

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**

National Park, New Jersey  
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**

**NATIONAL PARK, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Prepared by**

**National Park Borough School District  
Finance Department**

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**INTRODUCTORY SECTION**

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

856-845-6876  
FAX 856-848-6710

February 10, 2022

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

Dear Board Members:

The comprehensive annual financial report of the National Park School District (District) for the fiscal year ended June 30, 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 School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

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

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



The School District finished the 2020-2021 fiscal school year with a resident enrollment of 301 students, which is an increase of seven (7) students enrolled from the previous year. The following information is based upon enrollments as of October 15<sup>th</sup> of each year as reported on the Application for State School Aid.

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
On Roll	261	271	270	288	294
Total Classified Students	47	51	43	50	49
Local Programs Classified	40	48	38	45	46
Tuition					
a) Public	7	2	3	3	1
b) Private	0	1	2	2	2
Total Resident Students	232	235	246	258	265
% Classified Students	18.0%	18.8%	15.9%	17.4%	16.7%
Low Income	100	104	106	116	123
% Low Income	38.3%	38.4%	39.3%	40.3%	41.8%

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2020-2021	294.6	1.87%
2019-2020	289.2	7.10%
2018-2019	270.0	(.37%)
2017-2018	271.8	4.06%
2016-2017	261.2	(3.94%)
2015-2016	271.9	.41%
2014-2015	270.8	(.51%)
2013-2014	272.2	6.66%
2012-2013	255.2	(3.00%)
2011-2012	263.1	(7.98%)

**2) ECONOMIC CONDITION AND OUTLOOK:** National Park is not experiencing any development or expansion. The COVID-19 pandemic continued to create an additional burden on residents. Although the building was re-opened to in person instruction, we were not back full-time, five (5) days per week. Meals continued to be free for all families and were distributed on a weekly basis. The “at-risk” population of the School District has remained stable, averaging around 40%, however not all families complete the necessary paperwork to allow the district to determine accurate statistics. To help provide relief to the taxpayers of New Jersey, the State passed legislation in January 2012, imposing a 2% cap on the increase to the district tax levy. When the district stays within that 2% cap, plus statutory adjustments, there is no taxpayer vote on the budget. The Board has exceeded the 2% cap twice since this law went into affect, most recently in 2018-19. Statutory adjustments were used to sustain programs and retain staff due to increases in health care costs and out of district special education placements. The Board of Education is made up of nine (9) resident members who are elected in November. The Board reorganizes yearly in January where they appoint a President and Vice-President. The School District strives to maintain programs and technology, provide a safe and secure learning environment, and sustain a fiscally responsible fund balance each year. The Board continues to set aside funds into reserve accounts for various projects to help maintain its facilities. The Board allocated approximately \$200,000 from capital reserve for bathroom renovations in the Summer 2014. In December 2010, the School District passed a bond referendum for a roof replacement. That debt was paid off in the current school year.

**3) MAJOR INITIATIVES:** During the 2020-2021 school year the National Park School staff focused on implementing best teaching practices for hybrid instruction. Teachers continued to increase their understanding of how to use technology as an effective instructional tool that enhances the learning environment and increases critical thinking while simultaneously providing instruction for students in person and remote students. Monthly meetings allowed teachers and administrators to review student progress, set instructional goals, modify curriculum and articulate vertically and horizontally. A social emotional learning program was implemented with a focus on Morning Meetings to help address the impact of COVID-19 on growth and development. The next stage of PBSIS was implemented, introducing schoolwide expectations and character traits to provide a more consistent set of behavior standards throughout the school. Students were recognized for following expectations through our PBIS Rewards program. The National Park School staff continued to dedicate themselves to meeting the needs of each student through curriculum development, data analysis, professional development, and integration of technology into the educational program.

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

As a recipient of federal awards and state financial assistance, the School 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 School District Management.

As part of the School 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 School District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 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 School District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

**7) DEBT ADMINISTRATION:** As of June 30, 2021, the District's outstanding debt issues included \$800,00 of General Obligation Bonds that will be paid off in the 2024-2025 school year.

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

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

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

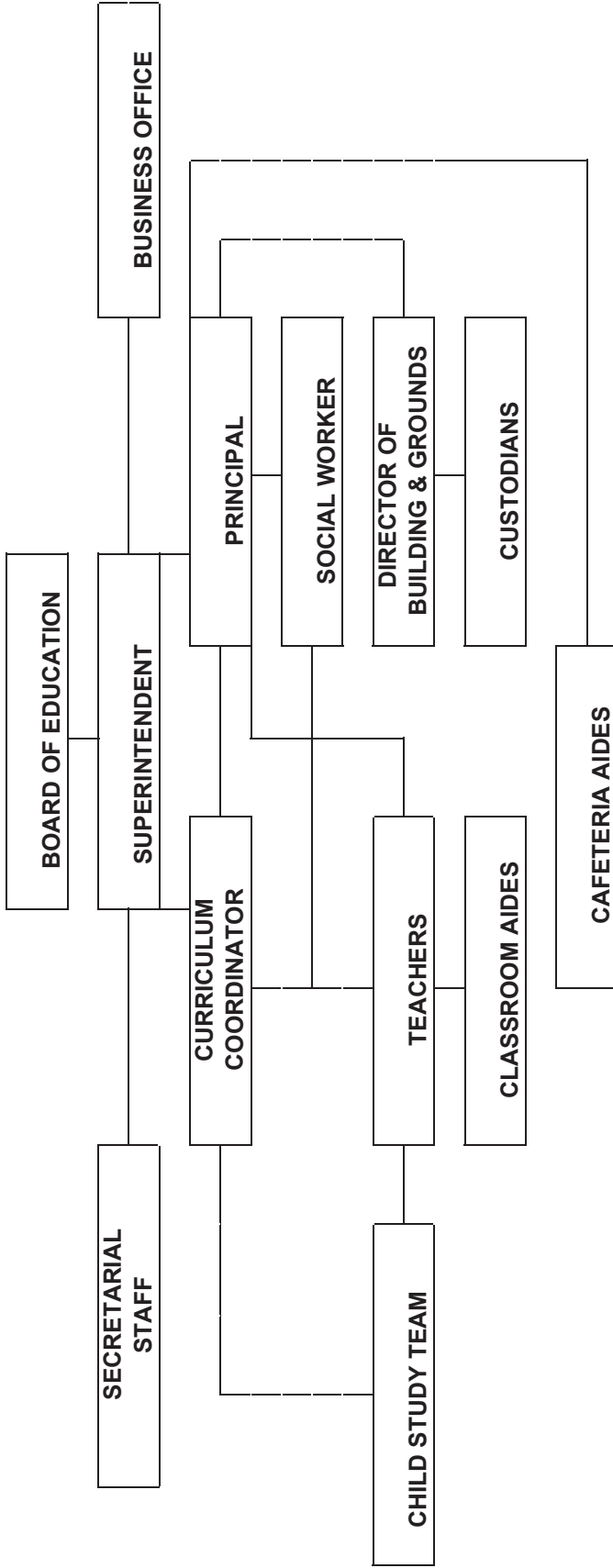
**11) ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the National Park School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

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

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

NATIONAL PARK SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
National Park, New Jersey

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Dawn Sholders, President	2023
Kelly Read, Vice President	2021
Frank Alloway	2021
Amy Farley	2022
Jessica Fleming	2022
Brian Guinup	2023
Kevin Reed	2021
Kristen Venable	2023
Kate Wadsworth	2022

**OTHER OFFICIALS**

Dr. Shannon M. Whalen, Superintendent of Schools

Carla Bittner, Principal

Donna J. Contrevo, Business Administrator/Board Secretary

Charles Owens, Treasurer

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**516 Lakehurst Avenue**  
**National Park, New Jersey 08093**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Garrison Architects  
Bellmawr, New Jersey

**AUDIT FIRM**

David McNally, CPA, PSA  
Holt McNally & Associates, Inc.  
618 Stokes Road  
Medford, New Jersey 08055

**SOLICITOR**

Joseph Betley, Esq.  
Capehart & Scatchard  
Mount Laurel, New Jersey

**OFFICIAL DEPOSITORY**

Fulton Bank  
National Park, NJ

**FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the National Park Borough School District, 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the National Park Borough School District, 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 year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the School District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 19 to the financial statements. Our opinion is 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, and the schedules related to accounting and reporting for pensions & other post-employment benefits, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the National Park Borough School District's basic financial statements. The introductory section, section, combining and individual fund statements long-term debt schedules and statistical

section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the 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 our opinion, the combining and individual fund statements and long-term debt schedules and the 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 section and statistical section 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, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

*Certified Public Accountants & Advisors*

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
February 10, 2022

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The Management Discussion and Analysis (MD&A) of National Park Borough School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended on June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is required and is presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2021 fiscal year are as follows:

National Park formally transferred \$75,000 into a capital reserve account to fund future capital projects and withdrew \$220,000 for capital projects which was not spent in addition to cancellation of capital projects of \$60,710 bringing the total balance in the capital reserve to \$415,129 at fiscal year-end.

The overall General Fund - fund balance (budgetary basis) increased \$691,880 from the prior fiscal year to \$1,817,682 as of June 30, 2021.

At the conclusion of the fiscal year, the district's Unassigned General Fund balance (budgetary basis) was \$313,589. The State of New Jersey limits the amount of unassigned fund balance to 4% of the adjusted general fund expenditures plus certain allowable adjustments. The amount of unassigned fund balance at the end of the current year is at the maximum allowed.

The amount of unassigned general fund balance in the School District's general fund on a GAAP basis was \$90,751. The difference between the budgetary basis and the GAAP basis is the final two State aid payments in the amount of \$222,838 which was recognized as revenue on a budgetary basis but not on a GAAP basis.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing of service that can be provided by the governmental along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Using this Comprehensive Annual Financial Report (CAFR) (continued)**

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of National Park Borough School District, the general fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Government-Wide Financial Statements**

This document contains the large number of funds used by the School District to provide programs and activities. The view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting take into account all of the current year's revenues and expenditures, regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental Activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities and pupil transportation.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis in order to recover all the expenses of the goods or services provided. The School District does not have any business activities.

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

**Fund Financial Statements**

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



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Funds**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Table 1 provides a summary of the School District's net position for fiscal year 2021 compared to fiscal year 2020.

TABLE I - NET POSITION

	Governmental Activities	
	2021	2020
<b>ASSETS</b>		
Current Assets	\$ 1,964,863	\$ 1,128,700
Capital Assets, Net	3,330,637	3,468,048
	5,295,500	4,596,748
Deferred Outflows Resources	125,851	43,334
	5,421,351	4,640,082
<b>LIABILITIES</b>		
Current Liabilities	\$ 486,355	\$ 207,163
Noncurrent Liabilities	1,575,445	1,894,251
	2,061,800	2,101,414
Deferred Inflows of Resources	349,068	299,084
	2,410,868	2,400,498
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,523,706	2,421,598
Restricted	1,514,174	882,573
Unrestricted (Deficit)	(1,027,397)	(1,064,587)
	\$ 3,010,483	\$ 2,239,584

The School District's combined net position was \$3,010,483 on June 30, 2021. This was an increase of \$770,899 or 34% from the prior year. For the Governmental activities, the largest component of net position is Investment in Capital Assets.

Table 2 provides a summary of the School District's changes in net position for fiscal year 2021 compared to fiscal year 2020.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**TABLE 2  
CHANGES IN NET POSITION**

	Governmental Activities	
	2021	2020
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 18,906	\$ -
Operating Grants & Contributions	2,215,857	435,199
General Revenues		
Property Taxes	2,305,685	2,271,536
Grants & Entitlements	3,178,827	3,192,959
Miscellaneous	91,122	63,654
Total Revenues	7,810,397	5,963,348
<b>Function/Program Expenditures:</b>		
Instruction	2,297,789	2,088,536
Tuition, Student & Instructional Related	876,132	929,827
General Administration	172,218	181,420
School Administration	196,663	192,882
Plant Operations & maintenance	322,052	310,490
Pupil Transportation	91,058	166,345
Employee Benefits	2,839,677	1,770,640
Interest and Other Charges	55,387	52,783
Capital Outlay	41,920	15,461
Depreciation	163,261	168,255
Total Expenses	7,056,157	5,876,639
Increase in Net Position before Transfers	754,240	86,709
Changes in Net Position	754,240	86,709
Net Position- July 1	2,239,584	2,152,875
Prior Period Adjustment	16,659	
Net Position - July 1 Restated	2,256,243	2,152,875
Net Postion- June 30	\$ 3,010,483	\$ 2,239,584

**Governmental Activities**

During the fiscal year 2021, the net position of governmental activities increased by \$754,240 or 34%. The primary reason for the increase in grant funds due to COVID-19 offset by increased on behalf pension, required maintenance expenditures and a prior period adjustment of \$16,659 to record the accounting changes from the implementation of GASB 84 and a capital lease not recognized (see Note 18).

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$3,010,483, with an unrestricted deficit balance of \$(1,027,397). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3  
GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$	(1,027,397)
Add back: PERS Pension Liability		731,913
Less: Deferred Outflows related to pensions		(125,851)
Add back: Deferred Inflows related to pensions		349,068
		349,068
Unrestricted Net Position (Without GASB 68)	\$	(72,267)

**Governmental Funds - General Fund Budgeting Highlights**

Final budgeted revenues were \$4,438,793, which was reduced by \$115,976 from the original budget of \$4,554,769. Excluding On Behalf revenues, the School District's actual revenues exceeded estimated revenues by \$111,741.

Final budgeted appropriations were \$4,957,465 which was reduced by \$103,935 from the original budget of \$5,061,400. This decrease is due to a reduction in state aid of \$115,976 offset by prior year reserve for encumbrances of \$12,041, which increase budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$996,181.

