

**HARRINGTON PARK**  
**BOARD OF EDUCATION**

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

**Annual Comprehensive Financial Report**  
**For The Fiscal Year Ended June 30, 2022**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Harrington Park Board of Education**

**Harrington Park, New Jersey**

**For The Fiscal Year Ended June 30, 2022**

**Prepared by**

**Harrington Park Board of Education  
Finance Department**

**HARRINGTON PARK BOARD OF EDUCATION  
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## **INTRODUCTORY SECTION**

**HARRINGTON PARK  
SCHOOL DISTRICT  
BOARD OF EDUCATION**

**Jessica Nitzberg  
Acting Superintendent**

**Bryan Jursca  
Business Administrator/Board Secretary**

March 3, 2023

Honorable President and  
Members of the Harrington Park Board of Education  
Harrington Park, New Jersey 07640

Dear Board Members:

The annual comprehensive financial report of the Harrington Park School District for the fiscal year ending June 30, 2022 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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management discussion and analysis, the basic financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the State Treasury Circular Letter OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". 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:** Harrington Park School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Harrington Park Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The 2021-22 fiscal year enrollment was 628 students. The following details the changes in the student enrollment of the District over the last ten years.



### Student Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-22	628.0	+10.37
2020-21	569.0	- 7.03
2019-20	609.0	- 0.70
2018-19	613.0	- 1.63
2017-18	623.0	- 1.28
2016-17	631.0	- 0.16
2015-16	632.0	- 0.16
2014-15	633.0	- 0.63
2013-14	637.0	- 1.73
2012-13	648.0	- 6.64

**2. ECONOMIC CONDITION AND OUTLOOK:** The Harrington Park area continues to experience development and expansion as new residential housing permits mostly for significant expansions or demolition of current homes which are replaced by larger residences. Also, the trend continues for long-time residents without children in the school system to sell to younger families with school-age children.

**3. MAJOR INITIATIVES:** During the 2021-22 academic year, the Harrington Park School District continued its long-term focus on improving students' performance in all academic areas through innovation. The District provided professional development opportunities for all staff members who are responsible for implementing new programs or curriculum.

**4. FINANCIAL ACCOUNTING CONTROLS:** Administrators of the District are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is also subject to periodic evaluation by the District management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

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

**7. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

**8. INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the State Treasury Circular Letter OMB 15-08. The auditor's report on the basic financial statements and specific required supplemental information 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.

**9. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Harrington 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 secretaries.

Respectfully submitted,

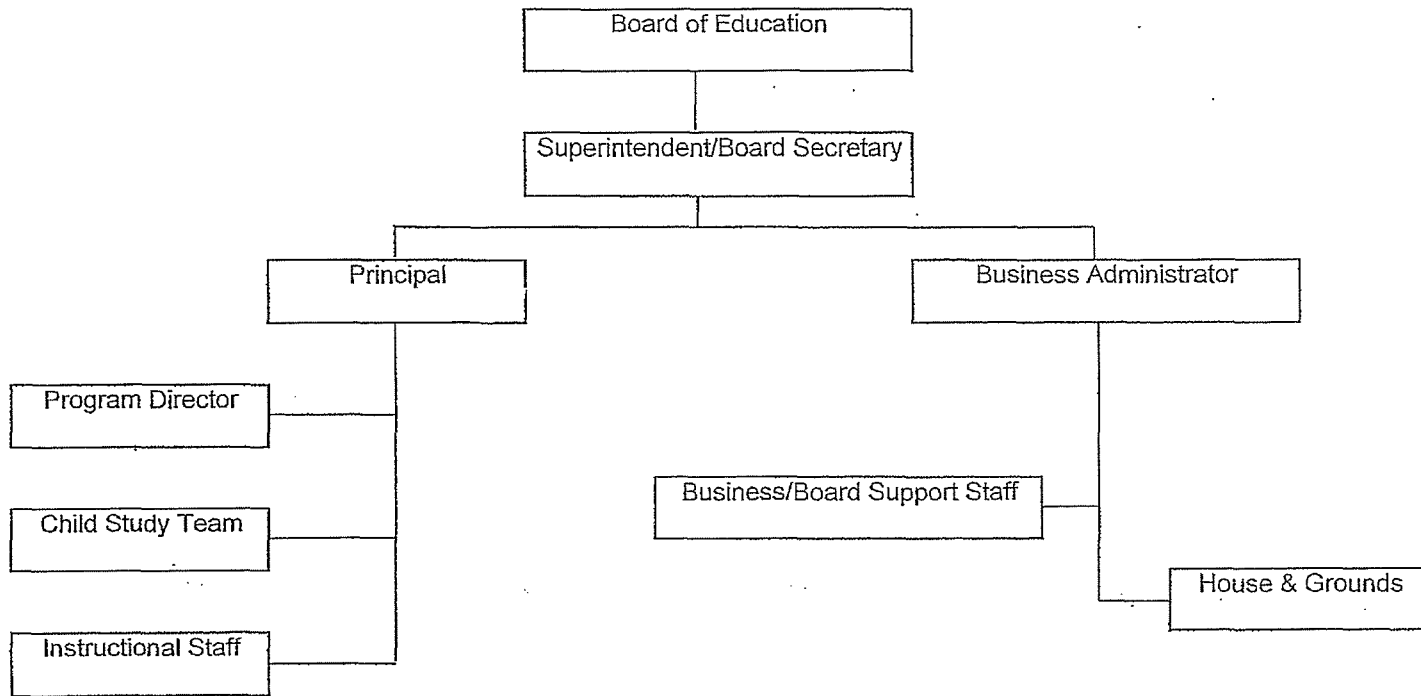
*Jessica Nitzberg*

Jessica Nitzberg  
Acting Superintendent

*Bryan Jursca*

Bryan Jursca  
Business Administrator/Board Secretary

HARRINGTON PARK BOARD OF EDUCATION



# Harrington Park Board of Education

## Roster of Officials

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Stephen Hahm, President	2023
Peter Toomin, Vice President	2023
Brenda Cho, Trustee	2024
Matthew Lehmann, Trustee	2024
Tsampicos Perides, Trustee	2022

