land	\$ 430,000	\$ 430,000			\$ 430,000	\$ 430,000
Building and Building Improvements	15,403,001	15,944,752			15,403,001	15,944,752
Equipment	878,034	683,080	\$ 6,648	\$ 7,485	884,682	690,565
Total	<u>\$ 16,711,035</u>	<u>\$ 17,057,832</u>	<u>\$ 6,648</u>	<u>\$ 7,485</u>	<u>\$ 16,717,683</u>	<u>\$ 17,065,317</u>

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 \$6,110,000 in serial bonds payable and \$658,726 in compensated absences.

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 \$39,729,071. The available amount as of June 30, 2021 was \$33,619,071.

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 2021-22 fiscal year.

- For the 2021-22 fiscal year the School District will be receiving a slight decrease in state aid. The local tax levy in the General Fund increased by \$266,945 or 2.00%. The 2021-22 General Fund Budget decreased \$918,573 over previous year. The tax rate for 2021 is \$.918, which is a slight increase from the previous year.

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 Township of Harrison School District Business Administrator, 120 N. Main St., Mullica Hill, New Jersey 08062.

Basic Financial Statements

District-Wide Financial Statements

HARRISON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 2,531,222.74	\$ 63,963.09	\$ 2,595,185.83
Accounts Receivables, net	327,638.73	9,848.68	337,487.41
Inventory		16,857.61	16,857.61
Restricted assets:			
Cash and cash equivalents	925,656.63		925,656.63
Capital assets, net	<u>16,711,035.00</u>	<u>6,838.00</u>	<u>16,717,873.00</u>
Total Assets	<u>20,495,553.10</u>	<u>97,507.38</u>	<u>20,593,060.48</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>657,823.00</u>	<u>-</u>	<u>657,823.00</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>21,153,376.10</u>	<u>97,507.38</u>	<u>21,250,883.48</u>
LIABILITIES:			
Accounts Payable:			
Other	160,198.20	7,831.53	168,029.73
Related to pensions	271,505.00		271,505.00
Intergovernmental Accounts Payable:			
State	8,168.30		8,168.30
Accrued Liabilities:			
Interest payable	60,550.00		60,550.00
Unearned revenue	11,484.25	15,383.66	26,867.91
Noncurrent liabilities:			
Due within one year	917,687.00		917,687.00
Due beyond one year	<u>10,044,583.54</u>		<u>10,044,583.54</u>
Total Liabilities	<u>11,474,176.29</u>	<u>23,215.19</u>	<u>11,497,391.48</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>2,196,318.00</u>	<u>-</u>	<u>2,196,318.00</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>13,670,494.29</u>	<u>23,215.19</u>	<u>13,693,709.48</u>
NET POSITION:			
Net investment in capital assets	10,465,221.00	6,838.00	10,472,059.00
Restricted for:			
Capital projects	157,779.92		157,779.92
Maintenance	919,011.63		919,011.63
Emergency			-
Excess Surplus	1,125,211.16		1,125,211.16
Unemployment Compensation	119,924.86		119,924.86
Debt Service	0.09		0.09
Student Activities	69,129.85		69,129.85
Unrestricted (Deficit)	<u>(5,373,396.70)</u>	<u>67,454.19</u>	<u>(5,305,942.51)</u>
Total Net Position	<u>\$ 7,482,881.81</u>	<u>\$ 74,292.19</u>	<u>\$ 7,557,174.00</u>

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

HARRISON TOWNSHIP 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	\$ 7,409,390.00	\$ 100,701.50	\$ 188,555.94	\$ -	\$ (7,120,132.56)	\$ -	\$ (7,120,132.56)
Special Education	2,029,136.44		352,492.80		(1,676,643.64)		(1,676,643.64)
Other instruction	932,678.07				(932,678.07)		(932,678.07)
Support Services:							
Tuition	60,713.68				(60,713.68)		(60,713.68)
Student & instruction related services	1,899,902.57		246,391.31		(1,653,511.26)		(1,653,511.26)
General administrative services	512,524.75				(512,524.75)		(512,524.75)
School administrative services	594,974.29				(594,974.29)		(594,974.29)
Central administrative services	728,938.94				(728,938.94)		(728,938.94)
Plant operations and maintenance	1,817,572.27				(1,817,572.27)		(1,817,572.27)
Pupil transportation	1,022,695.59				(1,022,695.59)		(1,022,695.59)
Unallocated employee benefits	12,638,184.50		10,389,166.00		(2,249,018.50)		(2,249,018.50)
Transfer of funds to Charter Schools	23,524.00				(23,524.00)		(23,524.00)
Interest on long-term debt	198,983.33				(198,983.33)		(198,983.33)
Unallocated depreciation and amortization	51,675.00				(51,675.00)		(51,675.00)
Total Governmental Activities	<u>29,920,893.43</u>	<u>100,701.50</u>	<u>11,176,606.05</u>	<u>-</u>	<u>(18,643,585.88)</u>	<u>-</u>	<u>(18,643,585.88)</u>
Business-Type Activities:							
Food service	241,781.60	15,706.06	261,001.33	-	-	34,925.79	34,925.79
Total Business-Type Activities	<u>241,781.60</u>	<u>15,706.06</u>	<u>261,001.33</u>	<u>-</u>	<u>-</u>	<u>34,925.79</u>	<u>34,925.79</u>
Total Primary Government	<u>\$ 30,162,675.03</u>	<u>\$ 116,407.56</u>	<u>\$ 11,437,607.38</u>	<u>\$ -</u>	<u>(18,643,585.88)</u>	<u>34,925.79</u>	<u>(18,608,660.09)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					13,347,274.00		13,347,274.00
Taxes levied for debt service					615,185.00		615,185.00
Federal and State aid unrestricted					6,359,095.00		6,359,095.00
Investment and Interest earnings - restricted					279.52		279.52
Miscellaneous					138,118.03		138,118.03
Special Items:							
Loss on Disposal of Assets					(60,132.00)		(60,132.00)
Total general revenues, special items, extraordinary items and transfers					<u>20,399,819.55</u>	<u>-</u>	<u>20,399,819.55</u>
Change in Net Position					1,756,233.67	34,925.79	1,791,159.46
Net Position - July 1,					5,538,079.08	39,366.40	5,577,445.48
Prior Period Adjustments					188,569.06		188,569.06
Net Position - July 1, Restated					<u>5,726,648.14</u>	<u>39,366.40</u>	<u>5,766,014.54</u>
Net Position - June 30					<u>\$ 7,482,881.81</u>	<u>\$ 74,292.19</u>	<u>\$ 7,557,174.00</u>

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

Fund Financial Statements

TOWNSHIP OF HARRISON 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	\$ 3,236,614.51	\$ 69,129.85	\$ 151,134.92	\$ 0.09	\$ 3,456,879.37
Interfund Accounts Receivable					
General Fund					
Special Revenue Fund	142,186.60				142,186.60
Capital Projects Fund					
Enterprise Fund					
Intergovernmental Accounts Receivables:					
State	138,520.07				138,520.07
Federal		187,708.66			187,708.66
Other Accounts Receivable	1,410.00				1,410.00
Total Assets	3,518,731.18	256,838.51	151,134.92	0.09	3,926,704.70
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable					
General Fund		142,186.60			142,186.60
Special Revenue Fund					
Intergovernmental Accounts Payable:					
State		8,168.30			
Accounts Payable:					
Payroll Deductions and Withholdings Payable	29,596.22				29,596.22
Unemployment Claims Payable	34,502.58				34,502.58
Other	64,823.64	31,275.76			96,099.40
Unearned Revenue	5,406.25	6,078.00			11,484.25
Total Liabilities	134,328.69	187,708.66			313,869.05
Fund Balances:					
Restricted:					
Capital Reserve	6,645.00				6,645.00
Maintenance Reserve	919,011.63				919,011.63
Excess Surplus	1,125,211.16				1,125,211.16
Unemployment Compensation	119,924.86				119,924.86
Capital Projects			151,134.92		151,134.92
Debt Service				0.09	0.09
Student Activities		69,129.85			69,129.85
Scholarships					
Assigned to:					
Other Purposes	878,078.41				878,078.41
Designated for Subsequent Year's Expenditures	90,221.57				90,221.57
Unassigned	245,309.86				245,309.86
Total Fund Balances	3,384,402.49	69,129.85	151,134.92	0.09	3,604,667.35
Total Liabilities and Fund Balances	\$ 3,518,731.18	\$ 256,838.51	\$ 151,134.92	\$ 0.09	

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 \$35,729,383.00 and the accumulated depreciation is \$19,018,348.00. 16,711,035.00

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (60,550.00)

Accounts payable related to the April 1, 2022 required PERS contribution that is not to be liquidated with current financial resources. (271,505.00)

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	\$ 657,823.00	
Net Pension Liability	(4,057,730.00)	
Deferred Inflows of resources from Pensions	(2,196,318.00)	(5,596,225.00)

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.

Serial bonds payable	(6,245,814.00)	
Capital leases payable	-	
Compensated absences	(658,726.54)	(6,904,540.54)

Net position of governmental activities \$ 7,482,881.81

TOWNSHIP OF HARRISON 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 sources:					
Local property tax levy	\$ 13,347,274.00	\$ -	\$ -	\$ 615,185.00	\$ 13,962,459.00
Tuition charges	100,701.50				100,701.50
Transportation fees	37,500.30				37,500.30
Capital Reserve - Interest earned	3.82				3.82
Maintenance Reserve - Interest earned	432.27				432.27
Other Restricted Miscellaneous Revenues	279.52				279.52
Unrestricted Miscellaneous Revenues	100,181.64				100,181.64
Federal sources		690,344.50			690,344.50
State sources	9,900,866.00	68,242.70		418,464.00	10,387,572.70
Local sources		28,852.85			28,852.85
Total revenues	23,487,239.05	787,440.05	-	1,033,649.00	25,308,328.10
EXPENDITURES:					
Current expense:					
Regular instruction	6,366,852.36	188,555.94			6,555,408.30
Special education instruction	1,676,643.64	352,492.80			2,029,136.44
Other instruction	932,678.07				932,678.07
Support services and undistributed costs:					
Tuition	60,713.68				60,713.68
Student & instruction related services	1,653,717.39	246,185.18			1,899,902.57
General administrative services	409,174.75				409,174.75
School administrative services	594,974.29				594,974.29
Central services	345,440.32				345,440.32
Administrative Information Technology	383,498.62				383,498.62
Plant operations and maintenance	2,010,558.13				2,010,558.13
Pupil transportation	1,022,695.59				1,022,695.59
Unallocated employee benefits	6,870,384.50				6,870,384.50
Capital outlay	455,026.14				455,026.14
Transfer to Charter School	23,524.00				23,524.00
Debt service:					
Principal				825,000.00	825,000.00
Interest and other charges				208,650.00	208,650.00
Total expenditures	22,805,881.48	787,233.92	-	1,033,650.00	24,626,765.40
Excess (deficiency) of revenues over (under) expenditures	681,357.57	206.13	-	(1.00)	681,562.70
Other Financing Sources (Uses):					
Transfers in					-
Transfers out					-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	681,357.57	206.13	-	(1.00)	681,562.70
Fund balances, July 1	2,583,399.58		151,134.92	1.09	2,734,535.59
Prior Period Adjustments	119,645.34	68,923.72			188,569.06
Fund balances, July 1, Restated	2,703,044.92	68,923.72	151,134.92	1.09	2,923,104.65
Fund balances, June 30	\$ 3,384,402.49	\$ 69,129.85	\$ 151,134.92	\$ 0.09	\$ 3,604,667.35

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

TOWNSHIP OF HARRISON 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)	\$	681,562.70
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	\$ (1,033,503.00)	
Loss on Disposal of Assets	(60,132.00)	
Capital outlay	<u>746,838.00</u>	(346,797.00)
<p style="margin-left: 40px;">Repayment of bond 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.</p>		
		825,000.00
<p style="margin-left: 40px;">Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences.</p>		
		56,200.00
<p style="margin-left: 40px;">In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		9,666.67
<p style="margin-left: 40px;">Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		661,131.00
<p style="margin-left: 40px;">In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 (+).</p>		
		<u>(130,529.70)</u>
Change in net position of governmental activities	\$	<u><u>1,756,233.67</u></u>

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	<u>Business-type Activities Enterprise Funds</u>
	<u>2021</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 63,963.09
Accounts receivable	9,848.68
Inventories	<u>16,857.61</u>
Total current assets	<u>90,669.38</u>
Noncurrent assets:	
Equipment	305,760.00
Less accumulated depreciation	<u>(298,922.00)</u>
Total noncurrent assets	<u>6,838.00</u>
Total assets	<u><u>\$ 97,507.38</u></u>
 LIABILITIES:	
Current liabilities:	
Accounts Payable	\$ 7,831.53
Unearned revenue	<u>15,383.66</u>
Total liabilities	<u>23,215.19</u>
 NET ASSETS:	
Invested in capital assets net of related debt	6,838.00
Unrestricted	<u>67,454.19</u>
Total net position	<u><u>\$ 74,292.19</u></u>

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

TOWNSHIP OF HARRISON 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
	2021
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	\$ 26.95
Daily sales-non-reimbursable programs	15,679.11
	15,706.06
Total operating revenue	15,706.06
Operating expenses:	
Salaries	78,954.12
Benefits	14,369.47
Supplies and materials	12,692.81
Depreciation	647.00
Management fee	22,360.00
Direct expenses	9,823.45
Repairs and maintenance	11,762.14
Miscellaneous	250.28
Cost of sales - reimbursable programs	84,970.35
Cost of sales - non-reimbursable programs	5,951.98
	241,781.60
Total operating expenses	241,781.60
Operating income (loss)	(226,075.54)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	8,823.41
Federal sources:	
National school lunch program	214,984.40
U.S.D.A. commodities	37,193.52
	261,001.33
Total nonoperating revenues (expenses)	261,001.33
Change in net position	34,925.79
Total net position - July 1	39,366.40
Total net position - June 30	\$ 74,292.19

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2021

	<u>Business-type Activities Enterprise Funds</u>
	<u>2021</u>
Cash flows from operating activities:	
Receipts from customers	\$ 15,794.60
Payments to employees	(86,581.06)
Payments to suppliers	(118,936.43)
Net cash used for operating activities	<u>(189,722.89)</u>
Cash flows from noncapital financing activities:	
State sources	206,271.76
Federal sources	9,023.63
Net cash provided by non-capital financing activities	<u>215,295.39</u>
Net increase in cash and cash equivalents	25,572.50
Balances - July 1	<u>38,390.59</u>
Balances - June 30	<u>\$ 63,963.09</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (226,075.54)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	647.00
Federal commodities	37,193.52
(Increase) decrease in inventories	(3,783.27)
Increase (decrease) in accounts payable	6,781.38
Increase (decrease) in deferred revenue	(4,485.98)
Total adjustments	<u>36,352.65</u>
Net cash provided by (used for) operating activities	<u>\$ (189,722.89)</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Township of Harrison School District (District) is a Type II school district located in Gloucester County, New Jersey and covers an area of approximately 20 miles. As a Type II school district, it functions independently through a Board of Education. The Board 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 District is to provide educational services for all of the Township of Harrison's students in grades K through 6. The Township of Harrison School District has an approximate enrollment at June 30, 2021 of 1,311 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.