As previously mentioned, the School District's general fund budgetary basis fund balance (Exhibit C-1) was \$1,817,682 as of June 30, 2021, an increase of \$691,880 from the prior year.

**Governmental Funds**

At the end of the current fiscal year, the School District's general fund reported an ending fund balance of \$1,594,844, an increase of \$706,196 from the prior year (see exhibit C-1).

As of June 30, 2021, the District has an unassigned fund balance of \$313,589. The School District designated \$213,788 in excess surplus for the subsequent years' expenditures, which is restricted for the subsequent years' budget. Current year excess surplus was \$768,717. Additionally, the District maintains a capital reserve restricted fund balance in the amount of \$415,129 for future capital improvements and maintenance reserve of \$80,008, also there is \$16,813 restricted for unemployment. \$9,638 is recorded in encumbrances and assigned to other purposes.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Special Revenue Fund**

The Special Revenue Fund saw an increase in expenditures and resulting revenues in the current year of \$344,031. This increase is primarily due to the funding of COVID federal awards and additional Preschool Aid.

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$3,330,637 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. Overall, the capital assets decreased by \$137,411 from fiscal year 2020 to fiscal year 2021. The primary reason for the decrease is due to depreciation. Table 4 shows combining 2021 balances compared to 2020.

**Table 4  
Summary of Capital Assets**

	<b>2021</b>	<b>2020</b>
Governmental Activities:		
Land Improvements	\$ 169,493	\$ 169,493
Building & Improvements	6,134,162	6,122,998
Equipment	370,590	355,904
Less: Accumulated Depreciation:	(3,343,608)	(3,180,347)
	3,330,637	3,468,048

Combined depreciation expense for the year was \$163,261. 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.

**For the Future**

This administration and Board of Education fully understands the dynamics of strategic thinking and have established a collaborative decision-making process that incorporates a deliberate approach to strategic planning initiatives. Resources are evaluated, needs assessed, and progress measured. Key decisions are examined in scenario-based discussions and final goals are established after consideration from all stakeholders.

The School District is proud of its community support of the public schools. A major concern is the sustained enrollment of the School District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is uncertain.

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Requests for Information**

This financial report is designed to provide a general overview of the National Park Borough School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary, Donna Contrevo, Gateway Business Services, 775 Tanyard Road, Woodbury Heights, NJ 08097 or e-mail at: [dcontrevo@gatewayhs.com](mailto:dcontrevo@gatewayhs.com).

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

ASSETS	GOVERNMENTAL ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 534,327	\$ 534,327
Receivables, Net (Note 4)	918,586	918,586
Restricted Cash & Cash Equivalents	511,950	511,950
Capital Assets, Net (Note 5)	3,330,637	3,330,637
	<hr/>	<hr/>
Total Assets	5,295,500	5,295,500
	<hr/>	<hr/>
DEFERED OUTFLOW OF RESOURCES		
Deferred Outflows Related to Pensions (Note 7)	125,851	125,851
	<hr/>	<hr/>
Total Deferred Outflow of Resources	125,851	125,851
	<hr/>	<hr/>
Total Assets and Deferred Outflow of Resources	5,421,351	5,421,351
	<hr/>	<hr/>
LIABILITIES		
Due to Other Governments	52,333	52,333
Accounts Payable	48,421	48,421
Accrued Interest Payable	13,333	13,333
Unearned Revenue	361,834	361,834
Payroll Deductions and Withholdings Payable	10,434	10,434
Noncurrent Liabilities (Note 6):		
Due Within One Year	213,431	213,431
Due Beyond One Year	1,362,014	1,362,014
	<hr/>	<hr/>
Total Liabilities	2,061,800	2,061,800
	<hr/>	<hr/>
DEFERED INFLOW OF RESOURCES		
Deferred Inflows Related to Pensions (Note 7)	349,068	349,068
	<hr/>	<hr/>
Total Deferred Inflows of Resources	349,068	349,068
	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	2,410,868	2,410,868
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	2,523,706	2,523,706
Restricted For:		
Capital Projects	415,129	415,129
Maintenance Reserve	80,008	80,008
Excess Surplus	982,505	982,505
Unemployment Compensation	16,813	16,813
Student Activities	19,308	19,308
Scholarships	411	411
Unrestricted	(1,027,397)	(1,027,397)
	<hr/>	<hr/>
Total Net Position	\$ 3,010,483	\$ 3,010,483
	<hr/>	<hr/>

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
<b>Governmental Activities:</b>						
Instruction:						
Regular Instruction	\$ 1,220,066	\$ -	\$ -	(1,220,066)		\$ (1,220,066)
Special Education Instruction	1,076,223		563,301	(512,922)		(512,922)
Other Instruction	1,500			(1,500)		(1,500)
Support Services & Undistributed Costs:						
Student & Instruction Related Services	876,132	18,906	172,718	(684,508)		(684,508)
General Administrative Services	172,218			(172,218)		(172,218)
School Administrative Services	196,663			(196,663)		(196,663)
Plant Operations & Maintenance	322,052			(322,052)		(322,052)
Pupil Transportation	91,058			(91,058)		(91,058)
Unallocated Benefits	2,839,677		1,479,838	(1,359,839)		(1,359,839)
Capital Outlay	41,920			(41,920)		(41,920)
Interest and Other Changes on Long-Term Debt	55,387			(55,387)		(55,387)
Unallocated Depreciation	163,261			(163,261)		(163,261)
<b>Total Governmental Activities</b>	<b>\$ 7,056,157</b>	<b>\$ 18,906</b>	<b>\$ 2,215,857</b>	<b>\$ (4,821,394)</b>	<b>\$ -</b>	<b>\$ (4,821,394)</b>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes				2,125,232		2,125,232
Property Taxes Levied for Debt Service				180,453		180,453
Federal & State Aid Not Restricted				3,178,827		3,178,827
Tuition - From Individuals				3,680		3,680
Tuition - From Other LEAS				70,903		70,903
Miscellaneous Income				14,042		14,042
Other Restricted Miscellaneous Revenue				2,497		2,497
<b>Total General Revenues &amp; Transfers</b>				<b>5,575,634</b>	<b>-</b>	<b>5,575,634</b>
Change In Net Position				754,240	-	754,240
Net Position - July 1 as previously stated				2,239,584		2,239,584
Prior Period Adjustment				16,659		16,659
Net Position - July 1 Restated				2,256,243	-	2,256,243
Net Position - Ending				<b>\$ 3,010,483</b>	<b>\$ -</b>	<b>\$ 3,010,483</b>

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

## B. Fund Financial Statements

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## Governmental Funds

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
<b>Assets:</b>				
Cash & Cash Equivalents	\$ 1,014,942	\$ 118,935	\$ -	\$ 1,133,877
Receivables From Other Governments	105,126	213,910	599,550	918,586
Restricted Cash & Cash Equivalents	511,950			511,950
	<hr/>			
Total Assets	<u>\$ 1,632,018</u>	<u>\$ 332,845</u>	<u>\$ 599,550</u>	<u>\$ 2,564,413</u>
<b>Liabilities &amp; Fund Balances:</b>				
<b>Liabilities:</b>				
Cash Deficit			599,550	599,550
Accounts Payable	26,740	21,681		48,421
Unearned Revenue		361,834		361,834
Payroll Deductions and Withholdings Payable	10,434			10,434
	<hr/>			
Total Liabilities	<u>37,174</u>	<u>383,515</u>	<u>599,550</u>	<u>1,020,239</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve Account	415,129			415,129
Maintenance Reserve Account	80,008			80,008
Excess Surplus	768,717			768,717
Excess Surplus Designated for Subsequent Year's Expenditures	213,788			213,788
Debt Service Fund				-
Unemployment Compensation	16,813			16,813
Student Activity		19,308		19,308
Scholarships		411		411
<b>Assigned to:</b>				
Other Purposes	9,638			9,638
<b>Unassigned:</b>				
General Fund	90,751			90,751
Special Revenue Fund		(70,389)		(70,389)
	<hr/>			
Total Fund Balances	<u>1,594,844</u>	<u>(50,670)</u>	<u>-</u>	<u>1,544,174</u>
Total Liabilities & Fund Balances	<u>\$ 1,632,018</u>	<u>\$ 332,845</u>	<u>\$ 599,550</u>	

Amounts reported for *Governmental Activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,674,245 and the accumulated depreciation is \$3,343,608.	3,330,637
Accrued interest payable is not recorded in the fund financials due to the fact that payables are not due in the current period.	(13,333)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows Related to Pensions	125,851
Deferred Inflows Related to Pension	(349,068)
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(52,333)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 7)	<u>(1,575,445)</u>
Net Position of Governmental Activities	<u>\$ 3,010,483</u>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,125,232	\$ -	\$ -	\$ 180,453	\$ 2,305,685
Tuition From Individuals	3,680				3,680
Tuition From Other LEAs Within the State	70,903				70,903
Interest Earnings	257				257
Other Restricted Miscellaneous Revenue	2,497				2,497
Miscellaneous	13,785	18,906			32,691
Total Revenues - Local Sources	2,216,354	18,906		180,453	2,415,713
State Sources	3,220,671	407,414		108,051	3,736,136
Federal Sources	-	328,605		-	328,605
Total Revenues	5,437,025	754,925		288,504	6,480,454
Expenditures:					
Current Expense:					
Regular Instruction	1,228,891				1,228,891
Special Education Instruction	477,296	598,927			1,076,223
Other Instruction	1,500				1,500
Support Services & Undistributed Costs:					
Student & Instruction Related Services	726,428	191,624			918,052
General Administrative & Central Services	172,218				172,218
School Administrative Services	196,663				196,663
Plant Operations & Maintenance	328,007				328,007
Pupil Transportation	91,058				91,058
Personal Services - Employee Benefits	1,569,221				1,569,221
Capital Outlay	61,815				61,815
Debt Service:					
Principal				246,450	246,450
Interest & Other Charges				42,054	42,054
Total Expenditures	4,853,097	790,551		288,504	5,932,152
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	583,928	(35,626)		-	548,302
Other Financing Sources/(Uses):					
Transfers	60,710		(60,710)		-
Capital leases (non-budgeted)	41,920				41,920
Total Other Financing Sources/(Uses)	102,630	-	(60,710)	-	41,920
Net Changes in Fund Balance	686,558	(35,626)	(60,710)	-	590,222
Fund Balances, July 1	893,970	(33,143)	60,710	-	921,537
Prior Period Adjustment	14,316	18,099			32,415
Fund Balances, July 1 Restated	908,286	(15,044)	60,710	-	953,952
Fund Balances, June 30	\$ 1,594,844	\$ (50,670)	\$ -	\$ -	\$ 1,544,174

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 590,222

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

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

Capital Outlays	\$ 25,850	
Depreciations Expense	<u>(163,261)</u>	(137,411)

Proceeds from debt issues are a financing source in the Governmental Funds. They are  
not revenue in the Statement of Activities; issuing debt increases long-term liabilities in  
the Statement of Net Position.

Capital lease proceeds		(41,920)
------------------------	--	----------

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 not  
reported in the statement of activities.

Bond principal payments		246,450
Capital lease obligation principal		50,745

District pension contributions are reported as expenditures in the governmental  
funds when made. However, they are reported as deferred outflows of resources  
in the Statement of Net Position because the reported net pension liability is measured  
a year before the District's report date. Pension expense, which is the change in the net  
pension liability adjusted for changes in deferred outflows and inflows of resources related  
to pensions, is reported in the Statement of Activities.

51,010

Net Difference Accrued interest on bonds and capital leases is not recorded  
in fund financial statements

(13,333)

Decrease in accrual for compensated absences

8,477

Change in Net Position of Governmental Activities

\$ 754,240

Proprietary Funds  
Not applicable

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the National Park Borough School District (the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**Reporting Entity**

The National Park Borough School District (hereafter referred to as the “School District”) is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District 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 members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through six.

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

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

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.

**Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides 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 Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2021.



**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Government-Wide Financial Statements**

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. The School District does not maintain any proprietary funds.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The School District does not maintain any internal service funds.

The School District reports the following 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 which are classified in the Capital Outlay sub-fund.

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that 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. These resources can be transferred from and to Current Expense by board resolution.

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

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations, and the board of education members are elected at the November general election. 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. 6A:23-2-2(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:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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 accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal 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 last 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. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned 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 and Cash Equivalents**

Cash and Cash equivalents 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

Additionally, the School 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 loss of funds on deposit with a failed banking institution in New Jersey.

*N.J.S.A.17:9-41* et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value 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.

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Interfund Receivables/Payables**

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. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore, those balances are reported on the Statement of Net Position.

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Capital Assets**

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

**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 absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead, expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is 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 in 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, government 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.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies governmental fund balances as follows:

- **Non-spendable** – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.



**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Net Position**

Net position represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in 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 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 laws 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.

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, "*Fiduciary Activities*". The objective GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

the School District's financial statements for the year ended June 30, 2021, with a prior period restatement to beginning net position. See Note 18 for further details.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

**Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Deferred Outflows and Deferred 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 represent 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.