## Other Officials

Adam Fried, PhD., Superintendent/Board Secretary

Bryan Jursca, Business Administrator

John Dineen, Esq., Attorney

David B. Rubin, P.C., Attorney

# **Harrington Park Board of Education**

## Consultants and Advisors

June 30, 2022

### Audit Firm

Lerch, Vinci & Bliss, LLP  
17-17 Route 208  
Fair Lawn, NJ 07410

### Attorney

Netchert, Dineen & Hillman, Esq.  
294 Harrington Ave, Suite 3  
Closter, NJ 07624

### Official Depository

Capital One Bank  
600 Piermont Road  
Closter, NJ 07624

**FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Harrington Park Board of Education  
Harrington Park, New Jersey

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Harrington Park Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

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 Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Harrington Park Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

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

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



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Harrington Park Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Harrington Park Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 3, 2023 on our consideration of the Harrington Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Harrington Park Board of Education'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 Harrington Park Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Andrew D. Parente  
Public School Accountant  
PSA Number CS002246

Fair Lawn, New Jersey  
March 3, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

This section of the Harrington Park Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the Harrington Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,451,394 (net position).
- The District's total net position increased \$849,376.
- Overall District revenues were \$17,819,796 which were \$849,376 more than overall District expenses of \$16,970,420. General revenues accounted for \$13,159,157 or 74% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$4,660,639 or 26% of total revenues.
- The School District had \$16,923,777 in expenses for governmental activities; only \$4,619,545 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$13,159,157 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,866,408. Of that amount, \$510,379 (27%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$510,379 at June 30, 2022, which is an increase of \$9,751 when compared with the beginning balance at July 1, 2021.
- The General Fund unassigned budgetary basis fund balance at June 30, 2022 was \$1,024,715 which represents an increase of \$63,973 compared to the ending budgetary basis fund balance at June 30, 2021 of \$960,742.

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

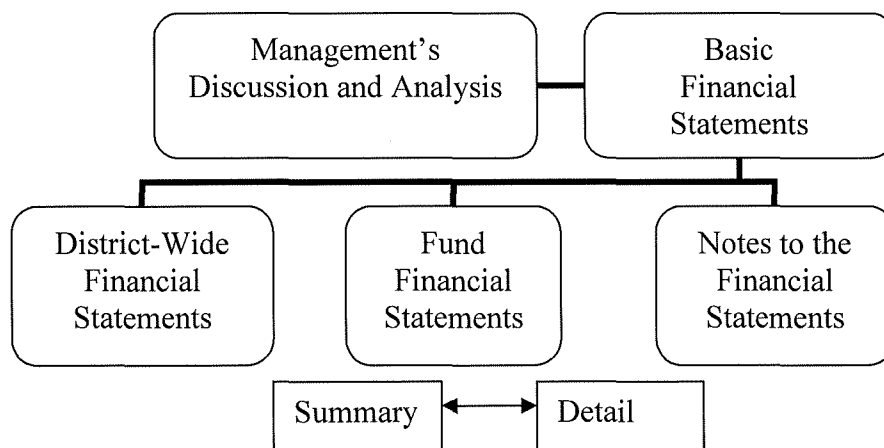
Year Ended June 30, 2022

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending
- *Proprietary funds statements* offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.

The basic financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The Figure below shows how the various parts of this annual report are arranged and related to one another.



# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

### Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
<b>Scope</b>	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction; building maintenance, transportation, and administration.	Activities the district operates similar to private businesses; food service, lap top program
<b>Required Financial Statements</b>	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of Asset/Liability Information</b>	All assets, liabilities, and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received and the related liability is due and payable	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

### District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the district's assets, liabilities and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Districts *net position* and how they have changed. Net position – the difference between the District's assets, deferred outflows and liabilities, deferred inflows – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statement's the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as instruction, support services, operations and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and State and Federal aids finance most of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's Special Milk Program Fund, the Laptop Fund and Lightning Detection Fund are included here.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.
  - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has three enterprise funds for its special milk program, laptop program and lightning detection fund.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

### Other Information

In addition to the basic financial statements, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. Budgetary comparison statements have been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The district's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following provides a summary of the school district's net position. The District's *combined* net position were \$4,451,394 and \$3,602,018 as restated on June 30, 2022 and 2021, respectively.

Table I  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 2,116,256	\$ 1,872,756	\$ 23,531	\$ 22,174	\$ 2,139,787	\$ 1,894,930
Capital assets	7,019,888	7,283,243	11,764	17,985	7,031,652	7,301,228
<b>Total assets</b>	<u>9,136,144</u>	<u>9,155,999</u>	<u>35,295</u>	<u>40,159</u>	<u>9,171,439</u>	<u>9,196,158</u>
<b>Deferred Outflow of Resources</b>	<u>264,194</u>	<u>648,570</u>	<u>-</u>	<u>-</u>	<u>264,194</u>	<u>648,570</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>9,400,338</u>	<u>9,804,569</u>	<u>35,295</u>	<u>40,159</u>	<u>9,435,633</u>	<u>9,844,728</u>
<b>Liabilities</b>						
Current liabilities	252,177	351,892	750	65	252,927	351,957
Noncurrent liabilities	2,945,717	4,288,041	-	-	2,945,717	4,288,041
<b>Total liabilities</b>	<u>3,197,894</u>	<u>4,639,933</u>	<u>750</u>	<u>65</u>	<u>3,198,644</u>	<u>4,639,998</u>
<b>Deferred Inflow of Resources</b>	<u>1,785,595</u>	<u>1,602,712</u>	<u>-</u>	<u>-</u>	<u>1,785,595</u>	<u>1,602,712</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>4,983,489</u>	<u>6,242,645</u>	<u>750</u>	<u>65</u>	<u>4,984,239</u>	<u>6,242,710</u>
<b>Net Position</b>						
Net Investment in Capital Assets	6,715,256	6,665,539	11,764	17,985	6,727,020	6,683,524
Restricted	566,945	423,586	-	-	566,945	423,586
Unrestricted	(2,865,352)	(3,527,201)	22,781	22,109	(2,842,571)	(3,505,092)
<b>Total Net Position</b>	<u>\$ 4,416,849</u>	<u>\$ 3,561,924</u>	<u>\$ 34,545</u>	<u>\$ 40,094</u>	<u>\$ 4,451,394</u>	<u>\$ 3,602,018</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

The following shows changes in net position for fiscal years 2022 and 2021.