**Township of Harrison 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.

**Township of Harrison 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 fund is:

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a flexible spending account, a student activity fund, and a payroll fund.

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.

**Township of Harrison 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 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.

Basis of Accounting

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.

**Township of Harrison 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, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year-end.

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

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. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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.

Township of Harrison 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. 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.

**Township of Harrison 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

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.

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. 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 assets are available.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

**Township of Harrison 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 \$3,822,455 as of June 30, 2021, \$250,000 was insured under FDIC and the remaining balance of \$3,572,455 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) and updated annually in the Quality Assurance Annual Report (QAAR). 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 year end 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance – July 1, 2020	\$	6,641
Increased by:		
Transfer from Capital Projects		-
Interest Earned		4
		6,645
Decreased by:		
None		-
		-
Balance – June 30, 2021	\$	6,645

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

4. ACCOUNTS RECEIVABLE

Receivables at June 30, 2021 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectible in full due to the stable condition of the other governmental units, state programs and the current fiscal year guarantee of federal funds.

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

4. ACCOUNTS RECEIVABLE (Continued)

Receivables as of year-end for the District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
State Aid	\$ 138,520	\$ -	\$ 614	\$ 139,134
Federal Aid	-	187,709	9,235	196,944
Other	<u>1,410</u>	<u>-</u>	<u>-</u>	<u>1,410</u>
Total	<u>\$ 139,930</u>	<u>\$ 187,709</u>	<u>\$ 9,849</u>	<u>\$ 337,488</u>

5. CAPITAL ASSETS

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

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 430,000	\$ -	\$ -	\$ 430,000
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being Depreciated	<u>430,000</u>	<u>-</u>	<u>-</u>	<u>430,000</u>
<i>Capital Assets, being depreciated:</i>				
Site and Site Improvements	1,450,088	326,784		1,776,872
Building and Building Improvements	29,930,407		(52,584)	29,877,823
Equipment (Restated)	<u>3,351,030</u>	<u>420,054</u>	<u>(126,396)</u>	<u>3,644,688</u>
Totals at historical cost	<u>34,731,525</u>	<u>746,838</u>	<u>(178,980)</u>	<u>35,299,383</u>
<i>Less Accumulated Depreciation:</i>				
Site and Site Improvements	(1,208,492)	(39,721)		(1,248,213)
Building and Building Improvements	(14,227,251)	(776,230)		(15,003,481)
Equipment (Restated)	<u>(2,667,950)</u>	<u>(217,552)</u>	<u>118,848</u>	<u>(2,766,654)</u>
Totals accumulated depreciation	<u>(18,103,693)</u>	<u>(1,033,503)</u>	<u>118,848</u>	<u>(19,018,348)</u>
Total Capital Assets, being depreciated, net	<u>16,627,832</u>	<u>(286,665)</u>	<u>(60,132)</u>	<u>16,281,035</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,057,832</u>	<u>\$ (286,665)</u>	<u>\$ (60,132)</u>	<u>\$ 16,711,035</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 305,570	\$ -	\$ -	\$ 305,570
Less accumulated depreciation	<u>(298,085)</u>	<u>(837)</u>	<u>-</u>	<u>(298,922)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,485</u>	<u>\$ (837)</u>	<u>\$ -</u>	<u>\$ 6,648</u>

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

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$1,033,503 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 723,452
General Administration	103,350
Plant Operations and Maintenance	155,026
Unallocated	51,675
Total	\$ 1,033,503

6. INVENTORY

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

Food	\$ 14,392
Supplies	2,465
	\$ 16,857

7. LONG-TERM OBLIGATIONS

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

<u>Governmental Activities:</u>	<u>Principal Outstanding July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Serial Bonds Payable	\$ 6,935,000	\$ -	\$ 825,000	\$ 6,110,000	\$ 850,000
Unamortized Premiums	192,014		56,200	135,814	56,200
Compensated Absences	528,197	131,840	1,311	658,726	19,950
Net Pension Liability	4,715,177		657,447	4,057,730	
Total Governmental Activity	\$ 12,370,388	\$ 131,840	\$ 1,539,958	\$ 10,962,270	\$ 917,687

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

2015 Refunding Bonds dated December 3, 2015 in the amount of \$1,985,000 due in annual installments through March 1, 2024 bearing an interest rate of 4.00%.

2017 School Bonds dated November 29, 2017 in the amount of \$4,125,000 due in annual installments through September 1, 2032 bearing interest rates ranging from 2.00% to 3.00%.

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

7. LONG-TERM OBLIGATIONS (Continued)

Debt Service Requirements

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	\$ 850,000	\$ 179,650	\$ 1,029,650
2023	875,000	149,650	1,024,650
2024	860,000	118,650	978,650
2025	400,000	86,250	486,250
2026	400,000	78,000	478,000
2027-2031	2,000,000	247,250	2,247,250
2032-2033	<u>725,000</u>	<u>20,625</u>	<u>745,625</u>
	<u>\$ 6,110,000</u>	<u>\$ 880,075</u>	<u>\$ 6,990,075</u>

As of June 30, 2021 the District had no authorized but not issued bonds.

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 District had operating lease agreements in effect for copiers.

Total operating lease payments made during the year ended June 30, 2021, and 2020 were \$57,241 and \$58,992 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2022	\$ 37,488
June 30, 2023	30,373
June 30, 2024	16,295
June 30, 2025	<u>9,862</u>
Total future minimum lease payments	<u>\$ 94,018</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>.

**Township of Harrison 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.

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, 2021 was \$1,916,095 and was paid by April 1, 2021. School District employee contributions to the pension plan during the fiscal year ended June 30, 2021 were \$710,096.

**Township of Harrison 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)

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 \$3,462,423 and revenue of \$3,462,423 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.

	06/30/20	06/30/19
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	55,680,049	52,411,029
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0845574283%	.0854003958%

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%

**Township of Harrison 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>	

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.

**Township of Harrison 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)

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	65,402,739	55,680,049	47,606,987
	\$ 65,402,739	\$ 55,680,049	\$ 47,606,987

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.

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

**Township of Harrison 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)

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 \$285,448 and was paid by April 1, 2021. School District employee contributions to the pension plan during the fiscal year ended June 30, 2021 were \$125,355.

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	\$ 31,076	\$ 227,972	\$ 13,157	\$ -	\$ 272,205
2020	23,555	217,974	13,015	904	255,448
2019	32,152	213,441	11,699	867	258,159

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 \$4,057,730 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.

**Township of Harrison 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)

For the year ended June 30, 2021, the School District recognized pension expense of (\$102,620). At June 30, 2021, the School District reported a liability of \$4,057,730 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	\$ 73,885	\$ 14,350
Changes of assumptions	131,637	1,699,010
Net Difference between projected and actual earnings on pension plan investments	138,696	-
Changes in proportion	42,100	482,958
District contributions subsequent to the measurement date	271,505	
Total	\$ 657,823	\$ 2,196,318

\$271,505 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	\$ (726,587)
2023	(502,960)
2024	(372,246)
2025	(176,345)
2026	(31,862)
Total	\$ (1,810,000)

**Township of Harrison 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	.0248827742%	.0261685594%

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.

**Township of Harrison 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%	

**Township of Harrison 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	\$ 5,108,005	\$ 4,057,730	\$ 3,166,543

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:

<u>Year</u>	<u>Employer Liability</u>	<u>Paid by School District</u>
2021	\$ 34,698	\$ 34,698
2020	25,740	25,740
2019	25,818	25,818

**Township of Harrison 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.

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.

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

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
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.

**Township of Harrison 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:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2019	\$ 33,832,807
Changes for the years'	
Service Cost	1,667,524
Interest	1,226,162
Changes of benefit terms	
Differences between expected and actual experience	9,842,278
Changes in assumptions	10,197,018
Gross Benefit Payments	(971,840)
Contributions from the Non-employer	N/A
Contributions from the Member	29,456
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ 21,990,598</u>
Balance at 06/30/2020	<u><u>\$ 55,823,405</u></u>

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:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 67,297,996	\$ 55,823,405	\$ 46,851,380

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 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 45,062,535	\$ 55,823,405	\$ 68,637,209

**Township of Harrison 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 \$3,069,128 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	\$ 1,259,229	\$ (222,105)
Differences between expected and actual experience	8,475,447	(7,549,627)
Changes of assumptions	9,495,377	(6,369,767)
Total	\$ 19,230,053	\$ (14,141,499)

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	\$ 44,916
2022	44,916
2023	44,916
2024	44,916
2025	44,916
Thereafter	4,863,974
Total	\$ 5,088,554

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.

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 \$2,491,966, \$780,943, and \$942, respectively. In addition, \$686,384 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.

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

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance – The District maintains commercial insurance for all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Business Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the 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>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ -	\$ -	\$ 280	\$ -	\$ 119,925
2019-2020	-	31,947	923	52,526	119,645
2018-2019	-	31,603	166	39,348	139,301

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.

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 fund was \$658,727.

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

15. INTERFUND RECEIVABLES AND PAYABLES

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>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 142,187	\$ -
Special Revenue	-	142,187
	<u>\$ 142,187</u>	<u>\$ 142,187</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. 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 Township of Harrison (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 \$371,279 from the annual service charge in lieu of payment of taxes in 2020. The assessed value on these tax exemption properties amounted to \$28,505,700 which would have resulted in 2020 taxes billed in full of \$875,125. Of this amount, \$257,692 would have been allocated to the District.

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

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2021, a deficit of \$5,373,397 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 is as follows:

Balances June 30, 2021	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 245,310
Fund Balance – Assigned	968,300
Liabilities:	
Accrued Interest Payable	(60,550)
Net Pension Differences	(5,867,730)
Compensated Absences	<u>(658,727)</u>
Unrestricted Net position (Deficit)	<u>\$ (5,373,397)</u>

19. 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:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$465,433 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$659,778 of excess fund balance generated during the 2019-2020 fiscal year has been restricted and designated for utilization in the 2021-2022 budget.

Capital Reserve – As of June 30, 2021, the balance in the capital reserve account is \$6,645 and 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 \$919,012. 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).

Unemployment Compensation – As of June 30, 2021, the balance in unemployment compensation is \$119,925. 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 \$69,130.

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

19. FUND BALANCES (Continued)

Capital Projects Fund:

Capital Projects – As of June 30, 2021, the balance in capital projects is \$151,135.

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:

Other Purposes – At June 30, 2021 the School District has \$878,078 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated \$90,222 anticipated revenue for the fiscal year ending June 30, 2021.

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 \$245,310.

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

20. 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 Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 5,538,079	\$ 188,569	\$ 5,726,648
<u>Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	2,583,400	119,645	2,703,045
Special Revenue Fund:			
Fund Balance - June 30		68,924	68,924
<u>Statement of Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	119,645	(119,645)	-
Student Activity Agency Fund:			
Net Position - End of the Year	68,924	(68,924)	-

21. 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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,347,274.00	\$ -	\$ 13,347,274.00	\$ 13,347,274.00	\$ -
Tuition - Individuals			-	50,751.50	50,751.50
Tuition - Other LEA's	50,000.00		50,000.00	49,950.00	(50.00)
Transportation Fees	50,000.00		50,000.00	37,500.30	(12,499.70)
Interest Earned on Capital Reserve Funds			-	3.82	3.82
Interest Earned on Maintenance Reserve Funds	11.00		11.00	432.27	421.27
Other Restricted Miscellaneous Revenues				279.52	279.52
Unrestricted Miscellaneous Revenues	49,000.00		49,000.00	100,181.64	51,181.64
Total - Local Sources	13,496,285.00	-	13,496,285.00	13,586,373.05	90,088.05
State Sources:					
Equalization Aid	4,755,590.00		4,755,590.00	4,755,590.00	-
Transportation Aid	153,456.00		153,456.00	153,456.00	-
Special Education Aid	800,303.00		800,303.00	800,303.00	-
Security Aid	107,201.00		107,201.00	107,201.00	-
Extraordinary Aid	50,000.00		50,000.00	75,891.00	25,891.00
SEMI	23,799.00		23,799.00	-	(23,799.00)
Nonpublic School Transportation Costs - Other State Aid				28,710.00	28,710.00
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	2,491,966.00	2,491,966.00
On-Behalf TPAF Post Retirement Medical (non-budgeted)				780,943.00	780,943.00
On-Behalf TPAF - LTDI (non-budgeted)				942.00	942.00
Reimbursed TPAF Social Security Contrib.(non-budgeted)	-	-	-	686,384.00	686,384.00
Total - State Sources	5,890,349.00	-	5,890,349.00	9,881,386.00	3,991,037.00
Total Revenues	\$ 19,386,634.00	\$ -	\$ 19,386,634.00	\$ 23,467,759.05	\$ 4,081,125.05
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool:					
Salaries of Teachers	\$ 112,680.00	\$ -	\$ 112,680.00	\$ 112,645.40	\$ 34.60
Other Salaries for Instruction	-		-	-	-
Salaries of Teachers:					
Kindergarten	752,800.00	(10,000.00)	742,800.00	737,689.79	5,110.21
Grades 1-5	4,614,960.69	(315,000.00)	4,299,960.69	4,280,921.27	19,039.42
Grades 6-8	821,500.00	(16,000.00)	805,500.00	797,771.29	7,728.71
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000.00	12,000.00	15,000.00	14,713.08	286.92
Regular Programs - Undistributed Instruction:					
Purchased Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services	500.00	-	500.00	445.90	54.10
Rentals	41,000.00	-	41,000.00	38,790.64	2,209.36
General Supplies	568,820.65	(2,400.00)	566,420.65	354,007.58	212,413.07
Textbooks	27,826.91	239,400.00	267,226.91	29,867.41	237,359.50
Other Objects	-	-	-	-	-
Total Regular Programs	6,943,088.25	(92,000.00)	6,851,088.25	6,366,852.36	484,235.89
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	1,007,861.00	-	1,007,861.00	1,003,227.76	4,633.24
Other Salaries for Instruction	127,300.00	-	127,300.00	125,630.61	1,669.39
Purchased Educational Services	-	-	-	-	-
General Supplies	4,300.00	-	4,300.00	87.97	4,212.03
Textbooks	11,950.00	-	11,950.00	4,582.40	7,367.60
Other Objects	30,300.00	-	30,300.00	6,069.95	24,230.05
Total Resource Room/Resource Center	1,181,711.00	-	1,181,711.00	1,139,598.69	42,112.31