**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 pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**Note 2. Deposits and Investments**

**Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District’s bank balance of \$1,186,579 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	1,109,714
Uninsured and Uncollateralized		76,865
	\$	1,186,579

**Investments**

The School District had no investments as of June 30, 2021.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 3. Reserve Accounts**

**Capital Reserve**

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2020	\$	279,403
Increased by:		
Interest Earnings		16
Deposits approved by Board		75,000
Transfer from Capital Projects		60,710
Return of Unspent Funds		<u>220,000</u>
		635,129
Decreased by:		
Budget Withdrawals		<u>(220,000)</u>
Ending Balance, June 30, 2021	\$	<u><u>415,129</u></u>

**Maintenance Reserve**

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's facilities for the current year.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 3. Reserve Accounts (continued):**

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

Beginning Balance, July 1, 2020	\$	30,000
Increased by:		
Interest Earnings		8
Deposits approved by Board		50,000
		50,000
Ending Balance, June 30, 2021	\$	80,008

**Note 4. Accounts Receivable**

Accounts receivable as of June 30, 2021, consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental activities as of June 30, 2021, consisted of the following:

<u>Description</u>	Governmental Funds			Total Governmental <u>Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Federal Awards	\$ -	\$ 213,910	\$ -	\$ 213,910
State Awards	95,223		599,550	694,773
Other	9,903			9,903
Total	\$ 105,126	\$ 213,910	\$ 599,550	\$ 918,586

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 5. Capital Assets**

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

	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Retirements and Transfers</b>	<b>Balance June 30, 2021</b>
<b>Governmental Activities:</b>				
Capital Assets being depreciated:				
Sites & Site Improvements	\$ 169,493		\$ -	\$ 169,493
Buildings and Improvements	6,122,998	\$ 11,164		6,134,162
Equipment	355,904	14,686	-	370,590
Total Capital Assets being depreciated	<u>6,648,395</u>	<u>25,850</u>	<u>-</u>	<u>6,674,245</u>
Less: Accumulated Depreciation:				
Sites & Site Improvements	(112,547)	(3,717)		(116,264)
Buildings and Improvements	(2,774,627)	(147,282)	-	(2,921,909)
Equipment	(293,173)	(12,262)	-	(305,435)
Total Accumulated Depreciation	<u>(3,180,347)</u>	<u>(163,261)</u>	<u>-</u>	<u>(3,343,608)</u>
Total Capital Assets being depreciated, net	<u>3,468,048</u>	<u>(137,411)</u>	<u>-</u>	<u>3,330,637</u>
Total Governmental Activities Capital Assets, net	<u>\$ 3,468,048</u>	<u>\$ (137,411)</u>	<u>\$ -</u>	<u>\$ 3,330,637</u>

Depreciation expense was charged as unallocated expense since it could not be specifically identified to one program/function of the School District.

**Note 6. Long-Term Obligations**

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2021</b>	<b>Balance Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 1,046,450		\$ 246,450	\$ 800,000	\$ 195,000
Capital Leases	15,756	41,920	50,745	6,931	6,931
Compensated Absences	45,078		8,477	36,601	11,500
Net Pension Liability	802,723		70,810	731,913	
	<u>\$ 1,910,007</u>	<u>\$ 41,920</u>	<u>\$ 376,482</u>	<u>\$ 1,575,445</u>	<u>\$ 213,431</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

**Bonds Authorized but not Issued**

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 6. Long-Term Obligations (Continued)**

**Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On December 10, 2009, the School District issued \$2,950,000 General Obligation Refunding Bonds payable in annual installments through February 1, 2025. Interest is paid semi-annually at the rate of 4% to 4.5% per annum. The balance remaining at June 30, 2021, was \$800,000.

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

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 195,000	\$ 32,000	\$ 227,000
2023	195,000	24,200	219,200
2024	200,000	16,400	216,400
2025	210,000	8,400	218,400
	\$ 800,000	\$ 81,000	\$ 881,000

**Note 7. Pension Plans**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/gasb-notices.shtml](http://www.state.nj.us/treasury/pensions/gasb-notices.shtml).

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 for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

available to tiers 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 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 the respective tier.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included 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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' 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.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** – As of June 30, 2021, the School District reported a liability of \$731,913 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.0044882325%, which was an increase of 0.0000332353% from its proportion measured as of June 30, 2019.



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$16,768 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. As of June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 13,327	\$ 2,588
Changes of Assumptions	23,744	306,459
Net Difference between Projected and Actual Earnings on Pension Plan Investments	25,017	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	11,430	40,021
School District Contributions Subsequent to Measurement Date	<u>52,333</u>	<u>-</u>
	<u>\$ 125,851</u>	<u>\$ 349,068</u>

\$52,333 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

<b>Year Ending <u>June 30,</u></b>	<b><u>Amount</u></b>
2021	\$ (71,687)
2022	(72,851)
2023	(48,549)
2024	(21,356)
2025	<u>(61,107)</u>
	<u>\$ (275,550)</u>

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:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
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	
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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**Actuarial Assumptions** – The collective 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 assumptions:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

Inflation

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%
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Mortality Rate Table

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

Period of Actuarial Experience

Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018
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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.

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:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. 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%
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals 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 will be made based on 70% 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 projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability 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 or 1-percentage point higher than the current rate:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 928,602	\$ 731,913	\$ 575,657

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 1,383,360,202	\$ 2,122,619,897
Deferred Inflows of Resources	6,885,726,332	6,618,184,855
Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.004488233%	0.004454997%

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which 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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/gasb-notices.shtml](http://www.state.nj.us/treasury/pensions/gasb-notices.shtml).

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 for 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:

<u>Tier</u>	<u>Definition</u>
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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

- 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 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 the respective tier.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. 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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$12,225,882. The School District's proportionate share was \$-0-.

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, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. As of June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0185665995%, which was a decrease of .0011092308% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$760,257 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

**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:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

Inflation	
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%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table 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:



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. 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%

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on 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 municipals 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 will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>14,360,728</u>	<u>12,225,882</u>	<u>10,453,249</u>
	<u>\$ 14,360,728</u>	<u>\$ 12,225,882</u>	<u>\$ 10,453,249</u>

**Pension Plan Fiduciary Net Position** - 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 Teacher's 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.

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

**Balances at June 30, 2021 and June 30, 2020**

Actuarial valuation date (including roll forward)	<u>6/30/2020</u>	June 30, 2019
Deferred Outflows of Resources	\$ 9,458,881,999	\$ 9,932,767,606
Deferred Inflows of Resources	14,424,322,612	17,539,845,423
Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.018566600%	0.017457369%

**C. Defined Contribution Plan (DCRP)**

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 7. Pension Plans (continued)**

**C. Defined Contribution Plan (DCRP) (continued)**

- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$8,127, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$4,433.

**Note 8. Other Post-Retirement Benefits**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan 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 State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey 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 Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of 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 is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability:                   \$     67,809,962,608

**Inflation Rate:**   2.5%

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

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.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$14,568,203. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the School District was based on projection of the State's long-term contributions to the OPEB plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.10408%, which was a decrease of 0.00149% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$569,686 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

**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 seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend 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 seven 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.

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

The following presents the total nonemployer OPEB liability as of June 30, 2020, 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:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 17,562,721	\$ 14,568,203	\$ 12,226,779
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate**

The following presents the total nonemployer OPEB liability as of June 30, 2020, 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:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 11,759,945	\$ 14,568,203	\$ 17,912,214
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

\*\* Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	\$	4,921,365,558

**Plan Membership**

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2020) is as follows:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

**Total OPEB Liability**

Service Cost	\$	1,790,973,822
Interest Cost		1,503,341,357
Difference Between Expected & Actual Experience		11,544,750,637
Changes of Assumptions		12,386,549,981
Contributions: Member		35,781,384
Gross Benefit Payments		<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability		26,080,881,563
Total OPEB Liability (Beginning)		<u>41,729,081,045</u>
Total OPEB Liability (Ending)	\$	<u>67,809,962,608</u>
Total Covered Employee Payroll	\$	14,267,738,658
Net OPEB Liability as a Percentage of Payroll		475%

**Note 9. Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ -	\$ 5,269	\$ 4	\$ 2,776	\$ 16,813
2019-2020	-	5,135	15	5,048	14,316
2018-2019	-	4,949	16	1,508	14,214



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 10. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs, post-retirement medical costs and non-contributory insurance costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for normal costs, post-retirement medical costs and non-contributory insurance costs were \$564,890, \$177,028 and \$370, respectively.

**Note 11. Contingencies**

**State and Federal Grantor Agencies** - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Economic Dependency** – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

**Note 12. Deferred Compensation**

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning                      Prudential

**Note 13. 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 amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021 (continued)**

**Note 13. Compensated Absences (Continued)**

amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. As of June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$36,601.

**Note 14. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, 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.

**Note 15. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$768,717.

**Note 16. Fund Balances**

**General Fund** – Of the \$1,594,844 General Fund, Fund balance at June 30, 2021, \$415,129 has been restricted for the Capital Reserve Account; \$80,008 has been restricted for the Maintenance Reserve Account; \$16,813 has been restricted for unemployment compensation; \$9,638 has been assigned for other purposes \$768,717 has been restricted for current year Excess surplus; \$213,788 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditures and \$90,751 has been unassigned.

**Special Revenue Fund** – Of the (\$50,670) Special Revenue Fund, Fund balance at June 30, 2021, \$19,308 is restricted for student activities, \$411 is restricted for scholarships and (\$70,389) is unassigned.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 17. Deficit in Net Position**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$1,027,397 as of June 30, 2021. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 18. Prior Period Restatement**

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, Fiduciary Activities (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for Student Activities Fund. In addition, a Capital Lease which was not previously recorded, in the opening balance. The beginning balances as of July 1, 2020 were adjusted as follows:

Governmental Activities (Exhibit A-2):

Net Position as previously reported at June 30, 2020	\$ 2,239,584
Prior Period Adjustment:	
Unemployment Fund	14,316
Scholarship Fund	411
Student Activities Fund	17,688
Capital Leases	<u>(15,756)</u>
Total Prior Period Adjustment	<u>16,659</u>
Net Position as restated, July 1, 2020	<u>\$ 2,256,243</u>

General Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$ 893,970
Prior Period Adjustment:	
Unemployment Fund	<u>14,316</u>
Total Prior Period Adjustment	<u>14,316</u>
Net Position as restated, July 1, 2020	<u>\$ 908,286</u>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021 (continued)**

**Note 18. Prior Period Restatement (Continued)**

Special Revenue Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020		\$ (33,143)
Prior Period Adjustment:		
Scholarship Fund		\$ 411
Student Activities Fund		<u>17,688</u>
 Total Prior Period Adjustment		 <u>18,099</u>
 Net Position as restated, July 1, 2020		 <u><u>\$ (15,044)</u></u>