Table 2  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues						
Charges for services and sales	\$ 565,234	\$ 356,302	\$ 37,863	\$ 21,143	\$ 603,097	\$ 377,445
Operating grants and contributions	4,047,491	5,192,754	3,231		4,050,722	5,192,754
Capital grants and contributions	6,820				6,820	-
General revenues						
Property taxes, levied for						
general purposes	12,794,293	12,555,734			12,794,293	12,555,734
Property taxes levied for debt service	193,006	184,131			193,006	184,131
Federal and State Aid Not Restricted	98,760	97,173			98,760	97,173
Other	73,098	5,871	-	-	73,098	5,871
Total revenues	<u>17,778,702</u>	<u>18,391,965</u>	<u>41,094</u>	<u>21,143</u>	<u>17,819,796</u>	<u>18,413,108</u>
<b>Program Expenses</b>						
Instruction						
Regular	6,675,656	7,298,171			6,675,656	7,298,171
Special Education	4,046,411	4,332,164			4,046,411	4,332,164
Other Instruction	206,864	98,039			206,864	98,039
School Sponsored Activities and Athletics	187,198	89,057			187,198	89,057
Support services						
Student and Instruction Related Services	2,318,536	2,757,270			2,318,536	2,757,270
General Administration Services	666,308	703,280			666,308	703,280
School Administration Services	420,019	458,435			420,019	458,435
Business/Central Services	416,521	539,741			416,521	539,741
Administrative Information Technology	73,952	109,058			73,952	109,058
Operation and Maintenance of Facilities	1,562,350	1,429,170			1,562,350	1,429,170
Pupil Transportation	340,610	179,336			340,610	179,336
Debt Service						
Interest and Other Charges	9,352	16,163			9,352	16,163
Food Service			16,615	1,724	16,615	1,724
Laptop Fund			16,210	6,731	16,210	6,731
Lightening Detection	-	-	13,818	10,621	13,818	10,621
Total expenses	<u>16,923,777</u>	<u>18,009,884</u>	<u>46,643</u>	<u>19,076</u>	<u>16,970,420</u>	<u>18,028,960</u>
Change in Net Position	854,925	382,081	(5,549)	2,067	849,376	384,148
Net Position, Beginning of Year	<u>3,561,924</u>	<u>3,139,715</u>	<u>40,094</u>	<u>38,027</u>	<u>3,602,018</u>	<u>3,177,742</u>
Prior Period Adjustment	-	40,128	-	-	-	40,128
Net Position, End of Year	<u>\$ 4,416,849</u>	<u>\$ 3,561,924</u>	<u>\$ 34,545</u>	<u>\$ 40,094</u>	<u>\$ 4,451,394</u>	<u>\$ 3,602,018</u>

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

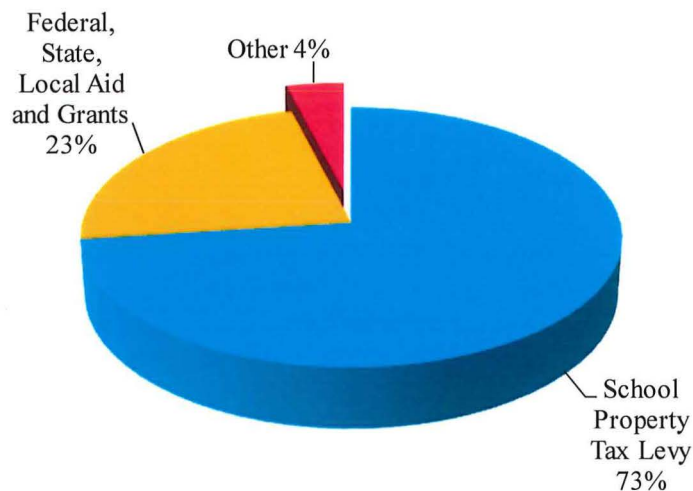
Year Ended June 30, 2022

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$17,778,702 for the year ended June 30, 2022, property taxes of \$12,987,299 represented 73% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$4,153,071 and represented 23% of revenues. In addition, revenue is earned from tuition, rental agreements and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items and represented 4% of revenues.

The total cost of all governmental activities programs and services was \$16,923,777. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$11,116,129 (66%) of total expenses. Support services, totaled \$5,798,296 (34%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding.

Total governmental activities revenues exceeded expenses, increasing net position by \$854,925 from the previous year.