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Autism:					
Salaries of Teachers	202,143.00	-	202,143.00	197,977.96	4,165.04
Other Salaries for Instruction	241,786.00	(1,000.00)	240,786.00	208,525.57	32,260.43
Purchased Educational Services	14,050.00	1,000.00	15,050.00	13,662.00	1,388.00
General Supplies	3,200.00	-	3,200.00	696.09	2,503.91
Textbooks	5,500.00	-	5,500.00	781.92	4,718.08
Other Objects	250.00	-	250.00	-	250.00
Total Autism	466,929.00	-	466,929.00	421,643.54	45,285.46
Preschool Disabilities:					
Salaries of Teachers	65,195.00	-	65,195.00	59,866.06	5,328.94
Other Salaries for Instruction	56,500.00	-	56,500.00	54,420.35	2,079.65
Purchased Educational Services	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities	121,695.00	-	121,695.00	114,286.41	7,408.59
Home Instruction:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Educational Services	4,150.00	-	4,150.00	1,115.00	3,035.00
Total Home Instruction	4,150.00	-	4,150.00	1,115.00	3,035.00
Total Special Education - Instruction	1,774,485.00	-	1,774,485.00	1,676,643.64	97,841.36
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 647,519.00	\$ -	\$ 647,519.00	\$ 644,759.95	\$ 2,759.05
Other Salaries for Instruction	245,500.00	(10,000.00)	235,500.00	213,217.63	22,282.37
General Supplies	2,000.00	-	2,000.00	1,994.01	5.99
Textbooks	500.00	-	500.00	-	500.00
Total Basic Skills/Remedial - Instruction	895,519.00	(10,000.00)	885,519.00	859,971.59	25,547.41
Bilingual - Instruction:					
Salaries of Teachers	-	-	-	-	-
General Supplies	150.00	-	150.00	-	150.00
Textbooks	-	-	-	-	-
Total Bilingual - Instruction	150.00	-	150.00	-	150.00
Other Supplemental/At-Risk Program:					
Salaries of Reading Specialists	85,000.00	-	85,000.00	72,706.48	12,293.52
Total Instruction	9,698,242.25	(102,000.00)	9,596,242.25	8,976,174.07	620,068.18
Undistributed Expenditures - Instruction:					
Tuition - Other LEAs Within State - Regular	-	24,195.00	24,195.00	12,722.40	11,472.60
Tuition - Other LEAs Within State - Special	-	-	-	-	-
Tuition to CSSD & Regional Day Schools	-	-	-	-	-
Tuition to Private Schools for the Hand. - Within State	362,199.00	(112,917.00)	249,282.00	47,991.28	201,290.72
Tuition - Other	-	-	-	-	-
Total Undistributed Expenditures - Instruction	362,199.00	(88,722.00)	273,477.00	60,713.68	212,763.32
Undistributed Expenditures - Attendance:					
Other Purchased Services	14,400.00	-	14,400.00	14,400.00	-

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Health Services:					
Salaries	219,200.00	-	219,200.00	213,285.37	5,914.63
Purchased Professional and Technical Services	11,773.00	-	11,773.00	7,204.00	4,569.00
Supplies and Materials	11,377.32	-	11,377.32	6,112.32	5,265.00
Total Undistributed Expenditures - Health Services	242,350.32	-	242,350.32	226,601.69	15,748.63
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	340,400.00	61,000.00	401,400.00	399,732.39	1,667.61
Purchased Professional - Educational Services	341,796.00	(131,000.00)	210,796.00	157,080.25	53,715.75
Supplies and Materials	13,998.78	-	13,998.78	2,489.88	11,508.90
Total Undistributed Expenditures - Other Support Services - Students - Related Services	696,194.78	(70,000.00)	626,194.78	559,302.52	66,892.26
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	252,500.00	-	252,500.00	250,105.31	2,394.69
Purchased Professional - Educational Services	750.00	-	750.00	-	750.00
Supplies and Materials	1,725.00	-	1,725.00	143.96	1,581.04
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Other Support Services - Students - Regular	254,975.00	-	254,975.00	250,249.27	4,725.73
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	\$ 246,300.00	\$ -	\$ 246,300.00	\$ 238,972.78	\$ 7,327.22
Salaries of Secretarial and Clerical Assistants	47,000.00	-	47,000.00	46,935.12	64.88
Other Salaries	6,700.00	300.00	7,000.00	6,916.68	83.32
Purchased Professional - Educational Services	35,552.50	(300.00)	35,252.50	11,090.00	24,162.50
Miscellaneous Purchased Services	11,824.00	-	11,824.00	4,597.30	7,226.70
Supplies and Materials	7,750.00	-	7,750.00	2,585.25	5,164.75
Other Objects	1,800.00	-	1,800.00	255.00	1,545.00
Total Undistributed Expenditures - Other Support Services - Students - Special	356,926.50	-	356,926.50	311,352.13	45,574.37
Undistributed Expend. - Imp. of Instruction Services:					
Salaries of Supervisors of Instruction	226,808.00	-	226,808.00	222,849.60	3,958.40
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	39,487.00	-	39,487.00	39,486.96	0.04
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services	150.00	-	150.00	-	150.00
Supplies and Materials	2,500.00	-	2,500.00	448.71	2,051.29
Miscellaneous Expenditures	2,500.00	-	2,500.00	1,811.46	688.54
Total Undistributed Expenditures - Improv. of Instr. Services	271,445.00	-	271,445.00	264,596.73	6,848.27
Undistributed Expenditures - Educational Media/Library:					
Purchased Professional - Educational Services	10,225.00	-	10,225.00	7,931.52	2,293.48
Supplies and Materials	18,100.00	-	18,100.00	8,558.95	9,541.05
Total Undistributed Expend. - Educational Media/Library	28,325.00	-	28,325.00	16,490.47	11,834.53
Undistributed Expenditures - Instructional Staff Training					
Salaries of Other Professional Staff	-	47,200.00	47,200.00	5,425.58	41,774.42
Purchased Professional - Educational Services	23,000.00	-	23,000.00	3,500.00	19,500.00
Other Purchased Services	16,950.00	-	16,950.00	1,799.00	15,151.00
Miscellaneous Expenditures	-	-	-	-	-
Total Undistributed Expend. - Instructional Staff Training	39,950.00	47,200.00	87,150.00	10,724.58	76,425.42

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	200,305.00	-	200,305.00	200,304.00	1.00
Legal Services	79,545.00	39,400.00	118,945.00	118,885.76	59.24
Audit Fees	17,750.00		17,750.00	17,700.00	50.00
Architect/Engineer Services	10,500.00	8,500.00	19,000.00	12,165.18	6,834.82
Other Purchased Professional Services	-	-	-	-	-
Communications/Telephone	34,600.00	(1,500.00)	33,100.00	32,589.28	510.72
BOE Other Purchased Services	7,500.00	1,000.00	8,500.00	7,115.98	1,384.02
Other Purchased Services	12,200.00	-	12,200.00	11,326.88	873.12
Supplies and Materials	4,000.00	(3,400.00)	600.00	324.37	275.63
Miscellaneous Expenditures	10,000.00	(7,000.00)	3,000.00	2,269.00	731.00
Judgements	-	-	-	-	-
BOE Membership Dues and Fees	8,000.00	-	8,000.00	6,494.30	1,505.70
Total Undistributed Expend. - Support Services - Gen. Admin.	384,400.00	37,000.00	421,400.00	409,174.75	12,225.25
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals	443,211.00	-	443,211.00	443,211.00	-
Salaries of Secretarial and Clerical Assistants	126,239.00	(6,000.00)	120,239.00	112,424.16	7,814.84
Purchased Professional and Technical Services	62,600.00	72,800.00	135,400.00	13,587.79	121,812.21
Other Purchased Services	8,700.00	-	8,700.00	7,562.88	1,137.12
Supplies and Materials	16,400.00	-	16,400.00	5,528.81	10,871.19
Miscellaneous Expenditures	15,707.15	-	15,707.15	12,659.65	3,047.50
Total Undistributed Expend. - Support Serv. - School Admin.	672,857.15	66,800.00	739,657.15	594,974.29	144,682.86
Undistributed Expend. - Central Services:					
Salaries	\$ 320,020.00	\$ -	\$ 320,020.00	\$ 319,508.16	\$ 511.84
Purchased Professional Services	18,500.00	(2,600.00)	15,900.00	15,299.79	600.21
Other Purchased Services	3,300.00	-	3,300.00	2,431.84	868.16
Supplies and Materials	5,291.00	(1,400.00)	3,891.00	3,801.40	89.60
Miscellaneous Expenditures	7,250.00	(1,800.00)	5,450.00	4,399.13	1,050.87
Total Undistributed Expend. - Central Services	354,361.00	(5,800.00)	348,561.00	345,440.32	3,120.68
Undistributed Expend. - Administrative Information Technology:					
Salaries	155,000.00	700.00	155,700.00	155,690.75	9.25
Purchased Professional and Technical Services	4,000.00	-	4,000.00	3,960.00	40.00
Other Purchased Services	94,844.00	(16,900.00)	77,944.00	66,901.03	11,042.97
Supplies and Materials	70,000.00	87,000.00	157,000.00	156,946.84	53.16
Total Undistributed Expend. - Admin. Info. Technology	323,844.00	70,800.00	394,644.00	383,498.62	11,145.38
Undistributed Expenditures - Allowable Maintenance of Plant Services:					
Cleaning, Repair and Maintenance Services	339,763.09	362,000.00	701,763.09	372,713.64	329,049.45
Lead Testing	-	-	-	-	-
General Supplies	75,609.50	17,000.00	92,609.50	42,487.46	50,122.04
Total Undistributed Expenditures - Allowable Maint. of Plant Services	415,372.59	379,000.00	794,372.59	415,201.10	379,171.49
Undistributed Expenditures - Other Operation and Maint. of Plant Services:					
Salaries	631,000.00	(28,500.00)	602,500.00	587,015.61	15,484.39
Salaries of Non-Instructional Aides	212,500.00	(12,000.00)	200,500.00	177,798.33	22,701.67
Other Purchased Property Services	41,020.04	-	41,020.04	31,586.57	9,433.47
Insurance	116,000.00	-	116,000.00	106,989.75	9,010.25
Miscellaneous Purchased Services	20,000.00	(7,100.00)	12,900.00	6,239.00	6,661.00
General Supplies	86,368.57	(21,600.00)	64,768.57	42,472.83	22,295.74
Natural Gas	97,000.00	-	97,000.00	88,981.75	8,018.25
Electricity	355,000.00	(19,000.00)	336,000.00	318,526.68	17,473.32
Other Objects	5,000.00	1,500.00	6,500.00	6,158.72	341.28
Total Undistributed Expenditures - Other Operation and Maint. of Plant Services	1,563,888.61	(86,700.00)	1,477,188.61	1,365,769.24	111,419.37

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	50,000.00	2,000.00	52,000.00	51,273.00	727.00
General Supplies	3,000.00	(2,000.00)	1,000.00	980.00	20.00
Total Undistributed Expenditures - Care & Upkeep of Grounds:	<u>53,000.00</u>	<u>-</u>	<u>53,000.00</u>	<u>52,253.00</u>	<u>747.00</u>
Undistributed Expenditures - Security					
Purchased Professional Services	130,000.00	7,100.00	137,100.00	137,081.40	18.60
Cleaning, Repair and Maintenance Services	29,000.00	11,600.00	40,600.00	40,253.39	346.61
General Supplies	-	-	-	-	-
Total Undistributed Expenditures - Security	<u>159,000.00</u>	<u>18,700.00</u>	<u>177,700.00</u>	<u>177,334.79</u>	<u>365.21</u>
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	135,000.00	-	135,000.00	75,864.54	59,135.46
Salaries for Pupil Transportation (Between Home and School) - Regular	569,300.00	(7,000.00)	562,300.00	543,705.65	18,594.35
Salaries for Pupil Transportation (Between Home and School) - Special	100,000.00	7,000.00	107,000.00	100,875.64	6,124.36
Other Professional and Technical Services	9,534.00	-	9,534.00	3,835.00	5,699.00
Cleaning, Repair and Maintenance Services	100,000.00	-	100,000.00	76,369.49	23,630.51
Aid In Lieu of Transportation	151,133.00	(3,700.00)	147,433.00	93,273.84	54,159.16
Contracted Serv. - (Between Home and School) - Joint Agreements	-	-	-	-	-
Contracted Serv. - (Sp. Ed. Students) - Joint Agreements	15,000.00	(6,600.00)	8,400.00	8,400.00	-
Contracted Serv. - Regular - ESCs & CTSAs	20,000.00	8,300.00	28,300.00	-	28,300.00
Contracted Serv. - Special - ESCs & CTSAs	3,843.63	2,000.00	5,843.63	5,738.81	104.82
Miscellaneous Purchased Services - Transportation	32,300.00	-	32,300.00	2,847.36	29,452.64
Supplies and Materials	181,000.00	-	181,000.00	107,969.89	73,030.11
Miscellaneous Expenditures	4,000.00	-	4,000.00	3,815.37	184.63
Total Undistributed Expend. - Student Transportation Serv.	<u>1,321,110.63</u>	<u>-</u>	<u>1,321,110.63</u>	<u>1,022,695.59</u>	<u>298,415.04</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Unallocated Benefits:					
Social Security Contributions	\$ 280,000.00	\$ -	\$ 280,000.00	\$ 258,976.99	\$ 21,023.01
Other Retirement Contributions - PERS	265,000.00	7,205.00	272,205.00	272,205.00	-
Other Retirement Contributions - Regular	42,000.00	-	42,000.00	35,817.74	6,182.26
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	170,000.00	(7,205.00)	162,795.00	152,907.21	9,887.79
Health Benefits	2,199,232.00	(190,440.00)	2,008,792.00	1,923,963.07	84,828.93
Tuition Reimbursement	35,000.00	-	35,000.00	34,591.99	408.01
Other Employee Benefits	196,000.00	-	196,000.00	195,200.00	800.00
Other Employee Benefits	36,614.00	-	36,614.00	36,487.50	126.50
Total Unallocated Benefits	<u>3,223,846.00</u>	<u>(190,440.00)</u>	<u>3,033,406.00</u>	<u>2,910,149.50</u>	<u>123,256.50</u>
On-behalf TPAF Pension Contributions (non-budgeted)				2,491,966.00	(2,491,966.00)
On-Behalf TPAF Post Retirement Medical (non-budgeted)				780,943.00	(780,943.00)
On-Behalf TPAF - LTDI (non-budgeted)				942.00	(942.00)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				686,384.00	(686,384.00)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,960,235.00</u>	<u>(3,960,235.00)</u>
Total Undistributed Expenditures	<u>\$ 10,738,445.58</u>	<u>\$ 177,838.00</u>	<u>\$ 10,916,283.58</u>	<u>\$ 13,351,157.27</u>	<u>\$ (2,434,873.69)</u>
Total Current Expense	<u>\$ 20,436,687.83</u>	<u>\$ 75,838.00</u>	<u>\$ 20,512,525.83</u>	<u>\$ 22,327,331.34</u>	<u>\$ (1,814,805.51)</u>