**Note 19. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 10, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 2,125,232	\$ -	\$ 2,125,232	\$ 2,125,232	\$ -
Tuition From Individuals	10-1310			-	3,680	3,680
Tuition From Other LEAs Within the State	10-1320	40,000		40,000	70,903	30,903
Interest Earned on Investments	10-1xxx	1,000		1,000	233	(767)
Interest Earned on Capital Reserve	10-1xxx	75		75	16	(59)
Interest Earned on Maintenance Reserve	10-1xxx	10		10	8	(2)
Miscellaneous	10-1xxx	1,885		1,885	13,785	11,900
Other Restricted Miscellaneous Revenue	10-1xxx				2,497	2,497
<b>Total Local Sources</b>		<b>2,168,202</b>	<b>-</b>	<b>2,168,202</b>	<b>2,216,354</b>	<b>48,152</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	15,950	-	15,950	15,950	-
Categorical Special Education Aid	10-3132	152,723	-	152,723	152,723	-
Equalization Aid	10-3176	2,154,211	(115,976)	2,038,235	2,038,235	-
Categorical Security Aid	10-3177	63,683	-	63,683	63,683	-
Extraordinary Aid	10-3131		-	-	60,689	60,689
Nonpublic Transportation Aid	10-3xxx	-	-	-	2,900	2,900
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	564,890	564,890
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	177,028	177,028
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	370	370
Reimbursed TPAF Social Security		-	-	-	149,525	149,525
<b>Total State Sources</b>		<b>2,386,567</b>	<b>(115,976)</b>	<b>2,270,591</b>	<b>3,225,993</b>	<b>955,402</b>
<b>Total Revenues</b>		<b>4,554,769</b>	<b>(115,976)</b>	<b>4,438,793</b>	<b>5,442,347</b>	<b>1,003,554</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Kindergarten	11-110-100-101	123,811		123,811	121,438	2,373
Grades 1 - 5	11-120-100-101	876,100		876,100	846,407	29,693
Grades 6 - 8	11-130-100-101	182,617	(14,200)	168,417	157,535	10,882
Home Instruction - Regular	11-150-100-101	1,000		1,000		1,000
Purchased Professional & Educational Services	11-150-100-320	5,500		5,500	2,580	2,920
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	35,860	14,200	50,060	33,563	16,497
Purchased Professional & Educational Services	11-190-100-320	2,500		2,500	1,186	1,314
Purchased Technical Services	11-190-100-340	12,300		12,300	3,629	8,671
Other Purchased Services	11-190-100-500	10,500		10,500	10,363	137
General Supplies	11-190-100-610	92,530	3,762	96,292	52,130	44,162
Other Objects	11-190-100-800	1,200		1,200	60	1,140
<b>Total Regular Programs</b>		<b>1,343,918</b>	<b>3,762</b>	<b>1,347,680</b>	<b>1,228,891</b>	<b>118,789</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Special Education:</b>						
<b>Learning and/or Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	133,850	(26,650)	107,200	55,418	51,782
Other Salaries for Instruction	11-204-100-106	78,476	(16,500)	61,976	38,086	23,890
General Supplies	11-204-100-610	4,750		4,750	1,993	2,757
<b>Total Learning and/or Language Disabilities:</b>		<b>217,076</b>	<b>(43,150)</b>	<b>173,926</b>	<b>95,497</b>	<b>78,429</b>
<b>Behavioral Disabilities:</b>						
Salaries of Teachers	11-209-100-101	75,185		75,185	72,317	2,868
Other Salaries for Instruction	11-209-100-106	17,626		17,626	15,235	2,391
General Supplies	11-209-100-610	3,000		3,000	155	2,845
<b>Total Behavioral Disabilities</b>		<b>95,811</b>	<b>-</b>	<b>95,811</b>	<b>87,707</b>	<b>8,104</b>
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	230,381	(4,025)	226,356	223,658	2,698
Other Salaries for Instruction	11-213-100-106	51,985	(10,543)	41,442	40,745	697
General Supplies	11-213-100-610	3,250		3,250	2,168	1,082
<b>Total Resource Room/Resource Center</b>		<b>285,616</b>	<b>(14,568)</b>	<b>271,048</b>	<b>266,571</b>	<b>4,477</b>
<b>Preschool Disabilities - Part Time:</b>						
Salaries of Teachers	11-215-100-101		1,500	1,500	1,500	-
<b>Total Preschool Disabilities - Part-Time</b>		<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>
<b>Special Education - Home Instruction:</b>						
Salaries of Teachers	11-219-100-101	1,750		1,750		1,750
Purchased Professional - Educational Services	11-219-100-320	2,000		2,000	1,560	440
<b>Total Special Education - Home Instruction</b>		<b>3,750</b>	<b>-</b>	<b>3,750</b>	<b>1,560</b>	<b>2,190</b>
<b>Basic Skills/Remedial – Instruction:</b>						
Salaries of Teachers	11-230-100-101	49,744		49,744	24,018	25,726
Supplies and Materials	11-230-100-610	800		800	443	357
		50,544	-	50,544	24,461	26,083
<b>Total Special Education</b>		<b>652,797</b>	<b>(56,218)</b>	<b>596,579</b>	<b>477,296</b>	<b>119,283</b>
<b>School Sponsored Cocurricular Activities &amp; Athletics:</b>						
Salaries	11-401-100-100	6,800		6,800	1,500	5,300
Purchased Professional & Educational Services	11-401-100-320	500		500		500
Supplies and Materials	11-401-100-600	250		250		250
Other Objects	11-401-100-800	150		150		150
<b>Total School Sponsored Cocurricular - Activities &amp; Athletics</b>		<b>7,700</b>	<b>-</b>	<b>7,700</b>	<b>1,500</b>	<b>6,200</b>
<b>Community Services Program</b>						
Salaries	11-800-100-100	3,500		3,500		3,500
<b>Total Community Services Program</b>		<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>-</b>	<b>3,500</b>
<b>Total - Instruction</b>		<b>2,007,915</b>	<b>(52,456)</b>	<b>1,955,459</b>	<b>1,707,687</b>	<b>247,772</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Undistributed Expenditures:</b>						
<b>Instruction:</b>						
Tuition to other LEA's within the state - regular	11-000-100-561		2,177	2,177	2,177	-
Tuition to other LEA's within the state - special	11-000-100-562		4,000	4,000	4,000	-
Tuition to CSSD & regional day schools	11-000-100-565	91,820	(6,177)	85,643		85,643
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	143,613		143,613	142,232	1,381
<b>Total Instruction</b>		<b>235,433</b>	<b>-</b>	<b>235,433</b>	<b>148,409</b>	<b>87,024</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	10,106		10,106	10,106	-
Purchased Professional & Technical Services	11-000-211-300	1,500		1,500	1,226	274
<b>Total Attendance Services</b>		<b>11,606</b>	<b>-</b>	<b>11,606</b>	<b>11,332</b>	<b>274</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	3,000	2,320	5,320	5,280	40
Salaries of Other Professional Staff	11-000-213-104	85,145	(1,395)	83,750	75,450	8,300
Purchased Professional & Technical Services	11-000-213-300	8,000	(925)	7,075	3,225	3,850
Supplies and Materials	11-000-213-600	2,425	168	2,593	568	2,025
Other Objects	11-000-213-890	200		200	149	51
<b>Total Health Services</b>		<b>98,770</b>	<b>168</b>	<b>98,938</b>	<b>84,672</b>	<b>14,266</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	119,173	12,000	131,173	130,947	226
Salaries of Other Professional Staff	11-000-216-104	37,600	19,950	57,550	55,013	2,537
Purchased Professional - Educational Services	11-000-216-320	13,190		13,190	10,469	2,721
Supplies and Materials	11-000-216-600	1,400		1,400	325	1,075
<b>Total Other Support Services - Students - Regular</b>		<b>171,363</b>	<b>31,950</b>	<b>203,313</b>	<b>196,754</b>	<b>6,559</b>
<b>Other Support Services - Students - Extraordinary Services:</b>						
Salaries	11-000-217-106	22,690	24,268	46,958	45,493	1,465
Supplies and Materials	11-000-217-600	300		300		300
<b>Total Other Support Services - Students - Extra Services</b>		<b>22,990</b>	<b>24,268</b>	<b>47,258</b>	<b>45,493</b>	<b>1,765</b>
<b>Other Support Services - Guidance Services:</b>						
Salaries of Other Professional Staff	11-000-218-104	61,339	535	61,874	61,874	-
Purchased Professional & Educational Services	11-000-218-320	1,500	(535)	965	445	520
Other Purchased Professional & Technical Services	11-000-218-390	4,000		4,000	3,300	700
Supplies & Materials	11-000-218-600	650		650		650
<b>Total Other Support Services-Guidance Services</b>		<b>67,489</b>	<b>-</b>	<b>67,489</b>	<b>65,619</b>	<b>1,870</b>
<b>Other Support Services - Child Study Team Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	1,000		1,000		1,000
Other Purchased Professional & Educational Services	11-000-219-320	102,526		102,526	102,526	-
Other Purchased Professional & Technical Services	11-000-219-390	7,500	3,200	10,700	10,686	14
<b>Total Other Support Services - Child Study Team</b>		<b>111,026</b>	<b>3,200</b>	<b>114,226</b>	<b>113,212</b>	<b>1,014</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Improvement of Instruction Services/Other Support						
Services - Instruction Staff:						
Salaries Other Professional	11-000-221-104	2,500		2,500	2,500	-
Salaries Other Salaries	11-000-221-110	2,500		2,500		2,500
Purchases Professional & Educational Services	11-000-221-320	20,000		20,000	100	19,900
Other Purchased Professional & Technical Services	11-000-221-390	1,000		1,000		1,000
Supplies and Materials	11-000-221-600	500		500		500
Other Objects	11-000-221-800	500		500		500
Total Improvement of Instruction Services/Other Support Services Instructional Staff		27,000	-	27,000	2,600	24,400
Educational Media Services/School Library:						
Other Salaries for Instruction	11-000-222-106	34,788	(34,738)	50		50
Salaries of Technology Coordinators	11-000-222-177	70,003	(9,153)	60,850	56,597	4,253
Other Purchased Professional & Technical Services	11-000-222-320	850		850	750	100
Supplies and Materials	11-000-222-600	3,175		3,175	735	2,440
Total Educational Media Services/School Library		108,816	(43,891)	64,925	58,082	6,843
Instructional Staff Training Services:						
Other Purchased Services	11-000-223-500	5,000		5,000	255	4,745
Total Instructional Staff Training Services		5,000	-	5,000	255	4,745
Support Services General Administration:						
Salaries	11-000-230-100	2,300		2,300	2,300	-
Legal Services	11-000-230-331	1,000	(198)	802	72	730
Audit Fees	11-000-230-332	13,500		13,500	13,250	250
Architectal/Engineering Services	11-000-230-334	1,000		1,000		1,000
Other Purchased Professional Services	11-000-230-339	34,500	198	34,698	34,220	478
Purchased Technical Services	11-000-230-340	4,670		4,670	4,108	562
Communications/Telephone	11-000-230-530	8,180		8,180	6,813	1,367
Other Purchased Services	11-000-230-590	18,200		18,200	15,229	2,971
General Supplies	11-000-230-610	100		100		100
Miscellaneous Expenditures	11-000-230-890	500		500	27	473
BOE Membership Dues & Fees	11-000-230-895	2,850		2,850	2,728	122
Total Support Services General Administration		86,800	-	86,800	78,747	8,053
Support Services School Administration:						
Salaries of Principals	11-000-240-103	123,115		123,115	123,115	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	62,127		62,127	62,095	32
Purchased Technical Services	11-000-240-340	5,800	164	5,964	5,964	-
Other Purchased Services	11-000-240-500	3,100	(164)	2,936	1,940	996
Supplies and Materials	11-000-240-600	3,000		3,000	2,704	296
Other Objects	11-000-240-890	950		950	845	105
Total Support Services School Administration		198,092	-	198,092	196,663	1,429
Central Services:						
Purchased Professional Services	11-000-251-330	85,982		85,982	85,982	-
Purchased Technical Services	11-000-251-340	7,250		7,250	7,128	122
Supplies and Materials	11-000-251-600	350		350	193	157
Other Objects	11-000-251-890	300		300	168	132
Total Central Services		93,882	-	93,882	93,471	411

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Allowable Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	71,843		71,843	68,111	3,732
Cleaning, Repair & Maintenance Services	11-000-261-420	32,000	9,900	41,900	41,610	290
General Supplies	11-000-261-610	12,000	23,288	35,288	26,813	8,475
<b>Total Allowable Maintenance for School Facilities</b>		<b>115,843</b>	<b>33,188</b>	<b>149,031</b>	<b>136,534</b>	<b>12,497</b>
<b>Custodial services:</b>						
Salaries	11-000-262-100	68,328	(10,500)	57,828	57,466	362
Salaries of Non-Instructional Aides	11-000-262-107	27,600	(500)	27,100		27,100
Purchased Professional and Technical Services	11-000-262-300	2,500	100	2,600	1,811	789
Cleaning, Repair & Maintenance Services	11-000-262-420	7,500	(550)	6,950	6,695	255
Other Purchased Property Services	11-000-262-490	12,200	6,147	18,347	14,928	3,419
Insurance	11-000-262-520	9,450		9,450	9,131	319
Other Purchased Services	11-000-262-590	275		275		275
General Supplies	11-000-262-610	28,500	2,125	30,625	30,595	30
Energy (Heat & Electricity)	11-000-262-622	106,000	(21,900)	84,100	68,538	15,562
Other Objects	11-000-262-890	975		975	714	261
<b>Total Custodial Services</b>		<b>263,328</b>	<b>(25,078)</b>	<b>238,250</b>	<b>189,878</b>	<b>48,372</b>
<b>Security</b>						
General Supplies	11-000-266-610	9,500		9,500	1,595	7,905
<b>Total Security</b>		<b>9,500</b>	<b>-</b>	<b>9,500</b>	<b>1,595</b>	<b>7,905</b>
<b>Total Operations and Maintenance</b>		<b>388,671</b>	<b>8,110</b>	<b>396,781</b>	<b>328,007</b>	<b>68,774</b>
<b>Student Transportation Services:</b>						
Management Fee CCESE	11-000-270-350	35		35		35
Contracted Services - Aid in Lieu of Payments	11-000-270-503	8,000		8,000	5,705	2,295
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	5,000		5,000	1,157	3,843
Contracted Services (Between Home & School) - Joint Agreements Special	11-000-270-515	68,000		68,000	50,062	17,938
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	65,000		65,000	34,134	30,866
<b>Total Student Transportation Services</b>		<b>146,035</b>	<b>-</b>	<b>146,035</b>	<b>91,058</b>	<b>54,977</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Social Security Contributions	11-000-291-220	74,500		74,500	50,480	24,020
Other Retirement Contribution - PERS	11-000-291-241	57,180	(3,930)	53,250	49,099	4,151
Other Retirement Contributions Regular	11-000-291-249		5,985	5,985	5,985	-
Unemployment Compensation	11-000-291-250	7,500	(2,055)	5,445		5,445
Workmen's Compensation	11-000-291-260	19,750		19,750	19,143	607
Health Benefits	11-000-291-270	851,972	(75,284)	776,688	541,637	235,051
Tuition Reimbursement	11-000-291-280	5,000		5,000		5,000
Other Employee Benefits	11-000-291-290	1,750		1,750	1,564	186
Unused Sick Payment to Terminated/Retired Employees	11-000-291-299	22,875		22,875	9,500	13,375
<b>Total Unallocated Benefits</b>		<b>1,040,527</b>	<b>(75,284)</b>	<b>965,243</b>	<b>677,408</b>	<b>287,835</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Nonbudgeted:						
On-Behalf TPAF Pension Contribution					564,890	(564,890)
On-Behalf TPAF Post Retirement Medical Contribution					177,028	(177,028)
On-Behalf TPAF Long-Term Disability Insurance Contribution					370	(370)
Reimbursed TPAF Social Security					149,525	(149,525)
Total on-behalf contributions					891,813	(891,813)
Total personal services - employee benefits		1,040,527	(75,284)	965,243	1,569,221	(603,978)
Total Undistributed Expenditures		2,813,500	(51,479)	2,762,021	3,083,595	(321,574)
Total Expenditures - Current Expense		4,821,415	(103,935)	4,717,480	4,791,282	(73,802)
Capital Outlay						
Undistributed Expenditures:						
Instructional Equipment	12-000-100-730	10,900		10,900	10,895	5
Total Equipment		10,900	-	10,900	10,895	5
Facilities Acquisitions & Construction Services:						
Construction Services	12-000-400-450	9,000		9,000	9,000	-
Infrastructure	12-000-400-730			-	-	-
Assessment for Debt Service on SDA Funding	12-000-400-896			-	-	-
Interest Earned on Maintenance Reserve	10-604	10		10		10
Interest Earned on Capital Reserve	10-606	75		75		75
Total Facilities Acquisitions & Construction Services Expenditures		9,085	-	9,085	9,000	85
Assets acquired under capital leases (non-budgeted):						
Undistributed expenditures:						
Instructional equipment					41,920	(41,920)
Total assets acquired under capital leases (non-budgeted)					41,920	(41,920)
Total Capital Outlay		19,985	-	19,985	61,815	(41,830)
Total Expenditures		4,841,400	(103,935)	4,737,465	4,853,097	(115,632)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures		(286,631)	(12,041)	(298,672)	589,250	887,922
Other Financing Sources/(Uses):						
Transfer To Capital Reserve		(220,000)		(220,000)		220,000
Transfer From Capital Reserve					60,710	60,710
Capital leases (non-budgeted)					41,920	41,920
Total other financing sources		(220,000)		(220,000)	102,630	322,630
Excess/(Deficiency) of Revenues & Other Financing						
Sources Over/(Under) Expenditures & Other Financing Uses		(506,631)	(12,041)	(518,672)	691,880	1,210,552
Fund Balances, July 1		1,111,486	-	1,111,486	1,111,486	-