Revenues by Type – Governmental Activities  
For Fiscal Year 2022

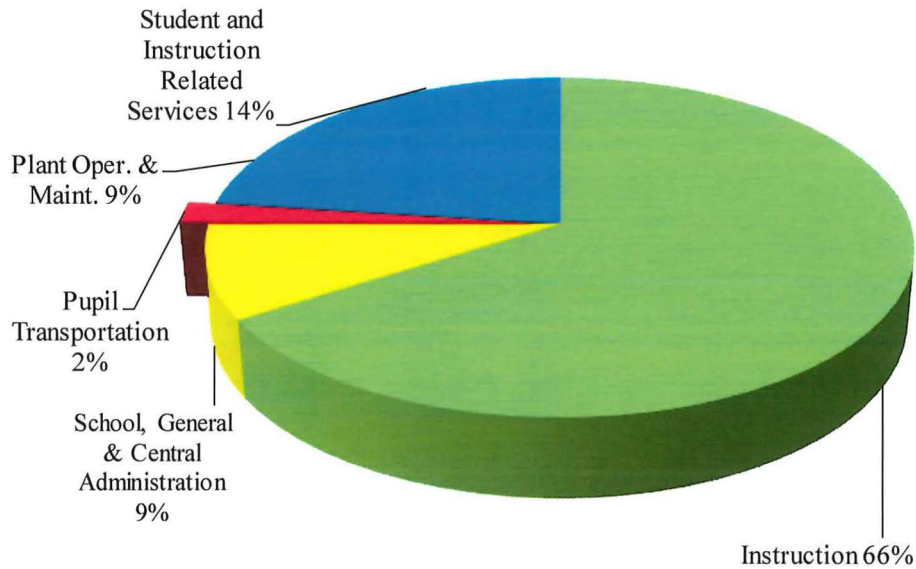


# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

Expenses by Type – Governmental Activities  
For Fiscal Year 2022



**Net Cost of Governmental Activities.** The District's total cost of services for the fiscal year ended June 30, 2021 was \$16,923,777. After applying program revenues, derived from charges for services and operating grants and contributions of \$4,619,545 the net cost of services of the District for the fiscal year ended June 30, 2022 is \$12,304,232.

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

### Year Ended June 30, 2022

#### Total and Net Cost of Governmental Activities for the Fiscal Years Ended June 30, 2022 and 2021

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 6,675,656	\$ 7,298,171	\$ 4,855,578	\$ 4,846,548
Special Education	4,046,411	4,332,164	2,637,706	2,856,537
Other Instruction	206,864	98,039	138,931	98,039
School Sponsored Activities and Athletics	187,198	89,057	108,292	58,118
Support Services				
Student and Instruction Related Services	2,318,536	2,757,270	1,833,063	2,041,208
General Administration Services	666,308	703,280	564,738	573,441
School Administration Services	420,019	458,435	332,275	330,078
Central Services	416,521	539,741	367,143	380,498
Administrative Info Tech	73,952	109,058	73,952	109,058
Operation and Maintenance of Facilities	1,562,350	1,429,170	1,122,013	1,049,318
Pupil Transportation	340,610	179,336	264,172	101,822
Interest on Debt	9,352	16,163	6,369	16,163
<b>Total</b>	<b>\$ 16,923,777</b>	<b>\$ 18,009,884</b>	<b>\$ 12,304,232</b>	<b>\$ 12,460,828</b>

### Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2022 was \$46,643. These costs were funded by charges for services of \$37,863 and operating grants of \$3,231 as detailed in the change in net position schedule.

Total business-type activities expenses exceeded revenues, decreasing net position by \$5,549 over the previous year.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$1,866,408 at June 30, 2022 compared to a combined fund balance of \$1,526,257 at June 30, 2021.

Revenues for the District's governmental funds were \$17,926,184, while total expenditures were \$17,586,033.

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

### GENERAL FUND

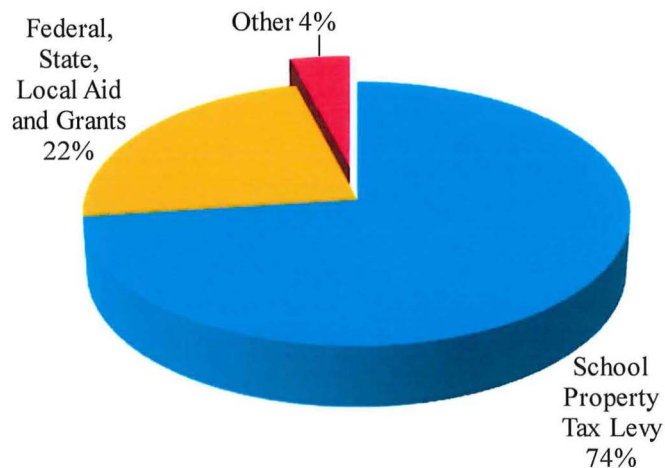
The General fund includes the primary operations of the District in providing educational services to students from Kindergarten through Grade 8 including pupil transportation, activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2022 and 2021.

<u>Revenues</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2022</u>	<u>2021</u>		
Local Sources	\$ 13,385,111	\$ 12,913,007	\$ 472,104	3.66%
State Sources	<u>3,824,713</u>	<u>2,985,623</u>	<u>839,090</u>	28.10%
Total	<u>\$ 17,209,824</u>	<u>\$ 15,898,630</u>	<u>\$ 1,311,194</u>	8.25%

The majority of revenues come from property taxes which accounted for 74% and 79% of total revenues for the years ended June 30, 2022 and 2021, respectively. State sources represented 22% and 19% of total revenue for the fiscal years 2022 and 2021, respectively.

**General Fund  
Revenues by Source**



# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

### Year Ended June 30, 2022

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2022 and 2021.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2022</u>	<u>2021</u>		
Current:				
Instruction	\$ 11,197,668	\$ 10,260,937	\$ 936,731	9.13%
Support Services	5,585,772	5,194,987	390,785	7.52%
Debt Service	8,055	211,361	(203,306)	-96.19%
Capital outlay	<u>81,394</u>	<u>41,028</u>	<u>40,366</u>	98.39%
Total	<u>\$ 16,872,889</u>	<u>\$ 15,708,313</u>	<u>\$ 1,164,576</u>	7.41%

Total General Fund expenditures increased \$1,164,576 or 7% from the previous year.