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Undistributed Expenditures - Operation/Maint. Plant:					
Equipment	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 42,202.00	\$ 7,798.00
Undistributed Expenditures - Student Transportation Services:					
School Buses - Regular	187,412.14	190,440.00	377,852.14	377,852.14	-
School Buses - Special	-	-	-	-	-
Facilities Acquisition and Construction Services:					
Construction Services	-	-	-	-	-
Lease Purchase Principal	-	-	-	-	-
Transfer to Capital Projects	-	-	-	-	-
Other Objects	34,972.00	-	34,972.00	34,972.00	-
Total Capital Outlay	\$ 222,384.14	\$ 240,440.00	\$ 462,824.14	\$ 455,026.14	\$ 7,798.00
Transfer to Charter School	9,802.00	\$ 13,722.00	\$ 23,524.00	\$ 23,524.00	-
Total Expenditures	\$ 20,668,873.97	\$ 330,000.00	\$ 20,998,873.97	\$ 22,805,881.48	\$ (1,807,007.51)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,282,239.97)	(330,000.00)	(1,612,239.97)	661,877.57	2,274,117.54
Other Financing Sources (Uses):			-		-
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (1,282,239.97)	\$ (330,000.00)	\$ (1,612,239.97)	\$ 661,877.57	\$ 2,274,117.54
Fund Balances, July 1	3,165,996.58		3,165,996.58	3,165,996.58	
Prior Period Adjustment				119,645.34	119,645.34
Fund Balances, July 1, Restated	3,165,996.58	-	3,165,996.58	3,285,641.92	119,645.34
Fund Balances, June 30	\$ 1,883,756.61	\$ (330,000.00)	\$ 1,553,756.61	\$ 3,947,519.49	\$ 2,393,762.88
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 6,645.00	
Maintenance Reserve				919,011.63	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				659,778.43	
Current Year				465,432.73	
Unemployment Compensation				119,924.86	
Assigned:					
Year-End Encumbrances				878,078.41	
Designated for Subsequent Year's Expenditures				90,221.57	
Unassigned Fund Balance				808,426.86	
				\$ 3,947,519.49	
Reconciliation on Governmental Fund Statements (GAAP):					
Fiscal Year 2021 Last State Aid Payments not Recognized on a GAAP Basis				(563,117.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,384,402.49</u>	

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ 28,852.85	\$ 28,852.85
State sources	76,411.00		76,411.00	68,242.70	(8,168.30)
Federal sources	957,465.44		957,465.44	690,344.50	(267,120.94)
Total revenues	1,033,876.44	-	1,033,876.44	787,440.05	(246,436.39)
EXPENDITURES:					
Instruction:					
Salaries of teachers	26,157.24		26,157.24	14,608.26	11,548.98
Other salaries for instruction	-		-	-	-
Purchased professional - educ. services	559.00		559.00	-	559.00
Purchased professional - tech. services	144,852.20		144,852.20	15,600.58	129,251.62
Tuition	372,055.00		372,055.00	313,607.55	58,447.45
General supplies	198,144.00		198,144.00	158,347.10	39,796.90
Textbooks	-		-	-	-
Total instruction	741,767.44	-	741,767.44	502,163.49	239,603.95
Support services:					
Other salaries	-		-	-	-
Personal services - employee benefits	5,780.00		5,780.00	29.83	5,750.17
Purchased professional - educ. services	147,329.00		147,329.00	102,484.95	44,844.05
Purchased professional and technical services	-		-	20,825.00	(20,825.00)
Purchased property services	-		-	-	-
Travel	-		-	-	-
Other purchased services	-		-	-	-
Supplies and materials	139,000.00		139,000.00	133,083.93	5,916.07
Student activities	-		-	28,646.72	(28,646.72)
Total support services	292,109.00	-	292,109.00	285,070.43	7,038.57
Facilities acquisition and construction services:					
Building	-		-	-	-
Instructional equipment	-		-	-	-
Noninstructional equipment	-		-	-	-
Total facilities acq. and const. services	-	-	-	-	-
Total expenditures	1,033,876.44	-	1,033,876.44	787,233.92	246,642.52
Total outflows	1,033,876.44	-	1,033,876.44	787,233.92	246,642.52
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	206.13	206.13
Fund Balance, July 1				-	
Prior Period Adjustment				68,923.72	
Fund Balance, July 1 (Restated)				68,923.72	
Fund Balance, June 30				<u>\$ 69,129.85</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 69,129.85	
Total Fund Balance				<u>\$ 69,129.85</u>	

**Township of Harrison School District
Notes to Required Supplementary Information
Budgetary Comparison**

**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	\$ 23,467,759.05	\$ 787,440.05
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		
Prior Year		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	582,597.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(563,117.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 23,487,239.05	\$ 787,440.05
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 22,805,881.48	\$ 787,233.92
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.		
Current Year		
Prior Year		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 22,805,881.48	\$ 787,233.92

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

TOWNSHIP OF HARRISON 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)	0.0248827742%	0.0261685594%	0.0258668916%	0.0266886674%	0.0292304339%	0.0298861806%	0.0295526762%	0.0301734788%
District's proportionate share of the net pension liability (asset)	\$ 4,057,730	\$ 4,715,177	\$ 5,093,062	\$ 6,212,695	\$ 8,657,216	\$ 6,708,849	\$ 5,533,069	\$ 5,766,751
District's covered-employee payroll	1,665,800	1,711,891	1,805,219	1,889,883	1,780,940	1,843,690	1,952,764	1,947,894
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	243.59%	275.44%	282.13%	328.73%	486.10%	363.88%	283.35%	296.05%
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 the fiscal year ended June 30, 2015.

TOWNSHIP OF HARRISON 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	\$ 271,505	\$ 285,448	\$ 255,448	\$ 257,292	\$ 247,242	\$ 259,679	\$ 256,941	\$ 243,628
Contributions in relation to the contractually required contributions	<u>(271,505)</u>	<u>(285,448)</u>	<u>(255,448)</u>	<u>(257,292)</u>	<u>(250,014)</u>	<u>(260,740)</u>	<u>(256,941)</u>	<u>(243,628)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,772)</u>	<u>\$ (1,061)</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	1,665,800	1,711,891	1,805,219	1,889,883	1,780,940	1,843,690	1,952,764	1,947,894
Contributions as a percentage of covered-employee payroll	16.30%	16.67%	14.15%	13.61%	13.88%	14.08%	13.16%	12.51%

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

TOWNSHIP OF HARRISON 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)	0.0845574283%	0.0854003958%	0.0813118774%	0.0799484884%	0.0793900680%	0.0793655108%	0.0787047848%	0.0820489531%
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>\$ 55,680,049</u>	<u>\$ 52,411,029</u>	<u>\$ 51,728,870</u>	<u>\$ 53,904,154</u>	<u>\$ 62,453,282</u>	<u>\$ 50,162,393</u>	<u>\$ 42,065,146</u>	<u>\$ 41,466,896</u>
Total	<u><u>\$ 55,680,049</u></u>	<u><u>\$ 52,411,029</u></u>	<u><u>\$ 51,728,870</u></u>	<u><u>\$ 53,904,154</u></u>	<u><u>\$ 62,453,282</u></u>	<u><u>\$ 50,162,393</u></u>	<u><u>\$ 42,065,146</u></u>	<u><u>\$ 41,466,896</u></u>
District's covered-employee payroll	9,446,783	9,232,425	9,291,359	9,116,023	8,639,427	8,320,432	8,003,650	7,983,691
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 the fiscal year ended June 30, 2015.

TOWNSHIP OF HARRISON 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	0.08%	0.08%	0.08%	0.08%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 55,823,405	\$ 33,832,807	\$ 36,839,453	\$ 43,144,768
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 55,823,405</u>	<u>\$ 33,832,807</u>	<u>\$ 36,839,453</u>	<u>\$ 43,144,768</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	\$ 1,667,524	\$ 1,709,275	\$ 1,987,259	\$ 2,397,306
Interest	1,226,162	1,472,520	1,598,853	1,379,406
Differences between expected and actual experiences	9,842,278	(5,685,111)	(4,712,887)	-
Changes of assumptions	10,197,018	504,450	(4,227,512)	(6,150,214)
Member Contributions	29,456	30,786	34,046	36,798
Benefit payments	<u>(971,840)</u>	<u>(1,038,566)</u>	<u>(985,074)</u>	<u>(999,324)</u>
Net Change in total OPEB Liability	\$ 21,990,598	\$ (3,006,646)	\$ (6,305,315)	\$ (3,336,028)
Total OPEB Liability - beginning	<u>\$ 33,832,807</u>	<u>\$ 36,839,453</u>	<u>\$ 43,144,768</u>	<u>\$ 46,480,796</u>
Total OPEB Liability - ending	<u>\$ 55,823,405</u>	<u>\$ 33,832,807</u>	<u>\$ 36,839,453</u>	<u>\$ 43,144,768</u>
District's covered-employee payroll	11,112,583	10,944,316	11,096,578	11,005,906
Total OPEB Liability as a percentage of covered-employee payroll	502.34%	309.14%	331.99%	392.01%

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

Harrison Township 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

TOWNSHIP OF HARRISON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Total 2021
REVENUES:					
State sources	\$ -	\$ -	\$ 47,417.70	\$ 20,825.00	\$ 68,242.70
Federal sources	352,492.80	67,094.28	-	270,757.42	690,344.50
Local sources	-	-	-	28,852.85	28,852.85
Total Revenues	<u>352,492.80</u>	<u>67,094.28</u>	<u>47,417.70</u>	<u>320,435.27</u>	<u>787,440.05</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	-	14,218.26	-	390.00	14,608.26
Other salaries for instruction	-	-	-	-	-
Professional education services	-	-	-	-	-
Purchase professional and technical services	-	15,600.58	-	-	15,600.58
Tuition	313,607.55	-	-	-	313,607.55
General supplies	-	37,275.44	-	121,071.66	158,347.10
Textbooks	-	-	-	-	-
Total instruction	<u>313,607.55</u>	<u>67,094.28</u>	<u>-</u>	<u>121,461.66</u>	<u>502,163.49</u>
Support services:					
Other salaries	-	-	-	-	-
Personal services-employee benefits	-	-	-	29.83	29.83
Purchased prof. and educational services	38,885.25	-	47,417.70	16,182.00	102,484.95
Purchase professional and technical services	-	-	-	20,825.00	20,825.00
Purchased technical services	-	-	-	-	-
Purchased property services	-	-	-	-	-
Travel	-	-	-	-	-
Other purchased services (400-500)	-	-	-	-	-
Supplies and materials	-	-	-	133,083.93	133,083.93
Student activities	-	-	-	28,646.72	28,646.72
Total support services	<u>38,885.25</u>	<u>-</u>	<u>47,417.70</u>	<u>198,767.48</u>	<u>285,070.43</u>
Facilities acquisition and const. serv.:					
Building	-	-	-	-	-
Instructional equipment	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>352,492.80</u>	<u>67,094.28</u>	<u>47,417.70</u>	<u>320,229.14</u>	<u>787,233.92</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>206.13</u>	<u>206.13</u>
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	68,923.72	68,923.72
Fund Balance, July 1 (Restated)	-	-	-	68,923.72	68,923.72
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,129.85</u>	<u>\$ 69,129.85</u>