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Prior Period Adjustment	14,316		14,316	14,316	
Fund Balances, July 1 Restated	1,125,802	-	1,125,802	1,125,802	-
Fund Balances, June 30	<u>\$ 619,171</u>	<u>\$ (12,041)</u>	<u>\$ 607,130</u>	<u>\$ 1,817,682</u>	<u>\$ 1,210,552</u>

**RECAPITULATION OF BUDGET TRANSFERS:**

Prior Year Reserve for Encumbrances	<u>\$ 12,041</u>
	<u>\$ 12,041</u>

**RECAPITULATION OF FUND BALANCE:**

<b>Restricted Fund Balance:</b>	
Capital Reserve Account	\$ 415,129
Maintenance Reserve Account	80,008
Excess Surplus	
Current Year	768,717
Prior Year - Designated for Subsequent Year's Expenditures	213,788
Unemployment Compensation	16,813
<b>Assigned Fund Balance</b>	
Year-End Encumbrances	9,638
<b>Unassigned Fund Balance</b>	<u>313,589</u>
	1,817,682
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(222,838)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,594,844</u>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>REVENUES</b>					
Local Sources	\$ -	\$ -	\$ -	\$ 18,906	\$ 18,906
State Sources	703,890	95,000	798,890	444,660	(354,230)
Federal Sources	292,295	371,923	664,218	337,780	(326,438)
<b>Total Revenues</b>	<b>996,185</b>	<b>466,923</b>	<b>1,463,108</b>	<b>801,346</b>	<b>(661,762)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	336,405	19,421	355,826	295,241	60,585
Other Salaries for Instruction	89,629		89,629	55,719	33,910
Purchased Professional Services	65,000	31,410	96,410	10,000	86,410
Other Purchased Services	28,925	21,298	50,223	42,529	7,694
Tuition	79,493	24,711	104,204	104,204	-
General Supplies	74,127	296,952	371,079	100,409	270,670
Miscellaneous Expenditures	250	(250)			
<b>Total Instruction</b>	<b>673,829</b>	<b>393,542</b>	<b>1,067,371</b>	<b>608,102</b>	<b>459,269</b>
Support Services:					
Salaries of Other Professional Staff	15,630	32,548	48,178	13,317	34,861
Parent Involvement Salaries	2,000		2,000	2,000	-
Personal Services - Employee Benefits	195,267	7,253	202,520	64,374	138,146
Purchased Professional Technical Services	12,125	(294)	11,831	10,375	1,456
Purchased Professional Educational Services	61,830		61,830	48,350	13,480
Other Purchased Services	12,525	17,731	30,256	12,497	17,759
Supplies & Materials	22,979	16,143	39,122	23,425	15,697
Student Activities				17,286	(17,286)
<b>Total Support Services</b>	<b>322,356</b>	<b>73,381</b>	<b>395,737</b>	<b>191,624</b>	<b>204,113</b>
<b>Total Expenditures</b>	<b>996,185</b>	<b>466,923</b>	<b>1,463,108</b>	<b>799,726</b>	<b>663,382</b>
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures & Other Financing Sources/(Uses)	-	-	-	1,620	1,620
Fund Balance, July 1 as previously stated					
Prior Period Adjustment				18,099	18,099
Fund Balance, July 1 (Restated)					
Fund Balance June 30	\$ -	\$ -	\$ -	\$ 19,719	\$ 19,719



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

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

**Note A - 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 Schedule (C-Series)	\$5,442,347	\$ 801,346
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(9,175)
Current Year	(222,838)	(70,389)
Prior Year	217,516	33,143
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$5,437,025</u>	<u>\$ 754,925</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$4,853,097	\$ 799,726
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.		\$ (9,175)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$4,853,097</u>	<u>\$ 790,551</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST EIGHT FISCAL YEARS\***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0044882325%	0.0044549997%	0.0047395300%	0.0047424787%	0.0046817430%	0.0045950376%	0.0044610193%	0.0050670252%
School District's proportionate share of the net pension liability	\$ 731,913	\$ 802,723	\$ 933,190	\$ 1,103,973	\$ 1,386,133	\$ 1,031,494	\$ 835,225	\$ 968,409
School District's covered payroll	\$ 236,871	\$ 327,482	\$ 316,769	\$ 326,842	\$ 307,525	\$ 324,787	\$ 328,175	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	308.99%	245.12%	294.60%	337.77%	450.74%	317.59%	254.51%	N/A
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.59%	48.10%	40.14%	47.93%	52.08%	58.70%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

N/A Information not available



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST EIGHT FISCAL YEARS\***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 49,099	\$ 43,334	\$ 47,143	\$ 43,934	\$ 41,578	\$ 39,505	\$ 36,776	\$ 38,179
Contributions in relation to the contractually required contribution	(49,099)	(43,334)	(47,143)	(43,934)	(41,578)	(39,505)	(36,776)	(38,179)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	236,871	327,482	316,769	326,842	307,525	324,787	328,175	N/A
Contributions as a percentage of covered-employee payroll	20.73%	13.23%	14.88%	13.44%	13.52%	12.16%	11.21%	-

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

N/A Information not available

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
LAST EIGHT FISCAL YEARS\***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	12,225,882	10,713,752	11,323,022	11,915,200	13,965,247	10,973,838	9,245,980	8,703,255
	<u>\$ 12,225,882</u>	<u>\$ 10,713,752</u>	<u>\$ 11,323,022</u>	<u>\$ 11,915,200</u>	<u>\$ 13,965,247</u>	<u>\$ 10,973,838</u>	<u>\$ 9,245,980</u>	<u>\$ 8,703,255</u>
School District's covered payroll	\$ 2,065,657	\$ 2,057,196	\$ 2,040,496	\$ 1,882,908	\$ 1,916,143	\$ 1,830,930	\$ 1,728,211	N/A
School District's proportionate share of the net pension liability as a percentage of its covered 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%	33.64%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

N/A Information not available

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the school district.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)**  
**LAST FOUR FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>District's Total OPEB Liability</b>				
Service Cost	\$ 326,109	\$ 366,844	\$ 373,809	\$ 451,304
Interest Cost	321,010	427,989	445,925	385,071
Difference between Expected & Actual Differences	2,538,387	(2,518,494)	(694,208)	
Changes of Assumptions	2,661,110	133,706	(1,242,176)	(1,538,383)
Contributions: Member	7,687	8,160	10,004	10,423
Gross Benefit Payments	(253,620)	(275,276)	(289,446)	(283,057)
Net Change in District's Total OPEB Liability	5,600,683	(1,857,071)	(1,396,092)	(974,642)
District's Total OPEB Liability (Beginning)	8,967,520	10,824,591	12,220,683	13,195,325
District's Total OPEB Liability (Ending)	<u>\$ 14,568,203</u>	<u>\$ 8,967,520</u>	<u>\$ 10,824,591</u>	<u>\$ 12,220,683</u>
District's Covered Employee Payroll	\$ 2,302,528	\$ 2,384,678	\$ 2,357,265	\$ 2,209,750
District's Net OPEB Liability as a Percentage of Covered Payr	632.70%	376.05%	459.20%	553.03%

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.60% as of June 30, 2019, to 5.60% as of June

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June

**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

TOTAL BROUGHT FORWARD (EXHIBIT E-1a)	ESEA			I.D.E.A. PART B BASIC		I.D.E.A. PART B PRESCHOOL		TOTALS
	TITLE I PART A	TITLE I SIA PART A	TITLE I REALLOCATED	TITLE II PART A	TITLE IV	REGULAR PROGRAM	PRESCHOOL PROGRAM	
Revenues:								
Local Sources	\$ 18,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,906
State Sources	444,660							444,660
Federal Sources	90,442	34,472	7,268	3,551	10,000	114,185	2,500	337,780
<b>Total Revenues</b>	<b>\$ 554,008</b>	<b>\$ 34,472</b>	<b>\$ 7,268</b>	<b>\$ 3,551</b>	<b>\$ 10,000</b>	<b>\$ 114,185</b>	<b>\$ 2,500</b>	<b>\$ 801,346</b>
Expenditures:								
Instruction:								
Salaries of Teachers	241,160	54,081						\$ 295,241
Other Salaries for Instruction	55,719							55,719
Purchased Professional/Technical Services	10,000							10,000
Other Purchased Services	21,298	21,231						42,529
Tuition						104,204		104,204
General Supplies	86,065	4,125	6,168			651		100,409
<b>Total Instruction</b>	<b>414,242</b>	<b>24,631</b>	<b>6,168</b>	<b>-</b>	<b>-</b>	<b>104,855</b>	<b>-</b>	<b>608,102</b>
Support Services:								
Salaries of Other Professional Staff	8,977	1,710		2,630				13,317
Parent Involvement Salaries	2,000							2,000
Personal Services - Employee Benefits	46,886	131		201				64,374
Purchased Professional Technical Services				375	10,000			10,375
Purchased Professional Educational Services	36,520					9,330		48,350
Other Purchased Services	11,236	916		345			2,500	12,497
Supplies & Materials	15,241	7,084	1,100					23,425
Student Activities	17,286							17,286
<b>Total Support Services</b>	<b>138,146</b>	<b>17,156</b>	<b>1,100</b>	<b>3,551</b>	<b>10,000</b>	<b>9,330</b>	<b>2,500</b>	<b>191,624</b>
<b>Total Expenditures</b>	<b>\$ 552,388</b>	<b>\$ 34,472</b>	<b>\$ 7,268</b>	<b>\$ 3,551</b>	<b>\$ 10,000</b>	<b>\$ 114,185</b>	<b>\$ 2,500</b>	<b>\$ 799,726</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,620							1,620
Fund Balance, July 1 as previously stated	-	-	-	-	-	-	-	-
Prior Period Adjustment	18,099							18,099
Fund Balance, July 1 (Restated)	18,099							18,099
Fund Balance, June 30	19,719							19,719



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	PRESCHOOL EDUCATION AID (EXHIBIT E-2)	CARES STABILIZATION FUND	CRRSA ESSER II MENTAL HEALTH/ACCELERATION	CRRSA ESSER II LEARNING RELIEF FUND	CORONAVIRUS STUDENT ACTIVITY	SCHOLARSHIP	TOTALS
Revenues:							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 18,906	\$ -	\$ 18,906
State Sources	444,660		11,083	9,175			444,660
Federal Sources		48,886				21,298	90,442
Total Revenues	\$ 444,660	\$ 48,886	\$ 11,083	\$ 9,175	\$ 18,906	\$ 21,298	\$ 554,008
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 236,930	\$ 4,230					\$ 241,160
Other Salaries for Instruction	55,719						55,719
Purchased Professional/Technical Services		10,000				21,298	10,000
Other Purchased Services				9,175			21,298
General Supplies	56,899	19,991					86,065
Total Instruction	349,548	34,221	-	9,175	-	21,298	414,242
Support Services:							
Salaries of Other Professional Staff	8,277	700					8,977
Parent Involvement Salaries	2,000						2,000
Personal Services - Employee Benefits	46,886						46,886
Purchased Professional Educational Services	36,520						36,520
Other Purchased Services	1,375		9,861				11,236
Supplies & Materials	54	13,965	1,222				15,241
Student Activities					17,286		17,286
Total Support Services	95,112	14,665	11,083	-	17,286		138,146
Total Expenditures	\$ 444,660	\$ 48,886	\$ 11,083	\$ 9,175	\$ 17,286	\$ 21,298	\$ 552,388
Excess (Deficiency) of Revenues Over (Under) Expenditures					1,620		1,620
Fund Balance, July 1 as previously stated	-	-	-	-	-	-	-
Prior Period Adjustment					17,688	411	18,099
Fund Balance, July 1 (Restated)					17,688	411	18,099
Fund Balance, June 30					19,308	411	19,719

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION/EXPANSION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2021		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 266,840	\$ 236,930	\$ 29,910
Other Salaries for Instruction	89,629	55,719	33,910
Purchased Professional Services	54,625		54,625
Other Purchased Services	5,000		5,000
Supplies	121,012	56,899	64,113
Total Instruction	<u>537,106</u>	<u>349,548</u>	<u>187,558</u>
Support Services:			
Salaries of Other Professional Staff	8,380	8,277	103
Parent Involvement Salaries	2,000	2,000	-
Other Employee Benefits	180,029	46,886	133,143
Other Purchased Educational Services	50,000	36,520	13,480
Purchased Professional Services	1,000		1,000
Other Purchased Services	17,375	1,375	16,000
Supplies & Materials	3,000	54	2,946
Total Support Services	<u>261,784</u>	<u>95,112</u>	<u>166,672</u>
Total Expenditures	<u>\$ 798,890</u>	<u>\$ 444,660</u>	<u>\$ 354,230</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 703,890
Add: Budgeted Transfer from General Fund 2020-2021	-
Add: Actual Preschool Education Aid Carryover (June 30, 2020)	<u>95,437</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	799,327
Less: 2020-2021 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(798,890)</u>
Available & Unbudgeted Preschool Education Aid Funds June 30, 2021	437
Add: June 30, 2021 Unexpended Preschool Education Aid	<u>354,230</u>
Total Actual Preschool Education Aid Carryover	<u>\$ 354,667</u>
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022	<u>\$ -</u>

F. Capital Projects Fund

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		CANCELED TO CAPITAL RESERVE	UNEXPENDED BALANCE 2021
			PRIOR YEARS	CURRENT YEAR		
Roof repairs to elementary school	12/14/2010	\$ 961,000	\$ 900,290	\$ -	\$ 60,710	
Total		\$ 961,000	\$ 900,290	\$ -	\$ 60,710	\$ -