For the 2021-2022 school year revenues exceeded General Fund expenditures by \$339,292. After adjusting for restricted and assigned fund balances, the unassigned fund balance increased from \$500,628 at June 30, 2021 to \$510,379 at June 30, 2022.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of fiscal years 2022 and 2021, the school district had invested in land, buildings and improvements, furniture, machinery and vehicles as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Land	\$ 504,400	\$ 504,400			\$ 504,400
Construction in Progress	62,000				62,000	
Land Improvements	39,400	39,400			39,400	39,400
Buildings and Improvements	15,984,484	15,980,829			15,984,484	15,980,829
Furniture, Equipment and Vehicles	<u>799,573</u>	<u>801,526</u>	<u>\$ 20,849</u>	<u>\$ 28,511</u>	<u>820,422</u>	<u>830,037</u>
	17,389,857	17,326,155	20,849	28,511	17,410,706	17,354,666
Less Depreciation	<u>(10,369,969)</u>	<u>(10,083,040)</u>	<u>(9,085)</u>	<u>(10,526)</u>	<u>(10,379,054)</u>	<u>(10,093,566)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 7,019,888</u>	<u>\$ 7,243,115</u>	<u>\$ 11,764</u>	<u>\$ 17,985</u>	<u>\$ 7,031,652</u>	<u>\$ 7,261,100</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

Year Ended June 30, 2022

**Debt Administration.** As of June 30, 2022 and 2021 the school district had long-term debt and outstanding long-term liabilities in the amount of \$2,945,717 and \$4,288,041 as follows:

### Outstanding Long-Term Liabilities As of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Serial Bonds Payable	\$ 308,000	\$ 593,000
Capital Financing Agreements		32,017
Net Pension Liability	2,347,923	3,424,589
Compensated Absences	<u>289,794</u>	<u>238,435</u>
Total	<u>\$ 2,945,717</u>	<u>\$ 4,288,041</u>

Additional information on the District's long-term liabilities is presented in Note 3 of this report.

### GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund budgetary basis revenues exceeded budgetary basis expenditures increasing budgetary basis fund balance by \$393,514 from the previous year. After deducting restricted and designated fund balances, the unassigned budgetary fund balance increased \$63,973 from \$960,742 at June 30, 2021 to \$1,024,715 at June 30, 2022. In addition, the District has established a capital reserve and a maintenance reserve in the amounts of \$350,350 and \$125,875, respectively. In addition, the District ended the year with excess surplus of \$356,609. Of this amount, \$115,396 was the excess resulting from the prior 2020/2021 school year and the remaining \$241,213 was the excess resulting from the current 2021/2022 school year. In accordance with State regulations, the District appropriated the \$115,396 of excess surplus for use in the 2022/2023 school year budget as required and will be required to appropriate the \$241,213 in the 2023/2024.

# **HARRINGTON PARK BOARD OF EDUCATION**

## **Management's Discussion and Analysis**

**Year Ended June 30, 2022**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements, student enrollment and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid, contractual salary and related benefit cost increases, as well as, increased special education tuition costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased 4.5% to \$14,837,285 for fiscal year 2022-2023.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Business Office, Harrington Park Board of Education, Administrative Offices, 191 Harriot Avenue, Harrington Park, New Jersey 07640



**BASIC FINANCIAL STATEMENTS**

**HARRINGTON PARK BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 1,909,214	\$ 23,358	\$ 1,932,572
Receivables, net	207,042	173	207,215
Capital Assets, net			
Not Being Depreciated	566,400		566,400
Being Depreciated	<u>6,453,488</u>	<u>11,764</u>	<u>6,465,252</u>
Total Assets	<u>9,136,144</u>	<u>35,295</u>	<u>9,171,439</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	3,368		3,368
Deferred Amounts on Net Pension Liability	<u>260,826</u>	<u>-</u>	<u>260,826</u>
Total Deferred Outflows of Resources	<u>264,194</u>	<u>-</u>	<u>264,194</u>
Total Assets and Deferred Outflows of Resources	<u>9,400,338</u>	<u>35,295</u>	<u>9,435,633</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	214,907	685	215,592
Accrued Interest Payable	2,329		2,329
Unearned Revenue	34,941	65	35,006
Noncurrent Liabilities			
Due within one year	308,000		308,000
Due beyond one year	<u>2,637,717</u>	<u>-</u>	<u>2,637,717</u>
Total Liabilities	<u>3,197,894</u>	<u>750</u>	<u>3,198,644</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>1,785,595</u>	<u>-</u>	<u>1,785,595</u>
Total Deferred Inflows of Resources	<u>1,785,595</u>	<u>-</u>	<u>1,785,595</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,983,489</u>	<u>750</u>	<u>4,984,239</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,715,256	11,764	6,727,020
Restricted for			
Capital Projects	350,350		350,350
Maintenance Reserve	125,875		125,875
Other Purposes	90,720		90,720
Unrestricted	<u>(2,865,352)</u>	<u>22,781</u>	<u>(2,842,571)</u>
Total Net Position	<u>\$ 4,416,849</u>	<u>\$ 34,545</u>	<u>\$ 4,451,394</u>