TOWNSHIP OF HARRISON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	IDEA				Totals
	Basic	Basic	Preschool	Preschool	
	Current Yr.	Prior Yr.	Current Yr.	Prior Yr.	
REVENUES:					
State sources					\$ -
Federal sources	\$ 301,973.55	\$ -	\$ 50,519.25	\$ -	352,492.80
Total Revenues	<u>301,973.55</u>	<u>-</u>	<u>50,519.25</u>	<u>-</u>	<u>352,492.80</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers					-
Other salaries for instruction					-
Professional education services					-
Purchase professional and technical services					-
Tuition	284,123.55		29,484.00		313,607.55
General supplies					-
Textbooks					-
Total instruction	<u>284,123.55</u>	<u>-</u>	<u>29,484.00</u>	<u>-</u>	<u>313,607.55</u>
Support services:					
Other salaries					-
Personal services-employee benefits					-
Purchased prof. and educational services	17,850.00		21,035.25		38,885.25
Purchase professional and technical services					-
Purchased technical services					-
Purchased property services					-
Travel					-
Other purchased services (400-500)					-
Supplies and materials					-
Total support services	<u>17,850.00</u>	<u>-</u>	<u>21,035.25</u>	<u>-</u>	<u>38,885.25</u>
Facilities acquisition and const. serv.:					
Instructional equipment					-
Non-instructional equipment					-
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>301,973.55</u>	<u>-</u>	<u>50,519.25</u>	<u>-</u>	<u>352,492.80</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF HARRISON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	E.S.E.A.							Totals
	Title I		Title IIA		Title III	Title IV		
	Current Yr.	Carry-Over	Current Yr.	Carry-Over	Current Yr.	Current Yr.	Carry-Over	
REVENUES:								
State sources								\$ -
Federal sources	\$ 22,930.14	\$ 11,707.24	\$ 14,596.40	\$ 2,617.20	\$ 898.00	\$ 14,170.30	\$ 175.00	67,094.28
Total Revenues	<u>22,930.14</u>	<u>11,707.24</u>	<u>14,596.40</u>	<u>2,617.20</u>	<u>898.00</u>	<u>14,170.30</u>	<u>175.00</u>	<u>67,094.28</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers		11,707.24	2,511.02					14,218.26
Other salaries for instruction								-
Professional education services								-
Purchase professional and technical services			12,085.38	2,617.20	898.00			15,600.58
Tuition								-
General supplies	22,930.14					14,170.30	175.00	37,275.44
Textbooks								-
Total instruction	<u>22,930.14</u>	<u>11,707.24</u>	<u>14,596.40</u>	<u>2,617.20</u>	<u>898.00</u>	<u>14,170.30</u>	<u>175.00</u>	<u>67,094.28</u>
Support services:								
Other salaries								-
Personal services-employee benefits								-
Purchased prof. and educational services								-
Purchase professional and technical services								-
Purchased technical services								-
Purchased property services								-
Travel								-
Other purchased services (400-500)								-
Supplies and materials								-
Other objects								-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities acquisition and const. serv.:								
Building								-
Instructional equipment								-
Non-instructional equipment								-
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>22,930.14</u>	<u>11,707.24</u>	<u>14,596.40</u>	<u>2,617.20</u>	<u>898.00</u>	<u>14,170.30</u>	<u>175.00</u>	<u>67,094.28</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF HARRISON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	<u>Chapter 192 - Auxillary Services</u>			<u>Chapter 193 - Handicapped Services</u>			Nonpublic Nursing	Nonpublic Home Instruction	Nonpublic Textbook	Carried Forward (Exh. E-1A)
	Comp. Education	E.S.L.	Transportation	Corrective Speech	Suppl. Instruction	Exam & Classification				
REVENUES:										
State sources	\$ 8,099.37	\$ -	\$ 1,472.58	\$ 15,584.94	\$ 3,238.00	\$ 4,088.90	\$ 9,384.00	\$ -	\$ 5,549.91	\$ 47,417.70
Federal sources										-
Total Revenues	<u>8,099.37</u>	<u>-</u>	<u>1,472.58</u>	<u>15,584.94</u>	<u>3,238.00</u>	<u>4,088.90</u>	<u>9,384.00</u>	<u>-</u>	<u>5,549.91</u>	<u>47,417.70</u>
EXPENDITURES:										
Instruction:										
Salaries of teachers										-
Other salaries for instruction										-
Professional education services										-
Purchase professional and technical services										-
Tuition										-
General supplies										-
Textbooks										-
Total instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:										
Personal services-employee benefits										-
Purchased prof. and educational services	8,099.37	-	1,472.58	15,584.94	3,238.00	4,088.90	9,384.00	-	5,549.91	47,417.70
Purchase professional and technical services										-
Purchased technical services										-
Purchased property services										-
Travel										-
Other purchased services (400-500)										-
Supplies and materials										-
Total support services	<u>8,099.37</u>	<u>-</u>	<u>1,472.58</u>	<u>15,584.94</u>	<u>3,238.00</u>	<u>4,088.90</u>	<u>9,384.00</u>	<u>-</u>	<u>5,549.91</u>	<u>47,417.70</u>
Facilities acquisition and const. serv.:										
Instructional equipment										-
Non-instructional equipment										-
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,099.37</u>	<u>-</u>	<u>1,472.58</u>	<u>15,584.94</u>	<u>3,238.00</u>	<u>4,088.90</u>	<u>9,384.00</u>	<u>-</u>	<u>5,549.91</u>	<u>47,417.70</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF HARRISON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	ESSR - CARES Grant	CRF Grant	ESSR II Grant	CRF Nonpublic Technology	Nonpublic Security	Student Activity Fund	Totals
REVENUES:							
State sources	\$ -	\$ -	\$ -	\$ -	\$ 20,825.00	\$ -	\$ 20,825.00
Federal sources	53,566.00	56,391.00	156,798.42	4,002.00			270,757.42
Local sources						28,852.85	28,852.85
Total Revenues	53,566.00	56,391.00	156,798.42	4,002.00	20,825.00	28,852.85	320,435.27
EXPENDITURES:							
Instruction:							
Salaries of teachers			390.00				390.00
Other salaries for instruction							-
Professional education services							-
Purchase professional and technical services							-
Tuition							-
General supplies	9,775.00		107,294.66	4,002.00			121,071.66
Textbooks							-
Total instruction	9,775.00	-	107,684.66	4,002.00	-	-	121,461.66
Support services:							
Personal services-employee benefits			29.83				29.83
Purchased prof. and educational services	16,182.00						16,182.00
Purchase professional and technical services					20,825.00		20,825.00
Purchased technical services							-
Purchased property services							-
Travel							-
Other purchased services (400-500)							-
Supplies and materials	27,609.00	56,391.00	49,083.93				133,083.93
Student activities						28,646.72	28,646.72
Total support services	43,791.00	56,391.00	49,113.76	-	20,825.00	28,646.72	198,767.48
Facilities acquisition and const. serv.:							
Buildings							-
Non-instructional equipment							-
Total facilities acquisition and const. serv.:	-	-	-	-	-	-	-
Due to Charter School							-
Total Expenditures	53,566.00	56,391.00	156,798.42	4,002.00	20,825.00	28,646.72	320,229.14
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	206.13	206.13
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	68,923.72	68,923.72
Fund Balance, July 1 (Restated)	-	-	-	-	-	68,923.72	68,923.72
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,129.85	\$ 69,129.85

Capital Projects Fund
Detail Statements

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2021

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP</u> <u>Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Harrison Township School:					
Roof Replacement	9/27/2016	\$ 5,326,577.00	\$ 4,573,865.08	\$ -	\$ 752,711.92
Totals		<u>\$ 5,326,577.00</u>	<u>\$ 4,573,865.08</u>	<u>\$ -</u>	<u>\$ 752,711.92</u>

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary
For the Year Ended June 30, 2021

Revenues and Other Financing Sources:

Bond proceeds and transfers	\$ -
Transfer from capital reserve	-
Transfer from capital outlay	-
Total Revenues	-

Expenditures and Other Financing Uses:

Purchased professional and technical services	-
Construction services	-
Equipment purchases	-
Total Expenditures	-

Excess (Deficiency) of revenues over (under) expenditures	-
---	---

Fund Balance June 30, 2020	151,134.92
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Fund Balance June 30, 2021	\$ 151,134.92
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TOWNSHIP OF HARRISON SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Harrison Township School Roof Replacement
From Inception and for the Year Ended June 30, 2021

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds	\$ 4,725,000.00	-	\$ 4,725,000.00	\$ 4,725,000.00
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total Revenues	4,725,000.00	-	4,725,000.00	4,725,000.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	475,375.32	\$ -	475,375.32	475,375.32
Construction services	4,098,489.76	-	4,098,489.76	4,098,489.76
Equipment purchases	-	-	-	-
Total Expenditures	4,573,865.08	-	4,573,865.08	4,573,865.08
Excess (Deficiency) of revenues over (under) expenses	\$ 151,134.92	\$ -	\$ 151,134.92	\$ 151,134.92

Additional Project Information:

DOE Project Number	2070-050-16-1000-Roofing
Grant Date/Letter of Notification	5/25/2016
Bond Authorization/Referendum Date	9/27/2016
Bonds Authorized	\$5,326,577
Bonds Issued	N/A
Original Project Authorized Cost	\$5,326,577
Additional Authorized Cost	\$0
Revised Authorized Cost	\$5,326,577
Percentage Increase Over	
Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	9/1/2018
Revised Target Completion Date	N/A

Proprietary Funds

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2021

	2021
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 63,963.09
Accounts receivable:	
State	614.04
Federal	9,234.64
Inventories	16,857.61
Total current assets	90,669.38
Fixed assets:	
Equipment	305,760.00
Less Accumulated depreciation	(298,922.00)
Total fixed assets	6,838.00
Total assets	\$ 97,507.38
 LIABILITIES	
Current liabilities:	
Accounts Payable	\$ 7,831.53
Unearned revenue	15,383.66
Total current liabilities	23,215.19
 NET POSITION	
Invested in capital assets net of related debt	6,838.00
Unrestricted	67,454.19
Total net position	\$ 74,292.19

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Year ended June 30, 2021

	2021
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 26.95
Total-daily sales-reimbursable programs	26.95
Daily sales non-reimbursable programs:	
Adult and AlaCarte meals	15,679.11
Total operating revenue	15,706.06
OPERATING EXPENSES:	
Salaries	78,954.12
Benefits	14,369.47
Supplies and materials	12,692.81
Depreciation	647.00
Management fee	22,360.00
Direct expenses	9,823.45
Repairs and maintenance	11,762.14
Miscellaneous	250.28
Cost of sales - reimbursable programs	84,970.35
Cost of sales - non-reimbursable programs	5,951.98
Total operating expenses	241,781.60
Operating income (loss)	(226,075.54)
Non-operating revenues:	
State sources:	
State school lunch program	8,823.41
Federal sources:	
National school lunch program	214,984.40
U.S.D.A. commodities	37,193.52
Total non-operating revenues	261,001.33
Net income (loss)	34,925.79
Net position - July 1	39,366.40
Net position - June 30	\$ 74,292.19

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Year ended June 30, 2021

	2021
Cash flows from operating activities:	
Cash receipts from customers	\$ 15,794.60
Cash payments to employees for services	(86,581.06)
Cash payments to suppliers for goods and services	(118,936.43)
Net cash used by operating activities	(189,722.89)
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	215,295.39
Net cash provided by noncapital financing activities	215,295.39
Net increase (decrease) in cash and cash equivalents	25,572.50
Cash and cash equivalents, July 1	38,390.59
Cash and cash equivalents, June 30	\$ 63,963.09
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (226,075.54)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	647.00
Federal commodities	37,193.52
Change in assets and liabilities:	
(Increase)/decrease in inventory	(3,783.27)
Increase/(decrease) in accounts payable	6,781.38
Increase/(decrease) in deferred revenue	(4,485.98)
Net cash used by operating activities	\$ (189,722.89)

Long-Term Debt Schedules

TOWNSHIP OF HARRISON SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
2015 Refunding Bonds	12/3/15	\$ 4,860,000	3/1/22	\$ 650,000	4.00%	\$ 2,610,000		\$ 625,000	\$ 1,985,000
			3/1/23	675,000	4.00%				
			3/1/24	660,000	4.00%				
2017 School Bonds	11/29/2017	4,725,000	9/1/2021-2023	200,000	2.00%	4,325,000		200,000	4,125,000
			9/1/24-2031	400,000	3.00%				
			9/1/32	325,000	3.00%				
						<u>\$ 6,935,000</u>	<u>\$ -</u>	<u>\$ 825,000</u>	<u>\$ 6,110,000</u>

TOWNSHIP OF HARRISON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 615,185.00	\$ -	\$ 615,185.00	\$ 615,185.00	\$ -
State Sources:					
Debt Service Aid Type II	418,464.00	-	418,464.00	418,464.00	-
Total Revenues	<u>1,033,649.00</u>	<u>-</u>	<u>1,033,649.00</u>	<u>1,033,649.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	208,650.00		208,650.00	208,650.00	\$ -
Redemption of Principal	825,000.00		825,000.00	825,000.00	-
Total Regular Debt Service	<u>1,033,650.00</u>	-	<u>1,033,650.00</u>	<u>1,033,650.00</u>	-
Total Expenditures	<u>1,033,650.00</u>	<u>-</u>	<u>1,033,650.00</u>	<u>1,033,650.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	-	(1.00)	(1.00)	-
Fund Balances, July 1	<u>1.09</u>	<u>-</u>	<u>1.09</u>	<u>1.09</u>	
Fund Balances, June 30	<u>\$ 0.09</u>	<u>\$ -</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>

Statistical Section

Township of Harrison School District
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)
UNAUDITED

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Fiscal Year Ending June 30,		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
					<u>2016</u>	<u>2017</u>				
Governmental activities										
Invested in capital assets, net of related debt	\$ 7,664,319	\$ 8,125,309	\$ 8,420,527	\$ 9,080,503	\$ 9,189,757	\$ 9,559,773	\$ 4,935,734	\$ 9,598,829	\$ 9,930,818	\$ 10,465,221
Restricted	1,225,768	1,203,904	1,442,289	1,394,118	1,638,168	(2,757,884)	2,463,692	2,557,834	2,874,098	2,391,058
Unrestricted	(467,715)	(569,957)	(648,123)	(6,275,928)	(6,483,641)	(7,228,364)	(7,400,938)	(7,197,682)	(7,266,837)	(5,373,397)
Total governmental activities net assets	<u>\$ 8,422,372</u>	<u>\$ 8,759,256</u>	<u>\$ 9,214,693</u>	<u>\$ 4,198,693</u>	<u>\$ 4,344,284</u>	<u>\$ (426,475)</u>	<u>\$ (1,512)</u>	<u>\$ 4,958,981</u>	<u>\$ 5,538,079</u>	<u>\$ 7,482,882</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 53,731	\$ 41,688	\$ 29,645	\$ 22,928	\$ 9,554	\$ 9,364	\$ 8,598	\$ 8,324	\$ 7,485	\$ 6,838
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	33,936	32,756	32,980	14,745	40,106	46,922	58,568	76,707	31,881	67,454
Total business-type activities net assets	<u>\$ 87,667</u>	<u>\$ 74,444</u>	<u>\$ 62,625</u>	<u>\$ 37,673</u>	<u>\$ 49,660</u>	<u>\$ 56,286</u>	<u>\$ 67,166</u>	<u>\$ 85,031</u>	<u>\$ 39,366</u>	<u>\$ 74,292</u>
District-wide										
Invested in capital assets, net of related debt	\$ 7,610,588	\$ 8,166,997	\$ 8,450,172	\$ 9,103,431	\$ 9,199,311	\$ 9,569,137	\$ 4,944,332	\$ 9,607,153	\$ 9,938,303	\$ 10,472,059
Restricted	1,225,768	1,203,904	1,442,289	1,394,118	1,638,168	(2,757,884)	2,463,692	2,557,834	2,874,098	2,391,058
Unrestricted	(501,651)	(537,201)	(615,143)	(6,261,183)	(6,443,535)	(7,181,442)	(7,342,370)	(7,120,975)	(7,234,956)	(5,305,943)
Total district net assets	<u>\$ 8,334,705</u>	<u>\$ 8,833,700</u>	<u>\$ 9,277,318</u>	<u>\$ 4,236,366</u>	<u>\$ 4,393,944</u>	<u>\$ (370,189)</u>	<u>\$ 65,654</u>	<u>\$ 5,044,012</u>	<u>\$ 5,577,445</u>	<u>\$ 7,557,174</u>