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Other Financing Sources/(Uses):	
Transfer to Capital Reserve	<u>\$ (60,710)</u>
Total Other Financing Sources/(Uses):	<u>(60,710)</u>
Excess (deficiency) of revenues over (under) expenditures and Other Financing Sources/(Uses)	(60,710)
Fund Balance - Beginning	<u>60,710</u>
Fund Balance - Ending	<u><u>\$ -</u></u>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SCHOOL SECURITY ENHANCEMENTS & OTHER IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State sources - SDA Grant	\$ 599,550		\$ 599,550	\$ 599,550
Transfer from Capital Reserve	361,450	(60,710)	300,740	300,740
<b>Total Revenues</b>	<b>961,000</b>	<b>(60,710)</b>	<b>900,290</b>	<b>900,290</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Legal services	14,163		14,163	14,163
Audit fees	605		605	1,000
Architect/engineer services	74,660		74,660	79,375
Other professional services	61,438		61,438	57,563
Purchased Professional & Technical Service	750		750	1,305
Construction Services	743,200		743,200	801,900
Miscellaneous purchased services	5,280		5,280	5,500
Miscellaneous expenses	194		194	194
<b>Total Expenditures</b>	<b>900,290</b>	<b>-</b>	<b>900,290</b>	<b>961,000</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ 60,710</b>	<b>\$ (60,710)</b>	<b>\$ -</b>	<b>\$ (60,710)</b>

**ADDITIONAL PROJECT INFORMATION**

Project Number	3490-050-10-1001
Grant Date	7/23/2010
Bond Authorization Date	12/14/2010
Bonds Authorized	\$361,450
Bonds Issued	\$361,450
Original Authorized Cost	\$ 961,000
Additional Authorized Cost	0
Revised Authorized Cost	\$ 961,000
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100.00%
Original Target Completion Date	8/28/2011
Revised Target Completion Date	June 30,2012

G. Proprietary Funds

Not applicable



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Enterprise Funds

Not applicable

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Internal Service Fund

Not applicable

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## I. Long-Term Debt

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2020	BALANCE JUNE 30, 2021
			DATE	AMOUNT			
Refunding Bonds Series 2009	12/10/09	\$ 2,950,000	2/1/22	\$ 195,000	4.000%	\$ 1,005,000	\$ 800,000
			2/1/23	195,000	4.000%		
			2/1/24	200,000	4.000%		
			2/1/25	210,000	4.000%		
School Bonds of 2011	3/8/11	361,450				41,450	41,450
Total						\$ 1,046,450	\$ 800,000



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2021**

DESCRIPTION	Date of Lease	Term of Lease	Amount of Original Issue	Interest Rate	Interest	Amount		Retired	Amount Outstanding June 30, 2021
						Principal	Outstanding July 1, 2020		
Copier Leases	2/26/2018	45 months	\$ 32,069	6.50%	\$ 3,356		\$ 15,756	\$ 8,825	\$ 6,931
Computers	7/9/2020	24 months	41,920	4.990%	2,057		41,920	41,920	
<b>Total</b>							<b>\$ 15,756</b>	<b>\$ 41,920</b>	<b>\$ 50,745</b>
								<b>\$ 41,920</b>	<b>\$ 6,931</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 180,453		\$ 180,453	\$ 180,453	\$ -
State Sources:					
Debt Service aid type II	108,051		108,051	108,051	
Total Revenues	288,504	-	288,504	288,504	-
Expenditures:					
Regular Debt Service:					
Interest	42,054		42,054	42,054	-
Redemption of Principal	246,450		246,450	246,450	-
Total Regular Debt Service	288,504	-	288,504	288,504	-

**STATISTICAL SECTION (Unaudited)**

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>FISCAL YEAR ENDING JUNE 30,</b>										
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 2,523,706	\$ 2,421,598	\$ 2,301,271	\$ 2,213,472	\$ 2,108,084	\$ 2,045,028	\$ 1,991,224	\$ 1,778,049	\$ 1,635,653	\$ 1,476,033
Restricted	1,514,174	882,573	966,899	1,073,587	1,163,357	1,233,323	1,054,248	1,006,954	1,086,419	956,068
Unrestricted	(1,027,397)	(1,064,587)	(1,115,295)	(14,823,317)	(1,019,572)	(937,298)	(943,164)	(34,371)	(34,768)	(15,618)
<b>Total Governmental Activities</b>	<b>\$ 3,010,483</b>	<b>\$ 2,239,584</b>	<b>\$ 2,152,875</b>	<b>\$(11,536,258)</b>	<b>\$ 2,251,869</b>	<b>\$ 2,341,053</b>	<b>\$ 2,102,308</b>	<b>\$ 2,750,632</b>	<b>\$ 2,687,304</b>	<b>\$ 2,416,483</b>
<b>District-Wide:</b>										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,523,706	\$ 2,421,598	\$ 2,301,271	\$ 2,213,472	\$ 2,108,084	\$ 2,045,028	\$ 1,991,224	\$ 1,778,049	\$ 1,635,653	\$ 1,476,033
Restricted	1,514,174	882,573	966,899	1,073,587	1,163,357	1,233,323	1,054,248	1,006,954	1,086,419	956,068
Unrestricted	(1,027,397)	(1,064,587)	(1,115,295)	(14,823,317)	(1,019,572)	(937,298)	(943,164)	(34,371)	(34,768)	(15,618)
<b>Total District Net Position</b>	<b>\$ 3,010,483</b>	<b>\$ 2,239,584</b>	<b>\$ 2,152,875</b>	<b>\$(11,536,258)</b>	<b>\$ 2,251,869</b>	<b>\$ 2,341,053</b>	<b>\$ 2,102,308</b>	<b>\$ 2,750,632</b>	<b>\$ 2,687,304</b>	<b>\$ 2,416,483</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 1,220,066	\$ 1,292,155	\$ 1,331,734	\$ 1,280,353	\$ 1,315,859	\$ 1,259,160	\$ 1,264,083	\$ 1,283,583	\$ 1,266,166	\$ 1,212,338
Special Education	1,076,223	717,234	683,501	710,388	598,768	590,687	634,332	591,396	565,202	545,516
Other Special Instruction		71,297	97,838	140,592	168,793	140,766	122,941	81,069	69,692	
Other Instruction	1,500	7,850	6,869	6,539	8,616	8,731	8,909	8,806	8,034	49,820
Support Services:										
Tuition & Student & Instruction Related Service	876,132	929,827	911,867	787,535	875,156	766,275	814,942	927,259	743,739	621,760
School Administrative Services	196,663	192,882	184,928	183,694	179,315	173,162	166,925	161,505	162,666	326,082
General & business administrative services	172,218	181,420	175,487	163,667	168,825	157,575	163,937	176,081	154,610	
Plant Operations & Maintenance	322,052	310,490	354,388	313,107	322,844	309,437	306,398	328,120	291,098	313,755
Pupil Transportation	91,058	166,345	142,061	72,852	113,861	136,098	81,437	127,460	94,701	98,698
Employee Benefits	2,839,677	1,770,640	1,952,652	1,950,607	1,325,597	1,033,657	961,326	886,953	937,144	887,850
Interest & Other Charges	55,387	52,783	62,283	69,820	78,820	87,720	96,721	101,921	106,921	111,438
Capital Outlay	41,920	15,461	6,996	13,980	6,350	6,350		1,199	677	10,876
Unallocated Depreciation	163,261	168,255	170,567	176,556	172,344	168,840	174,272	167,541	162,619	157,148
<b>Total Governmental Activities Expenses</b>	<b>7,056,157</b>	<b>5,876,639</b>	<b>6,081,171</b>	<b>5,855,710</b>	<b>5,342,778</b>	<b>4,838,458</b>	<b>4,796,223</b>	<b>4,842,893</b>	<b>4,563,269</b>	<b>4,335,281</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services	18,906									
Operating Grants & Contributions	2,215,857	435,199	425,574	290,416	305,449	316,800	366,349	289,575	270,919	284,826
<b>Total Governmental Activities Program Revenues</b>	<b>2,234,763</b>	<b>435,199</b>	<b>425,574</b>	<b>290,416</b>	<b>305,449</b>	<b>316,800</b>	<b>366,349</b>	<b>289,575</b>	<b>270,919</b>	<b>284,826</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (4,821,394)	\$ (5,441,440)	\$ (5,655,597)	\$ (5,565,294)	\$ (5,037,329)	\$ (4,521,658)	\$ (4,429,874)	\$ (4,553,318)	\$ (4,292,350)	\$ (4,050,455)
<b>Total District-Wide Net Expense</b>	<b>\$ (4,821,394)</b>	<b>\$ (5,441,440)</b>	<b>\$ (5,655,597)</b>	<b>\$ (5,565,294)</b>	<b>\$ (5,037,329)</b>	<b>\$ (4,521,658)</b>	<b>\$ (4,429,874)</b>	<b>\$ (4,553,318)</b>	<b>\$ (4,292,350)</b>	<b>\$ (4,050,455)</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 2,125,232	\$ 2,083,560	\$ 2,042,706	\$ 1,973,241	\$ 1,934,550	\$ 1,896,618	\$ 1,859,429	\$ 1,808,371	\$ 1,772,913	\$ 1,738,150
Taxes Levied for Debt Service	180,453	187,976	185,246	188,374	192,322	191,975	200,446	201,738	202,266	182,803
Federal & State Aid Not Restricted	3,178,827	3,192,959	3,383,072	2,784,149	2,724,807	2,635,330	2,590,632	2,521,587	2,540,506	2,497,194
Tuition	74,583	55,133								
Interest on Capital Reserve		825		1	1	2	1	1	2	1
Miscellaneous Income	14,042	7,696	52,246	26,727	96,465	36,478	61,922	84,951	47,886	113,185
Prior year (receivable) payable canceled	-							(2)	(402)	
Miscellaneous Restricted Income	2,497									
Loss on retirement of assets							(650)			
Total Governmental Activities	<u>5,575,634</u>	<u>5,528,149</u>	<u>5,663,270</u>	<u>4,972,492</u>	<u>4,948,145</u>	<u>4,760,403</u>	<u>4,711,780</u>	<u>4,616,646</u>	<u>4,563,171</u>	<u>4,531,333</u>
Total District-Wide	<u>\$ 5,575,634</u>	<u>\$ 5,528,149</u>	<u>\$ 5,663,270</u>	<u>\$ 4,972,492</u>	<u>\$ 4,948,145</u>	<u>\$ 4,760,403</u>	<u>\$ 4,711,780</u>	<u>\$ 4,616,646</u>	<u>\$ 4,563,171</u>	<u>\$ 4,531,333</u>
Change in Net Position:										
Governmental Activities	\$ 754,240	\$ 86,709	\$ 7,673	\$ (592,802)	\$ (89,184)	\$ 238,745	\$ 281,906	\$ 63,328	\$ 270,821	\$ 480,878
Total District	<u>\$ 754,240</u>	<u>\$ 86,709</u>	<u>\$ 7,673</u>	<u>\$ (592,802)</u>	<u>\$ (89,184)</u>	<u>\$ 238,745</u>	<u>\$ 281,906</u>	<u>\$ 63,328</u>	<u>\$ 270,821</u>	<u>\$ 480,878</u>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TENNINE FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 1,494,455	\$ 809,822	\$ 897,526	\$ 985,155	\$ 1,075,152	\$ 1,157,319	\$ 983,441	\$ 921,342	\$ 903,982	\$ 652,855
Assigned	9,638	12,041	8,662	26,720	26,493	15,293	10,097	24,902	120,525	176,977
Unassigned	90,751	72,107	63,959	52,463	71,265	58,535	66,227	54,233	53,241	52,401
<b>Total General Fund</b>	<b>\$ 1,594,844</b>	<b>\$ 893,970</b>	<b>\$ 970,147</b>	<b>\$ 1,064,338</b>	<b>\$ 1,172,910</b>	<b>\$ 1,231,147</b>	<b>\$ 1,059,765</b>	<b>\$ 1,000,477</b>	<b>\$ 1,077,748</b>	<b>\$ 882,233</b>
All Other Governmental Funds										
Restricted										
Capital projects	\$ -	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 61,910	\$ 126,234
Debt Service Fund			1	1,002	1,002	1	-		2	2
Special Revenue Fund	19,719	-	-	-	-	-	-	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	(70,389)	(33,143)	(11,027)	(11,766)	(15,387)	(12,671)	(14,482)	(9,051)	(8,819)	(10,386)
<b>Total All Other Governmental Funds</b>	<b>\$ (50,670)</b>	<b>\$ 27,567</b>	<b>\$ 49,684</b>	<b>\$ 49,946</b>	<b>\$ 46,325</b>	<b>\$ 48,040</b>	<b>\$ 46,228</b>	<b>\$ 51,659</b>	<b>\$ 53,093</b>	<b>\$ 115,850</b>