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

HARRINGTON PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 6,675,656	\$ 169,130	\$ 1,650,948		\$ (4,855,578)		\$ (4,855,578)
Special Education	4,046,411		1,408,705		(2,637,706)		(2,637,706)
Other Instruction	206,864		67,933		(138,931)		(138,931)
School Sponsored Activities and Athletics	187,198	47,514	31,392		(108,292)		(108,292)
Support Services							
Student and Instruction Related Services	2,318,536		485,473		(1,833,063)		(1,833,063)
General Administration Services	666,308		101,570		(564,738)		(564,738)
School Administration Services	420,019		87,744		(332,275)		(332,275)
Business/Central Services	416,521		49,378		(367,143)		(367,143)
Administrative Info Tech	73,952		-		(73,952)		(73,952)
Operation and Maintenance of Facilities	1,562,350	348,590	84,927	\$ 6,820	(1,122,013)		(1,122,013)
Pupil Transportation	340,610		76,438		(264,172)		(264,172)
Interest on Debt	9,352	-	2,983	-	(6,369)		(6,369)
<b>Total Governmental Activities</b>	<b>16,923,777</b>	<b>565,234</b>	<b>4,047,491</b>	<b>6,820</b>	<b>(12,304,232)</b>	<b>-</b>	<b>(12,304,232)</b>
<b>Business-Type Activities</b>							
Food Service	16,615	7,484	3,231			\$ (5,900)	(5,900)
Laptop Fund	16,210	11,269	-	-		(4,941)	(4,941)
Lightening Detection	13,818	19,110	-	-		5,292	5,292
<b>Total Business-Type Activities</b>	<b>46,643</b>	<b>37,863</b>	<b>3,231</b>	<b>-</b>	<b>-</b>	<b>(5,549)</b>	<b>(5,549)</b>
<b>Total Primary Government</b>	<b>\$ 16,970,420</b>	<b>\$ 603,097</b>	<b>\$ 4,050,722</b>	<b>\$ 6,820</b>	<b>(12,304,232)</b>	<b>(5,549)</b>	<b>(12,309,781)</b>
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes					12,794,293		12,794,293
Property Taxes Levied for Debt Service					193,006		193,006
State Aid - Unrestricted					98,760		98,760
Miscellaneous Revenues					73,098		73,098
<b>Total General Revenues and Other Items</b>					<b>13,159,157</b>	<b>-</b>	<b>13,159,157</b>
<b>Change in Net Position</b>					<b>854,925</b>	<b>(5,549)</b>	<b>849,376</b>
<b>Net Position, Beginning of Year (Restated)</b>					<b>3,561,924</b>	<b>40,094</b>	<b>3,602,018</b>
<b>Net Position, End of Year</b>					<b>\$ 4,416,849</b>	<b>\$ 34,545</b>	<b>\$ 4,451,394</b>

**FUND FINANCIAL STATEMENTS**

**HARRINGTON PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 1,896,225	\$ 12,970		\$ 19	\$ 1,909,214
Receivables:					
Intergovernmental	26,129	111,635			137,764
Other	7,957	61,321			69,278
Due from Other Funds	<u>127,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,089</u>
 Total Assets	 <u>\$ 2,057,400</u>	 <u>\$ 185,926</u>	 <u>\$ -</u>	 <u>\$ 19</u>	 <u>\$ 2,243,345</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 133,108	\$ 23,276			\$ 156,384
Payable to State Government	35,698				35,698
Payroll Deductions and Withholdings	22,825				22,825
Due to Other Funds	-	127,089			127,089
Unearned Revenue	<u>12,350</u>	<u>22,591</u>	<u>-</u>	<u>-</u>	<u>34,941</u>
 Total Liabilities	 <u>203,981</u>	 <u>172,956</u>	 <u>-</u>	 <u>-</u>	 <u>376,937</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus	241,213				241,213
Excess Surplus - Designated for Subsequent Year's Expenditures	115,396				115,396
Capital Reserve	150,350				150,350
Capital Reserve - Designated for Subsequent Year's Expenditures	200,000				200,000
Maintenance Reserve	125,875				125,875
Emergency Reserve	110,969				110,969
Debt Service				\$ 19	19
Unemployment Compensation	77,731				77,731
Student Activities		12,970			12,970
Assigned					
Year End Encumbrances	39,000				39,000
Designated for Subsequent Year's Expenditures	282,506				282,506
Unassigned	<u>510,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510,379</u>
 Total Fund Balances	 <u>1,853,419</u>	 <u>12,970</u>	 <u>-</u>	 <u>19</u>	 <u>1,866,408</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,057,400</u>	 <u>\$ 185,926</u>	 <u>\$ -</u>	 <u>\$ 19</u>	 <u>\$ 2,243,345</u>

HARRINGTON PARK BOARD OF EDUCATION  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 AS OF JUNE 30, 2022

Total Fund Balances (Exhibit B-1) \$ 1,866,408

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 \$17,389,857 and the accumulated depreciation is \$10,369,969. 7,019,888

Certain amounts resulted from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net pension and deferred over future years.

	\$	260,826	
Deferred Outflows of Resources		(1,785,595)	
Deferred Inflows of Resources			(1,524,769)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (2,329)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 3,368

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds

Serial Bonds Payable		(308,000)	
Compensated Absences Payable		(289,794)	
Net Pension Liability		(2,347,923)	(2,945,717)

Net position of governmental activities \$ 4,416,849

**HARRINGTON PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 12,794,293			\$ 193,006	\$ 12,987,299
Tuition	169,130				169,130
Rentals	273,590				273,590
Miscellaneous	148,098	\$ 94,942	-	-	243,040
Total - Local Sources	13,385,111	94,942	-	193,006	13,673,059
State Sources	3,824,713	-	-	99,427	3,924,140
Federal Sources	-	328,985	-	-	328,985
Total Revenues	17,209,824	423,927	-	292,433	17,926,184
<b>EXPENDITURES</b>					
Current					
Regular Instruction	6,861,866	63,731			6,925,597
Special Education Instruction	4,049,681	136,800			4,186,481
Other Instruction	138,723	67,933			206,656
School-Sponsored Activities and Athletics	147,398	44,298			191,696
Support Services					
Student and Instruction Related Services	2,319,621	76,129			2,395,750
General Administration Services	686,813				686,813
School Administration Services	438,146				438,146
Central Services	450,179				450,179
Administrative Info Tech	73,952				73,952
Plant Operations and Maintenance	1,280,714				1,280,714
Pupil Transportation	336,347				336,347
Debt Service					
Principal	7,017	25,000		285,000	317,017
Interest and Other Charges	1,038			7,433	8,471
Capital Outlay	81,394	6,820	-	-	88,214
Total Expenditures	16,872,889	420,711	-	292,433	17,586,033
Excess (Deficit) of Revenues Over (Under) Expenditures	336,935	3,216	-	-	340,151
<b>OTHER FINANCING SOURCES</b>					
Transfers In - Capital Projects Fund	2,357		-		2,357
Transfers Out - General Fund	-	-	\$ (2,357)	-	(2,357)
Total Other Financing Sources	2,357	-	(2,357)	-	-
Net Change in Fund Balances	339,292	3,216	(2,357)	-	340,151
Fund Balance, Beginning of Year	1,514,127	9,754	2,357	19	1,526,257
Fund Balance, End of Year	\$ 1,853,419	\$ 12,970	\$ -	\$ 19	\$ 1,866,408