Source: District Records

Township of Harrison School District
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction	\$ 8,800,012	\$ 8,995,888	\$ 8,825,503	\$ 9,051,338	\$ 9,008,770	\$ 9,493,873	\$ 9,805,168	\$ 10,275,291	\$ 10,310,071	\$ 10,371,205
Tuition	344,528	791,656	838,439	602,957	431,413	26,915	34,364	-	206,052	60,714
Related Services	1,470,419	1,249,386	1,445,071	1,443,478	1,596,051	1,819,320	1,710,284	1,730,600	1,778,525	1,899,903
Administrative Services	1,009,579	1,005,260	1,029,728	995,175	1,072,632	1,110,126	1,010,439	1,086,554	1,052,026	1,107,499
Central Services	542,095	502,429	500,940	597,866	313,029	576,657	617,733	642,583	653,979	728,939
Operations and Maintenance	1,721,179	1,532,140	1,840,416	1,821,400	2,059,732	6,385,707	2,106,667	2,391,137	2,191,281	1,817,572
Transportation	1,245,599	1,269,498	1,295,279	1,312,316	1,314,412	1,238,285	1,198,694	1,196,040	1,050,692	1,022,696
Transfer to Charter Schools						9,089	9,089	1,244	9,825	23,524
Interest on long-term debt	389,431	388,582	303,635	278,452	354,418	141,210	186,958	244,539	226,784	198,983
Unallocated Employee Benefits	4,038,267	4,559,061	4,409,465	4,775,979	5,327,054	6,134,889	12,991,252	5,963,115	10,393,546	12,638,184
Other	58,645	40,797	41,507	42,607	25,176	42,860	41,142	50,096	(6,585)	51,675
Total governmental activities expenses	<u>19,619,754</u>	<u>20,334,697</u>	<u>20,529,983</u>	<u>20,921,568</u>	<u>21,502,687</u>	<u>26,978,931</u>	<u>29,711,790</u>	<u>23,581,199</u>	<u>27,866,196</u>	<u>29,920,894</u>
Business-type activities:										
Food service	402,396	385,360	384,256	387,888	333,441	328,644	309,453	331,697	283,145	241,782
Total business-type activities expense	<u>402,396</u>	<u>385,360</u>	<u>384,256</u>	<u>387,888</u>	<u>333,441</u>	<u>328,644</u>	<u>309,453</u>	<u>331,697</u>	<u>283,145</u>	<u>241,782</u>
Total district expenses	<u>\$20,022,150</u>	<u>\$20,720,057</u>	<u>\$20,914,239</u>	<u>\$21,309,456</u>	<u>\$21,836,128</u>	<u>\$27,307,575</u>	<u>\$30,021,243</u>	<u>\$23,912,896</u>	<u>\$28,149,341</u>	<u>\$30,162,676</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	\$ 273,106	\$ 294,094	\$ 293,151	\$ 230,216	\$ 122,489	\$ 195,845	\$ 262,091	\$ 145,746	\$ 133,833	\$ 100,702
General Revenues:										
Property Taxes	11,404,387	11,510,685	11,849,143	12,025,743	12,431,209	12,563,880	12,857,325	13,100,225	13,593,274	13,962,459
Unrestricted State Aid	6,165,435	6,255,971	6,783,692	6,535,903	6,096,241	6,211,573	6,206,597	6,188,970	6,501,243	6,359,095
Other Revenues	240,113	103,308	107,260	130,241	162,290	173,781	214,478	256,717	172,523	138,398
Operating grants and contributions	2,439,581	2,696,023	1,952,174	2,513,865	2,836,049	3,063,093	10,596,262	8,850,034	8,044,420	11,176,606
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-	(60,132)
Total governmental activities program revenues	<u>20,522,622</u>	<u>20,860,081</u>	<u>20,985,420</u>	<u>21,435,968</u>	<u>21,648,278</u>	<u>22,208,172</u>	<u>30,136,753</u>	<u>28,541,692</u>	<u>28,445,293</u>	<u>31,677,128</u>
Business-type activities:										
Charges for services										
Food service	285,755	269,958	277,153	259,726	242,634	224,953	218,269	230,969	144,990	15,706
Operating grants and contributions	98,765	102,179	95,284	103,210	102,794	110,317	102,064	118,594	92,491	261,001
Other	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>384,520</u>	<u>372,137</u>	<u>372,437</u>	<u>362,936</u>	<u>345,428</u>	<u>335,270</u>	<u>320,333</u>	<u>349,563</u>	<u>237,481</u>	<u>276,707</u>
Total district program revenues	<u>\$20,907,142</u>	<u>\$21,232,218</u>	<u>\$21,357,857</u>	<u>\$21,798,904</u>	<u>\$21,993,706</u>	<u>\$22,543,442</u>	<u>\$30,457,086</u>	<u>\$28,891,255</u>	<u>\$28,682,774</u>	<u>\$31,953,835</u>
Net (Expense)/Revenue and Change in Net Assets										
Governmental activities	\$ 902,868	\$ 525,384	\$ 455,437	\$ 514,400	\$ 145,591	\$ (4,770,759)	\$ 424,963	\$ 4,960,493	\$ 579,097	\$ 1,756,234
Business-type activities	(17,876)	(13,223)	(11,819)	(24,952)	11,987	6,626	10,880	17,866	(45,664)	34,925
Total district-wide net expense	<u>\$ 884,992</u>	<u>\$ 512,161</u>	<u>\$ 443,618</u>	<u>\$ 489,448</u>	<u>\$ 157,578</u>	<u>\$ (4,764,133)</u>	<u>\$ 435,843</u>	<u>\$ 4,978,359</u>	<u>\$ 533,433</u>	<u>\$ 1,791,159</u>

Source: District Records

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Fiscal Year Ending June 30,		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
					<u>2016</u>	<u>2017</u>				
General Fund										
Reserved	\$ 1,225,766	\$ 1,203,904	\$ 1,442,288	\$ 1,240,238	\$ 1,631,446	\$ 1,802,254	\$ 2,372,714	\$ 2,406,698	\$ 2,722,962	\$ 2,170,792
Unreserved	(106,835)	(138,903)	(167,041)	(203,661)	(231,615)	(192,902)	(202,620)	(132,687)	(139,562)	1,213,610
Total General Fund	<u>\$ 1,118,931</u>	<u>\$ 1,065,001</u>	<u>\$ 1,275,247</u>	<u>\$ 1,036,577</u>	<u>\$ 1,399,831</u>	<u>\$ 1,609,352</u>	<u>\$ 2,170,094</u>	<u>\$ 2,274,011</u>	<u>\$ 2,583,400</u>	<u>\$ 3,384,402</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund										69,130
Capital projects fund				153,879		(4,566,859)	90,977	151,135	151,135	151,135
Debt service fund	1				6,722	6,720		1	1	
Permanent fund										
Total all other governmental funds	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,879</u>	<u>\$ 6,722</u>	<u>\$ (4,560,139)</u>	<u>\$ 90,977</u>	<u>\$ 151,136</u>	<u>\$ 151,136</u>	<u>\$ 220,265</u>

Source: District Records

Township of Harrison School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 11,404,387	\$ 11,510,685	\$ 11,849,143	\$ 12,025,743	\$ 12,431,209	\$ 12,563,880	\$ 12,857,325	\$ 13,100,225	\$ 13,593,274	\$ 13,962,459
Tuition charges	273,106	294,094	293,151	230,216	122,489	195,845	262,091	145,746	133,833	100,702
Transportation fees	151,000	67,125	61,175	82,369	77,940	106,015	76,062	71,973	87,460	37,500
Interest earnings	20,776	7,434	4,768	4,515	338	492	2,493	5,259	5,039	715
Municipal Surplus								93,000		
Miscellaneous	68,336	28,749	41,317	43,357	84,013	67,273	135,922	86,485	80,023	100,182
Local sources										28,853
State sources	7,862,333	8,518,751	8,298,167	7,184,184	8,475,024	8,861,283	9,238,958	9,844,734	9,833,814	10,387,573
Federal sources	762,469	433,243	437,699	440,665	457,266	413,383	343,237	469,270	380,040	690,344
Total revenue	20,542,407	20,860,081	20,985,420	20,011,049	21,648,279	22,208,171	22,916,088	23,816,692	24,113,483	25,308,328
Expenditures										
Instruction										
Regular Instruction	5,495,392	5,718,012	5,660,663	6,031,499	5,776,684	5,940,027	6,346,081	6,550,593	6,768,366	6,555,408
Special education instruction	1,693,231	1,721,568	1,694,663	1,606,319	1,714,531	2,046,570	1,932,874	2,128,749	1,941,423	2,029,136
Other special instruction	1,026,813	985,162	821,389	831,400	882,177	913,386	919,761	897,625	932,318	932,678
Support Services:										
Tuition	625,035	791,656	838,439	602,957	431,413	26,915	34,364	-	206,052	60,714
Student & instruction related services	1,261,394	1,249,386	1,445,071	1,374,392	1,596,051	1,819,320	1,710,284	1,730,000	1,778,525	1,899,903
General administrative services	349,348	329,821	355,214	320,810	408,569	451,444	345,013	378,746	356,084	409,175
School Administrative services	575,745	593,847	591,500	589,149	578,635	572,961	583,141	607,615	596,711	594,974
Business administrative services	542,095	502,429	500,940	597,866	313,029	576,657	617,733	642,583	653,979	728,939
Plant operations and maintenance	1,655,427	1,512,779	1,675,540	1,666,576	1,978,557	1,690,839	1,893,875	2,114,897	2,219,524	2,010,558
Pupil transportation	1,245,599	1,269,498	1,295,279	1,312,316	1,314,412	1,238,284	1,198,694	1,196,040	1,050,692	1,022,695
Unallocated employee benefits	4,029,012	4,559,061	4,409,465	3,650,719	5,167,141	5,338,934	5,701,423	6,102,701	5,963,739	6,870,385
Capital outlay	326,730	217,684	369,722	430,860	283,380	4,997,309	201,973	249,776	311,007	455,026
Transfer to Charter Schools						9,089	9,089	1,244	9,825	23,524
Debt service:										
Principal	1,045,000	1,100,000	1,115,000	715,000	795,000	740,000	755,000	760,000	780,000	825,000
Interest and other charges	403,035	363,110	321,289	287,387	286,735	203,775	179,925	291,447	235,850	208,650
Total expenditures	20,273,856	20,914,013	21,094,174	20,017,250	21,526,314	26,565,510	22,429,230	23,652,016	23,804,095	24,626,765
Excess (Deficiency) of revenues over (under) expenditures	268,551	(53,932)	(108,754)	(6,201)	121,965	(4,357,339)	486,858	164,676	309,388	681,563
Other Financing sources (uses)										
Capital leases (non-budgeted)			319,000	-	-	-	-	-	-	-
Proceeds of Refunding Bonds					5,310,797					
Proceeds of Bonds							4,725,000			
Payment to Refunded Bond Escrow Agent					(5,216,666)					
Transfers in					92,327					
Transfers out				(219,970)	(92,327)					
Total other financing sources (uses)	-	-	319,000	(219,970)	94,131	-	4,725,000	-	-	-
Net change in fund balances	\$ 268,551	\$ (53,932)	\$ 210,246	\$ (226,171)	\$ 216,096	\$ (4,357,339)	\$ 5,211,858	\$ 164,676	\$ 309,388	\$ 681,563
Debt service as a percentage of noncapital expenditures	7.3%	7.1%	6.9%	5.1%	5.1%	4.4%	4.2%	4.5%	4.3%	4.3%

Source: District Records

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

<u>Description</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Insurance Refunds		3,676	-	\$ 28,225			\$ 15,148	\$ 1,080		
Interest on Investments	8,178	23,995	16,272	30,427	\$ 14,428	\$ 8,595	4,278	4,080	\$ 6,624	\$ 18,487
Sale of Equipment		3,000	4,600	2,067	3,492	1,545	50	3,963	382	2,887
Recycling		-	-	-	-	67				
Use of Facilities - Rentals	7,624	23,507	26,991	20,812	20,998	18,562	17,304	12,684	13,569	13,793
FEMA Reimbursement		-	-	-	-	5,107				
NJSIG - Safety Grant Award	6,750	6,116	6,477	4,713						
NJ Clean Energy Rebate	22,120	4,235	9,020	4,325						
Prior Year Refunds	26,331	5,933	2,109	24,602	13,833	13,958	10,214	15,034	11,177	33,555
Tuition Refunds		-	-	-	-	14,482				
Energy Curtailment Rebates	10,414	8,010	7,687	6,327	9,002	19,163				
Photocopies		-	-	-	-	-		121		
Seminar Fees	3,600	-	-	600	800					
Shared Services	12,960									
E-Rate Rebates		-	-	1,055	2,735					
Soda Machine		-	-	336	172	240	503	488	470	608
Cancellation of Old Outstanding Checks	2,204	1,552	13,328	8,023	1,731	2,272	27	4,965	89	
Forfeited FSA Funds		-	-	-	-	-	31			
Sale of Used Textbooks		-	-	-	-	-		2,982		
Lost/Damaged Book Fines		-	-	18	82	21	80		84	
	<u>\$ 100,181</u>	<u>\$ 80,024</u>	<u>\$ 86,484</u>	<u>\$ 131,530</u>	<u>\$ 67,273</u>	<u>\$ 84,012</u>	<u>\$ 47,635</u>	<u>\$ 45,397</u>	<u>\$ 32,395</u>	<u>\$ 69,330</u>