**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Tax Levy	\$ 2,305,685	\$ 2,271,536	\$ 2,227,952	\$ 2,161,615	\$ 2,126,872	\$ 2,088,593	\$ 2,059,875	\$ 2,010,109	\$ 1,975,179	\$ 1,920,953
Tuition Charges	74,583	55,133								
Interest Earnings	257	825	1,160	1,380	1,448	1,365	1,113	1,186	1,238	922
Miscellaneous	32,691	7,696	51,086	25,348	95,018	35,115	60,810	83,766	46,650	112,264
Other Restricted Miscellaneous Revenue	2,497									
State Sources	3,736,136	3,286,316	3,041,876	2,905,433	2,851,095	2,763,855	2,730,017	2,612,022	2,630,374	2,533,286
Federal Sources	328,605	217,795	317,065	169,132	179,161	188,275	226,964	199,140	181,051	248,734
<b>Total Revenue</b>	<b>6,480,454</b>	<b>5,839,301</b>	<b>5,639,139</b>	<b>5,262,908</b>	<b>5,253,594</b>	<b>5,077,203</b>	<b>5,078,779</b>	<b>4,906,223</b>	<b>4,834,492</b>	<b>4,816,159</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,228,891	1,292,155	1,331,734	1,280,353	1,315,859	1,259,160	1,264,083	1,283,583	1,266,166	1,212,338
Special Education Instruction	1,076,223	717,234	683,501	710,388	598,768	590,687	634,332	591,396	565,202	545,516
Other Special Instruction		71,297	97,838	140,592	168,793	140,766	122,941	81,069	69,692	
Other Instruction	1,500	7,850	6,869	6,539	8,616	8,731	8,909	8,806	8,034	49,820
<b>Support Services:</b>										
Tuition, Student & Instruction Related	918,052	953,443	924,475	782,360	875,075	767,022	819,382	926,896	722,182	630,520
General & Administration Services	172,218	181,420	175,487	163,667	168,825	157,575	163,937	176,081	154,610	
School Administrative Services	196,663	192,882	184,928	183,694	179,315	173,162	166,925	161,505	162,666	326,082
Plant Operations & Maintenance	328,007	310,490	354,388	313,107	322,844	309,437	306,398	328,120	291,098	313,755
Pupil Transportation	91,058	166,345	142,061	72,852	113,861	136,098	81,437	127,460	94,701	98,698
Unallocated Benefits	1,569,221	1,687,653	1,504,666	1,362,543	1,233,390	1,047,301	971,760	886,953	937,144	887,850
Capital Outlay	61,815	59,043	30,362	51,944	24,380	6,350	163,097	86,136	102,916	730,437
<b>Debt Service:</b>										
Principal	246,450	245,000	235,000	230,000	225,000	220,000	225,000	225,000	220,000	210,000
Interest & Other Charges	42,054	52,783	62,283	69,820	78,820	87,720	96,721	101,921	106,921	111,438
<b>Total Expenditures</b>	<b>5,932,152</b>	<b>5,937,595</b>	<b>5,733,592</b>	<b>5,367,859</b>	<b>5,313,546</b>	<b>4,904,009</b>	<b>5,024,922</b>	<b>4,984,926</b>	<b>4,701,332</b>	<b>5,116,454</b>
<b>Excess (Deficiency) of Revenues</b>										
<b>Over/(Under) Expenditures</b>	<b>548,302</b>	<b>(98,294)</b>	<b>(94,453)</b>	<b>(104,951)</b>	<b>(59,952)</b>	<b>173,194</b>	<b>53,857</b>	<b>(78,703)</b>	<b>133,160</b>	<b>(300,295)</b>
<b>Other Financing Sources/(Uses):</b>										
Prior year (receivable)/payable	-							(2)	(402)	
Capital leases (non-budgeted)	41,920									
<b>Total Other Financing Sources/(Uses)</b>	<b>41,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(402)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 590,222</b>	<b>\$ (98,294)</b>	<b>\$ (94,453)</b>	<b>\$ (104,951)</b>	<b>\$ (59,952)</b>	<b>\$ 173,194</b>	<b>\$ 53,857</b>	<b>\$ (78,705)</b>	<b>\$ 132,758</b>	<b>\$ (300,295)</b>
<b>Debt Service as a Percentage of</b>										
<b>Noncapital Expenditures</b>	<b>5.17%</b>	<b>5.34%</b>	<b>5.50%</b>	<b>5.98%</b>	<b>6.09%</b>	<b>6.70%</b>	<b>7.09%</b>	<b>7.15%</b>	<b>7.65%</b>	<b>7.91%</b>

Source: District records

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	Local Grant	Refunds	Tuition	Miscellaneous	TOTAL
2021				\$ 13,785	\$ 13,785
2020			55,133	7,696	62,829
2019			48,968	2,118	51,086
2018		164	17,509	7,675	25,348
2017	4,715	363	87,580	2,360	95,018
2016			30,790	4,325	35,115
2015			49,979	10,831	60,810
2014		17,967	44,214	21,585	83,766
2013			39,303	7,347	46,650
2012			92,182	20,082	112,264

Source: District records

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUN 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2021	2,219,600	148,806,100			6,800,100	166,300	709,100	158,701,200	342,774	\$ 159,043,974	1.449	\$ 159,174,774
2020	2,263,500	148,945,300			6,043,100	166,300	709,100	158,127,300	354,579	158,481,879	1.434	159,128,593
2019	2,194,300	148,823,300			5,993,100	166,300	709,100	157,886,100	355,082	158,241,182	1.408	158,666,764
2018	2,194,800	148,996,700			6,060,700	166,300	709,100	158,127,600	366,124	158,493,724	1.363	155,870,012
2017	2,195,500	149,215,800			6,169,400	166,300	745,600	158,492,600	361,232	158,853,832	1.339	150,388,319
2016	2,195,500	149,475,000			6,232,100	166,300	745,600	158,814,500	359,196	159,173,696	1.312	158,100,720
2015	2,238,000	149,817,400			5,876,700	166,300	579,800	158,678,200	356,578	159,034,778	1.295	162,601,818
2014	3,301,600	165,387,600			7,532,000	209,400	607,300	177,037,900	393,301	177,431,201	1.132	174,814,958
2013	3,262,900	165,757,700			7,676,900	209,400	607,300	177,514,200	337,422	177,851,622	1.110	182,564,425
2012	3,334,200	166,522,300			7,963,500		607,300	178,427,300	368,601	178,795,901	1.074	181,023,553

Source: County Board of Taxation - Abstract of Ratables

N/A - Not Available

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUN 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	Basic Rate	TOTAL DIRECT	BOROUGH OF NATIONAL PARK	GATEWAY REGIONAL HIGH SCHOOL	ALL GLOUCESTER COUNTY	
2021	1.449	1.449	0.932	1.346	0.773	4.500
2020	1.434	1.434	0.916	1.294	0.735	4.379
2019	1.408	1.408	0.905	1.316	0.732	4.361
2018	1.363	1.363	0.893	1.264	0.710	4.230
2017	1.339	1.339	0.883	1.159	0.683	4.064
2016	1.312	1.312	0.873	1.138	0.699	4.022
2015	1.295	1.295	0.901	1.139	0.676	4.011
2014	1.132	1.132	0.844	1.077	0.639	3.692
2013	1.110	1.110	0.844	1.101	0.608	3.663
2012	1.074	1.074	0.820	0.953	0.591	3.438

Source: Municipal Tax Collector

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2021		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
618 Hessian LLC	\$ 1,046,000	1	0.66%
Taxpayer #1	599,500	2	0.38%
Taxpayer #2	579,000	3	0.36%
Martorano Antoinette Irrevocalbe FA	527,700	4	0.33%
Fulton Bank	493,800	5	0.31%
Taxpayer #3	421,500	6	0.27%
VRH NP LLC	380,600	7	0.24%
PSE&G Power LLC	373,800	8	0.24%
Taxpayer #4	360,400	9	0.23%
US Bank NA Trustee C/O Resicap	351,600	10	0.22%
<b>Total</b>	<b>\$ 5,133,900</b>		<b>3.23%</b>

TAXPAYER	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Public Serevice Electric & Gas Company	\$ 1,054,500	1	0.59%
Taxpayer #1	659,000	2	0.37%
Taxpayer #2	615,400	3	0.34%
The Bank of Gloucester County	592,200	4	0.33%
Taxpayer #3	501,100	5	0.28%
Taxpayer #4	500,500	6	0.28%
Taxpayer #5	453,600	7	0.25%
Taxpayer #6	451,500	8	0.25%
Taxpayer #7	435,800	9	0.24%
J & B LP LLC	401,100	10	0.22%
<b>Total</b>	<b>\$ 5,664,700</b>		<b>3.17%</b>

Source: County Tax Assessor

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

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	
2021	\$ 2,305,685	\$ 2,305,685	100.00%	-
2020	2,271,536	2,271,536	100.00%	-
2019	2,227,952	2,227,952	100.00%	-
2018	2,161,615	2,161,615	100.00%	-
2017	2,126,782	2,126,782	100.00%	-
2016	2,088,593	2,088,593	100.00%	-
2015	2,059,875	2,059,875	100.00%	-
2014	2,010,109	2,010,109	100.00%	-
2013	1,975,179	1,975,179	100.00%	-
2012	1,920,953	1,920,953	100.00%	-

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2021	\$ 800,000	-	\$ 800,000	N/A	N/A
2020	1,046,450	-	1,046,450	N/A	N/A
2019	1,291,450	-	1,291,450	0.78%	439
2018	1,526,450	-	1,526,450	0.95%	516
2017	1,756,450	-	1,756,450	1.13%	593
2016	1,981,450	-	1,981,450	1.31%	666
2015	2,201,450	-	2,201,450	1.48%	737
2014	2,426,450	-	2,426,450	1.71%	810
2013	2,651,450	-	2,651,450	1.93%	884
2012	2,871,450	-	2,871,450	2.12%	953

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 800,000	\$ 800,000	N/A	N/A
2020	1,046,450	1,046,450	N/A	N/A
2019	1,291,450	1,291,450	0.82%	439
2018	1,526,450	1,526,450	0.96%	516
2017	1,756,450	1,756,450	1.11%	593
2016	1,981,450	1,981,450	1.24%	666
2015	2,201,450	2,201,450	1.38%	737
2014	2,426,450	2,426,450	1.37%	810
2013	2,651,450	2,651,450	1.49%	884
2012	2,871,450	2,871,450	1.61%	953

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
National Park Borough	\$ 6,348,889	100.00%	\$ 6,348,889
Gateway Regional School District	3,480,000	18.11%	630,096
Gloucester County	173,810,000	0.60%	1,038,970
Subtotal, overlapping debt			<u>8,017,955</u>
National Park Borough School District Direct Debt			800,000
Total Overlapping Debt			<u><u>\$ 8,017,955</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation.



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$4,025,745	\$ 4,007,146	\$ 3,937,328	\$ 3,868,895	\$ 3,860,874	\$ 3,916,457	\$ 4,120,928	\$ 4,333,681	\$ 4,483,106	\$ 4,572,658
Total Net Debt Applicable to Limit	800,000	1,046,450	1,291,450	1,526,450	1,756,450	1,981,450	2,201,450	2,426,450	2,651,450	2,871,450
Legal Debt Margin	\$3,225,745	\$ 4,610,003	\$ 4,512,556	\$ 4,450,159	\$ 4,528,383	\$ 4,551,255	\$ 4,478,772	\$ 4,688,523	\$ 5,081,387	\$ 5,431,055
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.87%	26.11%	32.80%	39.45%	45.49%	50.59%	53.42%	55.99%	59.14%	62.80%

**Legal Debt Margin Calculation**

	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	2020 \$ 160,628,745
	2019 164,083,532
	2018 158,377,069
	<u>\$ 483,089,346</u>
Debt Limit (2.5% of Average Equalization Value) Net Bonded School Debt	4,025,745
	<u>800,000</u>
Legal Debt Margin	<u>\$ 3,225,745</u>

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2021	N/A	N/A	N/A	N/A
2020	2,949	N/A	N/A	11.5%
2019	2,945	166,389,555	56,499	4.7%
2018	2,957	160,695,208	54,344	5.7%
2017	2,964	155,598,144	52,496	7.0%
2016	2,973	151,040,292	50,804	7.0%
2015	2,989	148,305,213	49,617	8.0%
2014	2,994	141,810,810	47,365	9.3%
2013	3,001	137,679,878	45,878	12.6%
2012	3,014	135,364,768	44,912	11.8%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income is estimated - population times estimated per capita personal income.

<sup>c</sup> Per Capita Per County from US Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

EMPLOYER	2021		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Amazon	4,500	1	N/A
Rowan University	3,500	2	N/A
Inspira Health	2,051	3	N/A
Jefferson Health	2,015	4	N/A
Washington Township School District	1,515	5	N/A
Shop Rite	1,300	6	N/A
County of Gloucester	1,200	7	N/A
U.S. Food Services	1,014	8	N/A
Monroe Township School District	841	9	N/A
Walmart - Turnersville	800	10	N/A
	18,736		

EMPLOYER	2012		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	1,300	1	N/A
Underwood Memorial Hospital	1,825	2	N/A
Washington Township School District	1,648	3	N/A
County of Gloucester	1,500	4	N/A
Kennedy Health Alliance	1,200	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	725	7	N/A
U.S Foodservices	741	8	N/A
DGI Services	600	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
	10,989		

Source: Information provided by the Gloucester County Office of Economic Development and Employer Directly.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	23.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	19.0	21.0
Special Education	8.0	10.0	9.0	9.0	10.0	8.0	8.0	6.0	6.0	5.0
Support Services:										
Student & Instruction Related Services	20.0	23.0	23.0	24.0	22.0	19.0	17.0	16.0	11.0	11.0
General & Business Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant Operations & Maintenance										
<b>Total</b>	<b>52.0</b>	<b>54.0</b>	<b>53.0</b>	<b>54.0</b>	<b>53.0</b>	<b>48.0</b>	<b>46.0</b>	<b>43.0</b>	<b>37.0</b>	<b>38.0</b>

**Source:** District Personnel Records

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	301	\$ 5,581,833	\$18,544	-2.31%	31	9.7	294.6	281.2	1.92%	95.48%
2020	294	5,580,769	18,982	-0.63%	30	9.8	289.0	279.0	7.04%	96.54%
2019	283	5,405,947	19,102	6.63%	29	9.8	270.0	257.0	-0.74%	95.19%
2018	280	5,016,095	17,915	-2.62%	29	9.7	272.0	256.0	4.21%	94.12%
2017	271	4,985,346	18,396	15.03%	30	9.0	261.0	244.0	-4.04%	93.49%
2016	287	4,589,939	15,993	-0.31%	28	10.3	272.0	254.0	0.37%	93.38%
2015	283	4,540,104	16,043	1.76%	28	10.1	271.0	254.0	-0.37%	93.73%
2014	290	4,571,869	15,765	-1.83%	26	11.2	272.0	255.0	6.67%	93.75%
2013	266	4,271,495	16,058	8.65%	25	10.6	255.0	241.0	-3.04%	94.51%
2012	275	4,064,579	14,780	6.65%	26	10.6	263.0	251.0	-8.04%	95.44%