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**HARRINGTON PARK BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 340,151**

Amounts reported for governmental activities in the statement of activities 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 depreciation expense exceeded the capital outlay additions in the period

	Depreciation Expense	\$ (339,840)	
	Capital Outlay	<u>88,214</u>	
			(251,626)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, donations) is a decrease to net position. These transactions are not reported in the governmental fund financial statements

Loss on Disposal of Capital Assets (11,729)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments:			
	Serial Bonds Payable	285,000	
	Capital Finance Agreement/Lease Payable	<u>32,017</u>	
			317,017

Governmental funds report the effect of discounts and losses on the refunding of debt when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Amortization of Deferred Amounts on Refunding (3,945)

In the statement of activities, certain operating expenses, e.g., compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

	Increase in Compensated Absences	(51,359)	
	Decrease in Pension Expense	<u>513,352</u>	
			461,993

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. An increase in accrued interest is a decrease in the reconciliation and a decrease in accrued interest is an increase.

Decrease in Accrued Interest 3,064

Change in net position of governmental activities \$ 854,925



**HARRINGTON PARK BOARD OF EDUCATION**  
**PROPRIETARY FUNDS**  
**ENTERPRISE FUNDS**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightening Detection Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Current Assets				
Cash	\$ 175	\$ 4,847	\$ 18,336	\$ 23,358
Intergovernmental Receivable Federal	<u>173</u>	<u>-</u>	<u>-</u>	<u>173</u>
Total Current Assets	<u>348</u>	<u>4,847</u>	<u>18,336</u>	<u>23,531</u>
Capital Assets				
Equipment	20,849			20,849
Less: Accumulated Depreciation	<u>(9,085)</u>	<u>-</u>	<u>-</u>	<u>(9,085)</u>
Total Capital Assets	<u>11,764</u>	<u>-</u>	<u>-</u>	<u>11,764</u>
Total Assets	<u>12,112</u>	<u>4,847</u>	<u>18,336</u>	<u>35,295</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	-	685	-	685
Unearned Revenue	<u>-</u>	<u>-</u>	<u>65</u>	<u>65</u>
Total Current Liabilities	<u>-</u>	<u>685</u>	<u>65</u>	<u>750</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets Unrestricted	<u>11,764</u> <u>348</u>	<u>-</u> <u>4,162</u>	<u>-</u> <u>18,271</u>	<u>11,764</u> <u>22,781</u>
Total Net Position	<u>\$ 12,112</u>	<u>\$ 4,162</u>	<u>\$ 18,271</u>	<u>\$ 34,545</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**HARRINGTON PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 ENTERPRISE FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightening Detection Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for Services				
Program Fees	\$ 7,484	\$ 11,269	\$ 19,110	\$ 37,863
Total Operating Revenues	<u>7,484</u>	<u>11,269</u>	<u>19,110</u>	<u>37,863</u>
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Payroll Taxes	5,323			5,323
Cost of Sales	5,071			5,071
Maintenance & Repairs		2,254	13,818	16,072
Supplies		13,956		13,956
Depreciation	1,113	-	-	1,113
Total Operating Expenses	<u>11,507</u>	<u>16,210</u>	<u>13,818</u>	<u>41,535</u>
Operating Income (Loss)	<u>(4,023)</u>	<u>(4,941)</u>	<u>5,292</u>	<u>(3,672)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Federal Sources				
Special Milk Program	3,231	-	-	3,231
Loss on Disposal of Capital Assets	(5,108)	-	-	(5,108)
Total Nonoperating Revenues (Expenses)	<u>(1,877)</u>	<u>-</u>	<u>-</u>	<u>(1,877)</u>
Change in Net Assets	(5,900)	(4,941)	5,292	(5,549)
Net Position, Beginning of Year	<u>18,012</u>	<u>9,103</u>	<u>12,979</u>	<u>40,094</u>
Net Position, End of Year	<u>\$ 12,112</u>	<u>\$ 4,162</u>	<u>\$ 18,271</u>	<u>\$ 34,545</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**HARRINGTON PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 ENTERPRISE FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightening Detection Fund</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 7,484	\$ 11,269	\$ 19,110	\$ 37,863
Cash Payments to Suppliers for Salaries and Wages, and Benefits	(5,323)	-	-	(5,323)
Cash Payments to Suppliers for Goods and Services	(5,071)	(15,525)	(13,818)	(34,414)
Net Cash Provided by (Used for) Operating Activities	<u>(2,910)</u>	<u>(4,256)</u>	<u>5,292</u>	<u>(1,874)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from State and Federal Subsidy Reimbursements	<u>3,058</u>	<u>-</u>	<u>-</u>	<u>3,058</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,058</u>	<u>-</u>	<u>-</u>	<u>3,058</u>
Net Increase (Decrease) in Cash and Cash Equivalents	148	(4,256)	5,292	1,184
Cash and Cash Equivalents, Beginning of Year	<u>27</u>	<u>9,103</u>	<u>13,044</u>	<u>22,174</u>
Cash and Cash Equivalents, End of Year	<u>\$ 175</u>	<u>\$ 4,847</u>	<u>\$ 18,336</u>	<u>\$ 23,358</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income (Loss)	\$ (4,023)	\$ (4,941)	\$ 5,292	\$ (3,672)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	1,113			1,113
Change in Assets and Liabilities				
(Increase)/Decrease in Accounts Receivable				-
Increase/(Decrease) in Accounts Payable	<u>-</u>	<u>685</u>	<u>-</u>	<u>685</u>
Total Adjustments	<u>1,113</u>	<u>685</u>	<u>-</u>	<u>1,798</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,910)</u>	<u>\$ (4,256)</u>	<u>\$ 5,292</u>	<u>\$ (1,874)</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**NOTES TO THE FINANCIAL STATEMENTS**

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Harrington Park Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A Superintendent/Board Secretary is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent/Board Secretary is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Harrington Park Board of Education this includes general operations, special milk, laptop initiative, lightning detection and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *special milk program fund* accounts for the activities of the school cafeteria, which provides milk to students.