Source: District Records

Township of Harrison School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	\$ 28,662,100	\$ 1,175,818,900	\$ 31,758,500	\$ 2,866,900	\$ 89,881,800	\$ -	\$ 7,297,300	\$ 1,336,285,500	\$ -	\$ 3,724,475	\$ 1,340,009,975	\$ 0.859	\$ 1,417,698,351
2013	25,357,800	1,187,245,000	31,111,900	2,874,300	92,675,600	-	7,297,300	1,346,561,900	0	3,369,388	1,349,931,288	0.877	1,378,206,992
2014	25,368,500	1,208,175,300	31,077,500	2,864,300	92,196,500	-	7,297,300	1,366,979,400	0	2,975,643	1,369,955,043	0.878	1,396,971,866
2015	24,430,700	1,229,510,600	29,569,200	2,845,900	95,725,500	\$ 321,700	7,297,300	1,389,700,900	0	2,969,606	1,392,670,506	0.893	1,445,719,021
2016	22,055,200	1,250,162,100	30,003,500	2,828,500	96,665,400	321,700	1,073,300	1,403,109,700	0	2,882,389	1,405,992,089	0.894	1,477,037,598
2017 ^c	22,815,000	1,352,280,900	28,876,800	2,820,400	118,532,700	322,300	-	1,525,648,100	0	3,060,097	1,528,708,197	0.841	1,517,540,518
2018	21,975,200	1,360,971,500	29,304,900	2,813,500	111,546,200	322,300	-	1,526,933,600	0	3,101,640	1,530,035,240	0.856	1,533,258,395
2019	21,172,700	1,370,819,300	28,682,900	2,717,800	113,593,000	322,300	-	1,537,308,000	0	3,054,693	1,540,362,693	0.883	1,576,150,586
2020	22,325,000	1,383,111,800	27,760,000	2,688,600	106,724,100	322,300	-	1,542,931,800	0	3,052,312	1,545,984,112	0.904	1,592,767,679
2021	22,723,500	1,386,115,700	28,198,200	2,513,900	106,406,200	322,300	-	1,546,279,800	0	3,153,032	1,549,432,832	0.918	1,631,798,147

Source: Gloucester County Board of Taxation Abstract of Ratables

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Revaluation in 2017

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

Fiscal Year Ended June 30,	Harrison Township Board of Education			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct	Clearview Regional School	Gloucester County	Fire District	Harrison Township	
2012	\$ 0.787	\$ 0.072	\$ 0.859	\$ 0.644	\$ 0.627	\$ 0.097	\$ 0.407	\$ 2.634
2013	0.807	0.070	0.877	0.668	0.661	0.097	0.425	2.728
2014	0.829	0.049	0.878	0.679	0.676	0.083	0.471	2.787
2015	0.845	0.048	0.893	0.696	0.730	0.082	0.504	2.905
2016	0.848	0.045	0.893	0.732	0.759	0.083	0.523	2.990
2017 ^c	0.801	0.040	0.841	0.706	0.717	0.076	0.485	2.825
2018	0.816	0.040	0.856	0.738	0.730	0.077	0.495	2.896
2019	0.844	0.039	0.883	0.751	0.748	0.077	0.519	2.978
2020	0.865	0.039	0.904	0.761	0.765	0.079	0.561	3.070
2021	0.879	0.039	0.918	0.780	0.770	0.081	0.581	3.130

Source: District Records and County Tax Assessor

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.
- c Revaluation in 2017.

**Township of Harrison School District
Principal Property Tax Payers,
Current Year and Ten Years Ago
UNAUDITED**

Taxpayer	2011		2021	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Mullica West Ltd.	\$ 6,224,000	0.47%		
Bell Atlantic Property	3,683,324	0.27%		
Mantec Associates	5,884,000	0.44%	\$ 5,655,000	0.36%
AEW SCT Mullica Hill, LLC	16,239,000	1.22%		
Underwood Memorial Hospital	4,000,000	0.30%		
Mullica Hill Self Storage II, LLC	4,575,000	0.34%		
Madison/Canuso c/o Lisa Cheung	5,478,700	0.41%		
Orleans at Harrison, LLC	3,893,700	0.29%		
Mullica Hill Commons, LLC	4,840,000	0.36%	3,341,600	0.21%
Mullica Realty, LLC			18,500,000	1.19%
Inspira Medical Centers			7,316,600	0.47%
Madison/Canuso Richwood Village LLC			7,178,300	0.46%
I Storage, LLC			5,878,100	0.38%
Woodland Four, LLC	4,114,400	0.31%	4,523,000	0.29%
Verizon New Jersey C/O Duff & Phelp			3,153,032	0.20%
CVS			2,700,000	0.17%
Inspira Medical Centers, Inc.			2,945,000	0.19%
Total	\$ 58,932,124	4.41%	\$ 61,190,632	3.92%

Source: County Tax Assessor

**Township of Harrison School District
Property Tax Levies and Collections,
Last Ten Fiscal Years
*UNAUDITED***

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 11,404,387	\$ 11,404,387	100.00%	-
2013	11,510,685	11,510,685	100.00%	-
2014	11,849,143	11,849,143	100.00%	-
2015	12,025,743	12,025,743	100.00%	-
2016	12,431,209	12,431,209	100.00%	-
2017	12,563,880	12,563,880	100.00%	-
2018	12,857,325	12,857,325	100.00%	-
2019	13,100,225	13,100,225	100.00%	-
2020	13,593,274	13,593,274	100.00%	-
2021	13,962,459	13,962,459	100.00%	-

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

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

**Township of Harrison School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	\$ 9,225,000	-	\$ 145,500	-	-	\$ 9,370,500	1.66%	746
2013	8,125,000	-	-	-	-	8,125,000	1.40%	641
2014	7,010,000	-	319,000	-	-	7,329,000	1.21%	571
2015	6,295,000	-	195,000	-	-	6,490,000	1.01%	503
2016	5,245,000	-	130,000	-	-	5,375,000	0.82%	416
2017	4,505,000	-	65,000	\$ 3,000,000	-	7,570,000	1.11%	584
2018	8,475,000	-	-	-	-	8,475,000	1.19%	646
2019	7,715,000	-	-	-	-	7,715,000	1.04%	588
2020	6,935,000	-	-	-	-	6,935,000	b	528
2021	6,110,000	-	-	-	-	6,110,000	b	b

Source: School District Financial Reports

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Not Available

Township of Harrison School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 9,225,000	-	\$ 9,225,000	0.69%	735
2013	8,125,000	-	8,125,000	0.60%	641
2014	7,010,000	-	7,010,000	0.51%	546
2015	6,295,000	-	6,295,000	0.45%	488
2016	5,245,000	-	5,245,000	0.37%	406
2017 ^c	4,505,000	-	4,505,000	0.29%	348
2018	8,475,000	-	8,475,000	0.55%	646
2019	7,715,000	-	7,715,000	0.50%	588
2020	6,935,000	-	6,935,000	0.45%	528
2021	6,110,000	-	6,110,000	0.39%	b

Source: School District Financial Reports

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-7 for property tax data.

b Not Available

c Revaluation in 2017

Township of Harrison School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2021
UNAUDITED

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Harrison Township	\$ 30,425,167	100.000%	\$ 30,425,167
Other debt			
Clearview Regional School District	6,348,000	53.28%	3,382,214
Gloucester County	173,810,000	5.80%	<u>10,073,541</u>
Subtotal, overlapping debt			43,880,922
Harrison Township School District Direct Debt			<u>6,110,000</u>
Total direct and overlapping debt			<u><u>\$ 49,990,922</u></u>

Sources Harrison Township Treasurer's Officer, Clearview Regional School District, Gloucester County Finance Office

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

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

**Township of Harrison School District
Legal Debt Margin Information,
Last Ten Fiscal Years
UNAUDITED**

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis	
	2020	\$ 1,623,796,885
	2019	1,582,569,487
	2018	<u>1,561,122,176</u>
	[A]	<u>\$ 4,767,488,548</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,589,162,849
Debt Limit (2 1/2% of average equalized valuation)	[B]	39,729,071 ^a
Net bonded school debt	[C]	<u>6,110,000</u>
Legal debt margin	[B-C]	<u>\$ 33,619,071</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 35,977,357	\$ 34,957,506	\$ 34,433,373	\$ 34,600,999	\$ 35,411,007	\$ 36,471,218	\$ 37,385,775	\$ 38,229,100	\$ 38,926,440	\$ 39,729,071
Total net debt applicable to limit	<u>9,225,000</u>	<u>8,125,000</u>	<u>7,010,000</u>	<u>6,295,000</u>	<u>5,245,000</u>	<u>7,505,000</u>	<u>8,475,000</u>	<u>7,715,000</u>	<u>6,935,000</u>	<u>6,110,000</u>
Legal debt margin	<u>\$ 26,752,357</u>	<u>\$ 26,832,506</u>	<u>\$ 27,423,373</u>	<u>\$ 28,305,999</u>	<u>\$ 30,166,007</u>	<u>\$ 28,966,218</u>	<u>\$ 28,910,775</u>	<u>\$ 30,514,100</u>	<u>\$ 31,991,440</u>	<u>\$ 33,619,071</u>
Total net debt applicable to the limit as a percentage of debt limit	25.64%	23.24%	20.36%	18.19%	14.81%	20.58%	22.67%	20.18%	17.82%	15.38%

Source: Equalized Valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

^a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

**Township of Harrison School District
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income ^b</u>	<u>Unemployment Rate ^c</u>
2012	12,556	\$ 563,915,072	\$ 44,912	8.10%
2013	12,667	581,136,626	45,878	6.40%
2014	12,828	607,598,220	47,365	5.60%
2015	12,907	640,406,619	49,617	4.80%
2016	12,911	655,930,444	50,804	3.80%
2017	12,960	680,348,160	52,496	3.20%
2018	13,115	712,721,560	54,344	3.10%
2019	13,124	741,492,876	56,499	2.70%
2020	13,143	d	d	6.60%
2021	d	d	d	d

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Per Capita information provided by U.S. Department of Commerce, Bureau of Economic Analysis

^c Unemployment data provided by the NJ Dept of Labor and Workforce Development

^d Not Available

**Township of Harrison School District
Principal Employers,
Current Year and Ten Years Ago
UNAUDITED**

<u>Employer</u>	<u>2021</u>			<u>2011</u>	
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Amazon	4,500	1	N/A	N/A	N/A
Rowan University	3,500	2	N/A	1,300	N/A
Inspira Health Network	2,051	3	N/A		
Underwood Memorial Hospital				1,825	N/A
Jefferson Health	2,015	4	N/A		
Kennedy Health Alliance				1,200	N/A
Washington Township School District	1,515	5	N/A	1,648	N/A
Shop Rite	1,300	6	N/A		
County of Gloucester	1,200	7	N/A	1,500	N/A
U.S. Foodservices	1,014	8	N/A	725	N/A
Monroe Township School District	841	9	N/A	741	N/A
Walmart - Turnersville	800	10	N/A		
Missa Bay, LLC				950	N/A
DGI Services				600	N/A
Delaware Valley Wholesale Florist				500	N/A
	<u>18,736</u>			<u>10,989</u>	

Source: Gloucester County Department of Economic Development and Employer Directly

Note - The information provided is for the County of Gloucester, information at the municipal level is not readily available.

N/A - Information not available

Township of Harrison School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
UNAUDITED

<u>Function/Program</u>	<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>
Instruction										
Regular	83.3	83.3	82.2	83.0	82.3	82.3	81.3	82.5	78.2	81.5
Special education	39.6	39.6	39.2	38.9	40.7	39.4	37.0	35.9	32.1	30.6
Other special education	20.7	20.7	18.6	18.8	19.2	19.2	18.5	20.2	20.2	20.2
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	17.0	17.0	16.0	16.8	17.7	19.7	19.6	17.5	17.5	18.6
General administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Business administrative services	6.3	6.3	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Plant operations and maintenance	24.8	25.8	24.6	24.0	24.3	24.0	24.0	23.9	23.9	22.1
Pupil transportation	21.8	21.8	21.3	22.4	21.3	19.4	18.3	18.0	16.3	15.5
Total	<u>223.5</u>	<u>224.5</u>	<u>218.5</u>	<u>220.5</u>	<u>222.1</u>	<u>220.6</u>	<u>215.3</u>	<u>214.6</u>	<u>204.8</u>	<u>205.1</u>

Source: District Personnel Records

Township of Harrison School District
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil^b	Percentage Change	Teaching Staff^c	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)^d	Average Daily Attendance (ADA)^d	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	1,502	17,824,857	11,867	1.33%	144	1:10.4	1,494.1	1,439.8	-3.39%	96.37%
2012	1,488	\$ 18,499,091	12,432	4.76%	144	1:10.3	1,482.3	1,426.3	-0.79%	96.22%
2013	1,454	19,233,219	13,228	6.40%	144	1:10.1	1,441.9	1,380.5	-2.73%	95.74%
2014	1,468	19,288,163	13,139	-0.67%	140	1:9.5	1,473.3	1,417.5	2.18%	96.21%
2015	1,500	19,694,245	13,129	-0.07%	140	1:10.7	1,493.5	1,431.0	1.37%	95.82%
2016	1,469	20,161,199	13,724	4.53%	142	1:10.3	1,460.2	1,398.7	-2.23%	95.79%
2017	1,445	20,624,426	14,273	4.00%	141	1:10.2	1,431.6	1,375.7	-1.96%	96.10%
2018	1,410	21,292,332	15,101	5.80%	137	1:10.3	1,395.8	1,336.8	-2.50%	95.77%
2019	1,388	22,351,393	16,103	6.64%	138	1:10.3	1,358.0	1,300.5	-2.71%	95.77%
2020	1,428	22,477,238	15,740	-2.25%	130	1:10.9	1,428.0	1,384.1	5.15%	96.92%
2021	1,311	23,569,591	17,978	14.22%	132	1:9.9	1,303.6	1,256.1	-8.71%	96.35%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Operating Expenditures divided by enrollment. Note: this will not match any other prior calculations.
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Township of Harrison School District
School Building Information
Last Ten Fiscal Years
UNAUDITED

	<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>
<u>District Building</u>										
<u>Elementary</u>										
Harrison Township Elementary School (1950)										
Square Feet	97,903	97,903	97,903	97,903	97,903	97,903	97,903	97,903	97,903	97,903
Capacity (students)	835	835	835	835	835	835	835	835	835	835
Enrollment	857	825	830	836	792	807	776	750	790	738
Pleasant Valley School (2001)										
Square Feet	87,901	87,901	87,901	87,901	87,901	87,901	87,901	87,901	87,901	87,901
Capacity (students)	763	763	763	763	763	763	763	763	763	763
Enrollment	662	629	638	664	677	638	634	638	638	573

Number of Schools at June 30, 2021
 Elementary = 2

Source: District records

Township of Harrison School District
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED

Undistributed Expenditures - Required Maintenance of School Facilities
 11-000-261-XXX

<u>Fiscal Year Ended June 30,</u>	<u>Harrison Township Elementary School</u>	<u>Pleasant Valley School</u>
2012	\$ 238,361	\$ 91,315
2013	134,536	78,026
2014	149,218	121,178
2015	127,699	118,867
2016	213,950	73,656
2017	141,367	124,257
2018	292,780	144,207
2019	395,766	136,481
2020	242,890	375,215
2021	315,499	99,702
	<u>\$ 2,252,066</u>	<u>\$ 1,362,904</u>