**Sources:** District records

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- b. Teaching staff includes only full-time equivalents of certificated staff.
- c. Enrollment based on June enrollment figures

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Elementary School:										
Square Feet	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073
Capacity (Students)	394	394	394	394	394	394	394	394	394	394
Enrollment	301	294	283	280	271	287	283	290	266	275

Number of Schools at June 30, 2021:

Elementary = 1

Source: District Facilities Office

Enrollment is based on the June district count.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

ELEMENTARY  
SCHOOL

2021	\$ 136,534
2020	89,597
2019	126,581
2018	115,474
2017	102,822
2016	100,958
2015	88,767
2014	94,787
2013	90,877
2012	87,756

Source: District records

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
INSURANCE SCHEDULE**

<b>I. Property, Inland Marine and Automobile Physical Damages</b>	
A. Limit of Liability	\$175,000,00 Per Occurance
1. GCSSD JIF Self Insurance Retention	\$250,000 Per Occurance
2. Member District Deductible	\$500 Per Occurance
3. Perils Incurred	"All Risk"
B. Property Valuation	
1. Building and Contents	Replacement Cost
2. Contractors Equipment	Actual Cash Value
3. Automobiles	Actual Cash Value
<b>II. Boiler and Machinery</b>	
A. Limit of Liability	\$125,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$1,000
<b>III. Crime</b>	
A. Limit of Liability	\$500,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	\$500
<b>IV. General and Automobile Liability</b>	
A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
<b>V. Workers' Compensation</b>	
A. Limit of Liability	Statutory
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
<b>VI. Educator's Legal Liability</b>	
A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None
<b>VII. Pollution Legal Liability</b>	
A. Limit of Liability	\$3,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible - Pollution Incident	\$25,000
3. Member District Deductible - Mold Incident	\$100,000-\$250,000
<b>VIII. Cyber Liability (Please see Certificate of Coverage for Covered Districts)</b>	
A. Limit of Liability	\$2,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$50,000-\$100,000
<b>IX. Crisis Protection &amp; Disaster Management Services</b>	
A. Limit of Liability	\$1,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$10,000
Public employees' faithful performance bonds -	
Hardenburgh Insurance	
Surety Bond - Treasurer of School Monies	\$170,000
Surety Bond - Business Administrator	\$5,000

Source: District records.



**SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITOR'S 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the National Park Borough School District (the "School District") as of and for the 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 our report thereon dated February 10, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 our 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, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We also noted one immaterial instance of noncompliance that is not required to be reported under *Governmental Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, that we reported to management in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated February 10, 2022.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
February 10, 2022

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

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

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

We have audited the National Park Borough School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2021. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit

includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

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

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

**Purpose of this Report**

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

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
February 10, 2022

NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	ADJUSTMENTS	UNEARNED REVENUE	BALANCE AT JUNE 30, 2021 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>													
Title I, Part A	84.010	S010A200030	100-034-5064-194	75,362	7/1/20-9/30/21	-	-	(75,362)	-	-	-	(75,362)	-
Title I, Part A	84.010	S010A190030	100-034-5064-194	79,683	7/1/19-6/30/20	(79,683)	74,978	(7,268)	4,705	-	-	(7,268)	-
Title I, Part A Reallocated	84.010	S010A200030	100-034-5064-194	7,995	7/1/20-9/30/21	(2,290)	2,587	(297)	-	-	-	(34,472)	-
Title I, Part A Reallocated	84.010	S010A190030	100-034-5064-194	9,815	7/1/19-6/30/20	-	-	-	-	-	-	-	-
Title I, SIA	84.010A	S010A200030	100-034-5064-194	38,800	7/1/20-9/30/21	(32,200)	32,200	-	-	-	-	-	-
Title I, SIA	84.010	S010A190030	100-034-5064-194	32,200	7/1/19-6/30/20	(114,173)	109,765	(117,102)	4,408	-	-	(117,102)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A200029	100-034-5063-290	7,245	7/1/20-9/30/21	-	4,705	(3,551)	(4,705)	-	-	(3,551)	-
Effective Instruction	84.367	S367A190029	100-034-5063-290	3,142	7/1/19-6/30/20	(2,611)	2,085	(526)	526	-	-	-	-
						(2,611)	6,790	(3,551)	(4,179)	-	-	(3,551)	-
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A200031	100-034-5064-187	10,456	7/1/20-9/30/21	-	526	(10,000)	(526)	-	-	(10,000)	-
	84.424	S424A190031	100-034-5064-187	10,000	7/1/19-6/30/20	(9,544)	9,544	-	-	-	-	-	-
						(9,544)	10,070	(10,000)	(526)	-	-	(10,000)	-
COVID-19 CARES Stabilization Fund	84.425D	S425D200027	100-034-5120-513	62,958	3/13/20-9/30/22	-	18,923	(48,886)	-	-	-	(29,963)	-
COVID-19 Learning Acceleration	84.425D	S425D200027	100-034-5120-513	25,000	3/13/20-9/30/23	-	-	(9,175)	-	-	-	(9,175)	-
COVID-19 Mental Health	84.425D	S425D200027	100-034-5120-513	45,000	3/13/20-9/30/23	-	-	(11,083)	-	-	-	(11,083)	-
						-	18,923	(69,144)	-	-	-	(50,221)	-
Special Education Cluster: I.D.E.A. Part B, Basic Regular I.D.E.A. Part B, Basic Regular	84.027 84.027	H027A200100 H027A190101	100-034-5065-016 100-034-5065-017	119,534 105,820	7/1/20-9/30/21 7/1/19-6/30/20	(18,388) (18,388)	71,974 18,388	(114,185) -	-	-	-	(42,211) (42,211)	-
						(18,388)	90,362	(114,185)	-	-	-	(42,211)	-
I.D.E.A. Preschool I.D.E.A. Preschool	84.173A 84.173A	H173A200114 H173A190114	100-034-5065-020 100-034-5065-020	3,538 3,167	7/1/20-9/30/21 7/1/19-6/30/20	(2,500) (2,500)	2,500 5,000	(2,500) (2,500)	-	-	-	-	-
						(2,500)	5,000	(2,500)	-	-	-	-	-
Total Special Education Cluster:						(20,888)	95,362	(116,685)	-	-	-	(42,211)	-
<b>US DEPARTMENT OF TREASURY PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>													
COVID-19 Coronavirus Aid Relief	21.019	S425D200027	100-034-5120-517	21,298	9/23/20-12/30/20	-	21,298	(21,298)	-	-	-	-	-
						-	21,298	(21,298)	-	-	-	-	-
Total Special Revenue Fund						(147,216)	262,208	(337,780)	(297)	-	-	(223,085)	-
Total Federal Financial Assistance						\$(147,216)	\$ 262,208	\$(337,780)	\$(297)	\$	\$	\$(223,085)	\$



NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2021

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCE	BALANCE JUNE 30, 2021 (ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	MEMO	
													BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>														
General Fund:														
Equalization Aid	495-034-5120-078	\$2,038,235	7/1/20-6/30/21	\$ -	-	\$ 2,038,235	(2,038,235)	-	\$ -	-	-	\$ 200,035	\$ 2,038,235	
Security Aid	495-034-5120-084	63,683	7/1/20-6/30/21	-	-	63,683	(63,683)	-	-	-	-	-	6,250	63,683
Special Education Categorical Aid	495-034-5120-089	152,723	7/1/20-6/30/21	-	-	152,723	(152,723)	-	-	-	-	-	14,988	152,723
<b>Total State Aid Public</b>				-	-	2,254,641	(2,254,641)	-	-	-	-	-	221,273	2,254,641
Transportation Aid	495-034-5120-014	15,950	7/1/20-6/30/21	-	-	15,950	(15,950)	-	-	-	-	-	1,565	15,950
Additional Nonpublic School Transportation Aid	495-034-5120-014	2,900	7/1/20-6/30/21	-	-	-	(2,900)	-	-	(2,900)	-	-	-	2,900
Extraordinary Aid	495-034-5120-044	39,623	7/1/19-6/30/20	(39,623)	-	39,623	-	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	60,689	7/1/20-6/30/21	-	-	-	(60,689)	-	-	(60,689)	-	-	-	60,689
Reimbursed TPAF Social Security Contributions	495-034-5094-003	149,525	7/1/20-6/30/21	-	-	141,865	(149,525)	-	-	(7,660)	-	-	-	149,525
Reimbursed TPAF Social Security Contributions	495-034-5094-003	206,181	7/1/19-6/30/20	(7,047)	-	7,047	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension	495-034-5094-002	564,890	7/1/20-6/30/21	-	-	564,890	(564,890)	-	-	-	-	-	-	564,890
On-Behalf TPAF Post-Retirement	495-034-5094-001	177,028	7/1/20-6/30/21	-	-	177,028	(177,028)	-	-	-	-	-	-	177,028
Medical Contributions (Noncash Assistance)	495-034-5094-001	370	7/1/20-6/30/21	-	-	370	(370)	-	-	-	-	-	-	370
On-Behalf TPAF Long-Term Disability	495-034-5094-004	370	7/1/20-6/30/21	-	-	370	(370)	-	-	-	-	-	-	370
Insurance Contributions (Noncash Assistance)	495-034-5094-004	370	7/1/20-6/30/21	-	-	370	(370)	-	-	-	-	-	-	370
<b>Total General Fund</b>				(46,670)	-	3,201,414	(3,225,993)	-	-	(71,249)	-	-	222,838	3,225,993
Special Revenue Fund	100-010-3350-023	703,890	7/1/20-6/30/21	-	95,000	703,890	(444,660)	-	-	354,230	-	-	70,389	444,660
Preschool Education Aid	100-010-3350-023	334,957	7/1/19-6/30/20	95,437	(95,000)	-	-	-	-	437	-	-	-	-
Preschool Education Aid	100-010-3350-023	334,957	7/1/19-6/30/20	95,437	(95,000)	-	-	-	-	437	-	-	-	-
<b>Total Preschool Education Aid</b>				95,437	-	703,890	(444,660)	-	-	354,667	-	-	70,389	444,660
Department of Community Affairs														
Passed through County of Gloucester														
Municipal Alliance	N/A	750	7/1/11-6/30/12	53	-	-	-	-	-	53	-	-	-	-
Municipal Alliance	N/A	600	7/1/10-6/30/11	600	-	-	-	-	-	600	-	-	-	-
Municipal Alliance	N/A	2,400	7/1/09-6/30/10	132	-	-	-	-	-	132	-	-	-	-
<b>Total Municipal Alliance</b>				785	-	-	-	-	-	785	-	-	-	-
Total Special Revenue Fund				96,222	-	703,890	(444,660)	-	-	355,452	-	-	70,389	444,660
NJ School Development Authority														
Capital Projects Fund	3490-050-10-1001	599,550	12/14/10-end	(561,674)	-	-	-	-	-	(561,674)	-	-	-	-
SDA Grant	3490-050-10-1001	599,550	12/14/10-end	(561,674)	-	-	-	-	-	(561,674)	-	-	-	-
<b>Total Capital Projects Fund</b>				(561,674)	-	-	-	-	-	(561,674)	-	-	-	-
Debt Service Fund														
Debt Service Aid Type II	100-034-5120-125	108,051	7/1/20-6/30/21	-	-	108,051	(108,051)	-	-	-	-	-	-	108,051
<b>Total Debt Service Fund</b>				-	-	108,051	(108,051)	-	-	-	-	-	-	108,051
<b>Total State Financial Assistance</b>				\$ (512,122)	\$ -	\$ 4,013,355	\$ (3,778,704)	\$ -	\$ -	\$ (632,923)	\$ 355,452	\$ -	\$ 293,227	\$ 3,778,704
State Financial Assistance Programs not subject to Calculation for Major Program Determination:														
On-Behalf TPAF Pension Contributions	495-034-5094-00		7/1/20-6/30/21			\$	\$	564,890						
On-Behalf TPAF Post-Retirement Medical Contributions	495-034-5094-00		7/1/20-6/30/21					177,028						
On-Behalf TPAF Long-Term Disability Insurance Contributions	495-034-5120-00		7/1/20-6/30/21					370						
<b>Total State Financial Assistance Subject to Major Program Determination</b>								\$ (3,036,416)						

The Accompanying Notes to Schedule of Expenditures Federal Awards and State Financial Assistance are an Integral Part of this schedule.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the National Park Borough School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *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 did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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 employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

**Note 3. Relationship to Basic Financial Statements**

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Note 3. Relationship to Basic Financial Statements (continued)**

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 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 state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,322) for the general fund and (\$46,421) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 3,220,671	\$ 3,220,671
Special Revenue Fund	328,605	407,414	736,019
Debt Service Fund		108,051	108,051
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 328,605</u>	<u>\$ 3,736,136</u>	<u>\$ 4,064,741</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The National Park Borough School District had no loan balances outstanding as of June 30, 2021.

**Note 6. On-Behalf Programs Not Subject to State Single Audit Major Program Determination**

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

**NATIONAL PARK BOROUGH 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 weakness(es) identified?        yes   X   no

2) Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards - NOT APPLICABLE**

Internal control over major programs:

1) Material weakness(es) identified?        yes        no

2) Significant deficiency(ies) identified?        yes        none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?        yes        no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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NOT APPLICABLE

Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee?        yes        no



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section II – Financial Statement Findings – None**

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

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs – N/A**

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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS – N/A**

**STATE FINANCIAL ASSISTANCE – None**

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings – None

Federal Awards – Not applicable

State Financial Assistance – None