Source: District records

**Township of Harrison School District
Insurance Schedule
June 30, 2021
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property -Blanket Building & Contents	\$ 42,669,614	\$ 1,000
Comprehensive General Liability	1,000,000	
Aggregate	3,000,000	
Comprehensive Automobile Liability	1,000,000	500/1,000
Crime	100,000	500
Data Processing	2,800,000	500
Commercial Umbrella Liability	9,000,000	
Workmen's Compensation	3,000,000	
School Board Legal Liability		
Directors and Office	10,000,000	10,000
Student Accident Insurance:		
Basic	1,000,000	-
Catastrophic	5,000,000	25,000
Surety Bonds:		
Board Secretary	220,000	N/A

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
 Harrison Township School District
 County of Gloucester
 Harrison, 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 Harrison Township School District, in the County of Gloucester, 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 Harrison Township 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 Harrison Township 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 Harrison Township 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-
 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Harrison Township School District
 County of Gloucester
 Harrison, New Jersey

Report on Compliance for Each Major Federal and State Program

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and 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, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative 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*. Those standards, the Uniform Guidance 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 federal or 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 federal and state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In my opinion, the Harrison Township School District, in the County of Gloucester, 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 federal and state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Harrison Township School District, in the County of Gloucester State of New Jersey, 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 federal or 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 federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 Harrison Township 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 federal or 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 federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 the Uniform Guidance and 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

TOWNSHIP OF HARRISON 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	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2020			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021		
						Accounts Receivable	Deferred Revenue	Due to Grantor						Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education																
<u>Special Revenue Fund:</u>																
<u>Elementary and Secondary Education Act (E.S.E.A.)</u>																
Title I - Current Year	84.010A	S010A190030	ESEA-2070-21	\$ 59,078.00	7/1/20 - 9/30/21				\$ 10,318.00	\$ 28,658.00	\$ (22,930.14)			\$ (350.14)	\$ 6,078.00	
Title I - Prior Year	84.010A	S010A180030	ESEA-2070-20	58,773.00	7/1/19 - 9/30/20	\$ (4,899.92)			(10,318.00)	16,607.00	(11,707.24)	\$ 0.16		-	-	
Title II - Part A - Current Year	84.367A	S367A190029	ESEA-2070-21	10,000.00	7/1/20 - 9/30/21				12,668.00	11,103.00	(14,596.40)			(3,493.40)	-	
Title II - Part A - Prior Year	84.367A	S367A180029	ESEA-2070-20	21,077.00	7/1/19 - 9/30/20				(12,668.00)	2,617.00	(2,617.20)	0.20		-	-	
Title III - (Consortium) - Current Year	84.365A	S365A190030	ESEA-2070-21	27,867.00	7/1/20 - 9/30/21					-	(898.00)			(898.00)	-	
Title III - (Consortium) - Prior Year	84.365A	S365A180030	ESEA-2070-20	27,867.00	7/1/19 - 9/30/20	(3,935.14)				3,935.00		0.14		-	-	
Title IV - Current Year	84.424	S424A190031	ESEA-2070-21	18,082.00	7/1/20 - 9/30/21				546.00	13,805.00	(14,170.30)			(365.30)	-	
Title IV - Prior Year	84.424	S424A180031	ESEA-2070-20	10,000.00	7/1/19 - 9/30/20	\$ (6,716.00)			(546.00)	6,891.00	(175.00)			-	-	
<u>Individuals With Disabilities Act (I.D.E.A.)</u>																
Part B - Basic - Current Year	84.027	H027A180100	FT-2070-21	316,995.00	7/1/20 - 9/30/21				50,636.00	281,581.00	(301,973.55)			(20,392.55)	-	
Part B - Basic - Prior Year	84.027	H027A190100	FT-2070-20	287,944.00	7/1/19 - 9/30/20	(12,392.06)			(50,636.00)	12,392.00		0.06		-	-	
Part B - Preschool - Current Year	84.173	H173A190114	PS-2070-21	29,676.00	7/1/20 - 9/30/21				29,484.00	45,108.00	(50,519.25)			(5,411.25)	-	
Part B - Preschool - Prior Year	84.173	H173A180114	PS-2070-20	29,484.00	7/1/19 - 9/30/20	(990.50)			(29,484.00)	990.00		0.50		-	-	
CARES - ESSR I	N/A	S425D200027	N/A	53,566.00	3/13/20 - 9/30/22					53,566.00	(53,566.00)			-	-	
Coronavirus Relief Fund	N/A	S425D200027	N/A	56,391.00	3/13/20 - 9/30/22					56,391.00	(56,391.00)			-	-	
CRF- Nonpublic Technology Funds	N/A	S425D200027	N/A	4,002.00	7/16/20 - 10/31/20					4,002.00	(4,002.00)			-	-	
CARES - ESSR II	N/A	S425D200027	N/A	263,657.00	3/13/20 - 9/30/23					-	(156,798.42)			(156,798.42)	-	
Total Special Revenue Fund						(28,933.62)	-	-	-	537,646.00	(690,344.50)	1.06	-	(187,709.06)	6,078.00	
U.S. Department of Agriculture																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	211NJ304N1099	N/A	37,193.52	7/1/20 - 6/30/21					37,193.52	(37,193.52)			-	-	
Special Milk Program	10.556	211NJ304N1099	N/A	-	7/1/20 - 6/30/21					-	-			-	-	
P-EBT Administrative Cost	10.649	202121S900941	N/A	614.00	7/1/20 - 6/30/21						(614.00)			(614.00)	-	
National School Lunch Program	10.555	211NJ304N1099	N/A	214,370.40	7/1/20 - 6/30/21					205,749.76	(214,370.40)			(8,620.64)	-	
National School Lunch Program	10.555	201NJ304N1099	N/A	61,353.41	9/1/19 - 8/31/20	(814.26)				814.26				-	-	
Total Enterprise Fund						(814.26)			---	243,757.54	(252,177.92)	---	---	(9,234.64)	---	
Total Federal Awards						\$ (29,747.88)	\$ -	\$ -	\$ -	\$ 781,403.54	\$ (942,522.42)	\$ 1.06	\$ -	\$ (196,943.70)	\$ 6,078.00	

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

TOWNSHIP OF HARRISON 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 Award Amount	Grant Period	Balance at June 30, 2020			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021			Memo Cumulative Total Expenditures
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at	
State Department of Education															
<u>General Fund:</u>															
Equalization Aid	21-495-034-5120-078	\$ 4,755,590.00	7/1/20 - 6/30/21					\$ 4,295,188.00	\$ (4,755,590.00)			\$ (460,402.00)		\$ 4,755,590.00	
Equalization Aid	20-495-034-5120-078	4,957,014.00	7/1/19 - 6/30/20	\$ (479,886.00)				479,886.00							
Additional Nonpublic Transportation Aid	21-495-034-5120-014	28,710.00	7/1/20 - 6/30/21						(28,710.00)			(28,710.00)		28,710.00	
Transportation Aid	21-495-034-5120-014	153,456.00	7/1/20 - 6/30/21					138,599.00	(153,456.00)			(14,857.00)		153,456.00	
Transportation Aid	20-495-034-5120-014	153,456.00	7/1/19 - 6/30/20	(14,856.00)				14,866.00							
Special Education Aid	21-495-034-5120-014	800,303.00	7/1/20 - 6/30/21					722,823.00	(800,303.00)			(77,480.00)		800,303.00	
Special Education Aid	20-495-034-5120-014	800,303.00	7/1/19 - 6/30/20	(77,477.00)				77,477.00							
Security Aid	21-495-034-5120-084	107,201.00	7/1/20 - 6/30/21					96,823.00	(107,201.00)			(10,378.00)		107,201.00	
Security Aid	20-495-034-5120-084	107,201.00	7/1/19 - 6/30/20	(10,378.00)				10,378.00							
Extraordinary Aid	21-495-034-5093-007	75,891.00	7/1/20 - 6/30/21						(75,891.00)			(75,891.00)		75,891.00	
Extraordinary Aid	20-495-034-5093-007	61,379.00	7/1/19 - 6/30/20	(61,379.00)				61,379.00							
On Behalf TPAF Pension Contributions	21-495-034-5094-006	2,491,966.00	7/1/20 - 6/30/21					2,491,966.00	(2,491,966.00)					2,491,966.00	
On Behalf TPAF Post Retirement Medical	21-495-034-5094-006	780,943.00	7/1/20 - 6/30/21					780,943.00	(780,943.00)					780,943.00	
On Behalf TPAF - LTDI	21-495-034-5094-006	942.00	7/1/20 - 6/30/21					942.00	(942.00)					942.00	
Reimbursed TPAF Social Security Contributions	21-495-034-5094-002	686,384.00	7/1/20 - 6/30/21					652,464.93	(686,384.00)			(33,919.07)		686,384.00	
				-											
Total General Fund				<u>(643,976.00)</u>				<u>9,823,724.93</u>	<u>(9,881,386.00)</u>			<u>(701,637.07)</u>		<u>9,881,386.00</u>	
<u>Special Revenue Fund</u>															
N.J. Nonpublic Aid:															
Textbook Aid	21-110-034-5120-064	5,620.00	7/1/20 - 6/30/21					\$ 5,620.00	\$ (5,549.91)				\$ 70.09	5,549.91	
Textbook Aid	20-110-034-5120-064	4,217.00	7/1/19 - 6/30/20			\$ 6.78					\$ (6.78)				
Nursing Aid	21-110-034-5120-070	9,384.00	7/1/20 - 6/30/21					9,384.00	(9,384.00)					9,384.00	
Technology Aid	20-110-034-5120-067	2,880.00	7/1/19 - 6/30/20			12.69					(12.69)				
Security Aid	21-110-034-5120-509	20,825.00	7/1/20 - 6/30/21					20,825.00	(20,825.00)					20,825.00	
Security Aid	20-110-034-5120-509	15,450.00	7/1/19 - 6/30/20			16.15					(16.15)				
<u>Auxiliary Services:</u>															
Compensatory Education	21-110-034-5120-067	9,580.00	7/1/20 - 6/30/21					9,580.00	(8,099.37)				1,480.63	8,099.37	
Compensatory Education	20-110-034-5120-067	6,003.00	7/1/19 - 6/30/20			81.24					(81.24)				
Transportation	21-110-034-5120-067	2,132.00	7/1/20 - 6/30/21					2,132.00	(1,472.58)				659.42	1,472.58	
ESL	20-110-034-5120-067	827.00	7/1/19 - 6/30/20								(827.00)				
<u>Handicapped Services:</u>															
Examination & Classification	21-110-034-5120-066	7,061.00	7/1/20 - 6/30/21					7,061.00	(4,088.90)				2,972.10	4,088.90	
Examination & Classification	20-110-034-5120-066	10,032.00	7/1/19 - 6/30/20			1,671.75					(1,671.75)				
Corrective Speech	21-110-034-5120-066	16,952.00	7/1/20 - 6/30/21					16,952.00	(15,584.94)				1,367.06	15,584.94	
Corrective Speech	20-110-034-5120-066	19,687.00	7/1/19 - 6/30/20			91.90					(91.90)				
Supplemental Instruction	21-110-034-5120-066	4,857.00	7/1/20 - 6/30/21					4,857.00	(3,238.00)				1,619.00	3,238.00	
Supplemental Instruction	20-110-034-5120-066	4,452.00	7/1/19 - 6/30/20			971.15					(971.15)				
Total Special Revenue Fund				<u>-</u>	<u>-</u>	<u>3,678.66</u>		<u>76,411.00</u>	<u>(68,242.70)</u>			<u>(3,678.66)</u>	<u>-</u>	<u>68,242.70</u>	
<u>Debt Service Fund</u>															
Debt Service Aid Type II	21-495-034-5120-017	418,464.00	7/1/20 - 6/30/21					418,464.00	(418,464.00)					418,464.00	
State Department of Agriculture															
<u>Enterprise Fund:</u>															
State School Lunch Program	21-110-010-3360-067	8,823.41	7/1/20 - 6/30/21					8,209.37	(8,823.41)			(614.04)		8,823.41	
State School Lunch Program	20-110-010-3360-067	3,092.00	7/1/19 - 6/30/20	(814.26)				814.26							
Total Enterprise Fund				<u>(814.26)</u>				<u>9,023.63</u>	<u>(8,823.41)</u>			<u>(614.04)</u>		<u>8,823.41</u>	
Total State Financial Assistance				<u>\$ (644,790.26)</u>	<u>\$ -</u>	<u>\$ 3,678.66</u>	<u>\$ -</u>	<u>\$10,327,623.56</u>	<u>\$ (10,376,916.11)</u>	<u>\$ -</u>	<u>\$ (3,678.66)</u>	<u>\$ (702,251.11)</u>	<u>\$ -</u>	<u>\$ 8,168.30</u>	
Less: State Financial Assistance Not Subject to Major Program Determination															
On-Behalf TPAF Contribution - Pension (Non-Budgeted)												(2,491,966.00)			
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)												(780,943.00)			
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)												(942.00)			
Total State Financial Assistance Subject to Major Program Determination												<u>\$ (7,103,065.11)</u>			

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

**Township of Harrison School District
Notes to the 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 Harrison Township 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 expenditures from the budgetary basis to the GAAP basis is \$19,480 in the general fund and \$-0- in the special revenue 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.

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 9,900,866.00	\$ 9,900,866.00
Special Revenue	690,344.50	68,242.70	758,587.20
Debt Service	-	418,464.00	418,464.00
Food Service	252,177.92	8,823.41	261,001.33
	<u>942,522.42</u>	<u>10,396,396.11</u>	<u>11,338,918.53</u>

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 School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District'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.

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>Federal</u>	<u>State</u>
Prior Year Receivable Adjustments	\$ <u>1.06</u>	\$ <u>-</u>

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

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: _____ Unmodified _____

Internal control over financial reporting:

 1) Material weaknesses identified? _____ yes X no

 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

 1) Material weakness(es) identified? _____ yes X no

 2) Significant deficiencies identified? _____ yes X none reported

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

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 X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	HO27A200100	I.D.E.A. - Part B Basic
84.173	H173A200114	I.D.E.A. - Preschool
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

HARRISON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>21-495-034-5120-078</u>	State Aid Public Cluster: <u>Equalization Aid</u>
<u>21-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>21-495-034-5120-084</u>	<u>Security Aid</u>
<u> </u>	<u> </u>
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**HARRISON TOWNSHIP 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.

**HARRISON TOWNSHIP 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:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**HARRISON TOWNSHIP 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

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.