The *laptop fund* accounts for the activities of the District's non refundable deposits charged to repair and replenish the districts chromebooks which are provided to students.

The *lightening detection fund* accounts for the fees received through an interlocal agreement for the maintenance of the early warning lightning detection system.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-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. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when 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 Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.



**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) 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. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	7-40
Building Improvements	7-40
Office Equipment and Furniture	5-20
Computer Equipment	5-20

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**7. *Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Financing Agreements*

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

9. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

10. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Excess Surplus – Designated for Subsequent Year’s Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2B).

Capital Reserve - Designated for Subsequent Year’s Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2C).

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2D).

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Unemployment Compensation – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District’s election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year’s Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**10. *Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**11. *Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, 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 property taxes, unrestricted state aid and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 of the special milk enterprise fund, of the laptop enterprise fund, and lightning detection fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 24, 2014, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$139,996. The increase was funded by the additional appropriation of restricted tuition revenues, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$29,480 from the general fund were made on June 20, 2022.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or 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 which are reappropriated and honored during the subsequent fiscal year.

**B. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 200,300
Increased by	
Deposits Approved by Board Resolution	150,000
Interest Earnings	<u>50</u>
Balance, June 30, 2022	<u>\$ 350,350</u>

\$200,000 of the capital reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/23 original budget certified for taxes.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 125,750
Increased by	
Interest Earnings	<u>125</u>
Balance, June 30, 2022	<u>\$ 125,875</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$533,218.

**D. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 110,794
Increased by:	
Interest Earnings	<u>175</u>
Balance, June 30, 2022	<u>\$ 110,969</u>



**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$356,609. Of this amount, \$115,396 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$241,213 will be appropriated in the 2023/2024 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$1,932,572 and bank and brokerage firm balances of the Board's deposits amounted to \$2,134,024. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 2,050,680
Uninsured and Collateralized	<u>83,344</u>
	<u>\$ 2,134,024</u>

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board’s bank balance of \$83,344 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name

\$ 83,344

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2022, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2022 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 111,635	\$ 173	\$ 111,808
State	\$ 26,129			26,129
Other	<u>7,957</u>	<u>61,321</u>	<u>-</u>	<u>69,278</u>
Gross Receivables	34,086	172,956	173	207,215
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 34,086</u>	<u>\$ 172,956</u>	<u>\$ 173</u>	<u>\$ 207,215</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Prepaid Tuition	\$ 12,350
Special Revenue Fund	
Unencumbered Grant Draw Downs	1,065
Grant Draw Downs Reserved for Encumbrances	<u>21,526</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 34,941</u>

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance, <u>July 1, 2021</u> (Restated)	<u>Increases</u>	<u>Decreases/ Adjustments</u>	Balance, <u>June 30, 2022</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 504,400			\$ 504,400
Construction in Progress	-	\$ 62,000	-	62,000
Total capital assets, not being depreciated	<u>504,400</u>	<u>62,000</u>	<u>-</u>	<u>566,400</u>
Capital assets, being depreciated:				
Land Improvements	39,400			39,400
Buildings and Building Improvements	15,980,829	11,155	\$ (7,500)	15,984,484
Machinery and Equipment	841,654	15,059	(57,140)	799,573
Total capital assets being depreciated	<u>16,861,883</u>	<u>26,214</u>	<u>(64,640)</u>	<u>16,823,457</u>
Less accumulated depreciation for:				
Land Improvements	(3,940)	(1,313)		(5,253)
Buildings and Building Improvements	(9,467,997)	(296,013)	1,875	(9,762,135)
Machinery and equipment	(611,103)	(42,514)	51,036	(602,581)
Total accumulated depreciation	<u>(10,083,040)</u>	<u>(339,840)</u>	<u>52,911</u>	<u>(10,369,969)</u>
Total capital assets, being depreciated, net	<u>6,778,843</u>	<u>(313,626)</u>	<u>(11,729)</u>	<u>6,453,488</u>
Government activities capital assets, net	<u>\$ 7,283,243</u>	<u>\$ (251,626)</u>	<u>\$ (11,729)</u>	<u>\$ 7,019,888</u>
	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 28,511	-	\$ (7,662)	\$ 20,849
Total capital assets being depreciated	<u>28,511</u>	<u>-</u>	<u>(7,662)</u>	<u>20,849</u>
Less accumulated depreciation for:				
Machinery and equipment	(10,526)	\$ (1,113)	2,554	(9,085)
Total accumulated depreciation	<u>(10,526)</u>	<u>(1,113)</u>	<u>2,554</u>	<u>(9,085)</u>
Total capital assets, being depreciated, net	<u>17,985</u>	<u>(1,113)</u>	<u>(5,108)</u>	<u>11,764</u>
Business-type activities capital assets, net	<u>\$ 17,985</u>	<u>\$ (1,113)</u>	<u>\$ (5,108)</u>	<u>\$ 11,764</u>

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental activities:**

Instruction		
Regular		\$ 8,926
Special Education		417
Other Instruction		208
School-Sponsored/Other Instructional		703
Total Instruction		<u>10,254</u>
Support Services		
Student and Instruction Related Services		3,419
General Administration Services		10,446
School Administration Services		251
Operation and Maintenance of Facilities		311,207
Pupil Transportation		4,263
Total Support Services		<u>329,586</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 339,840</u>
<b>Business-Type Activities:</b>		
Food Service Fund		\$ 1,113
Total Depreciation Expense-Business-Type Activities		<u>\$ 1,113</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2022, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 127,089</u>

The above balances are to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund Transfers**

	<u>Transfer In</u> <u>General</u> <u>Fund</u>
Transfer Out:	
Capital Projects Fund	\$ <u>2,357</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2022 are comprised of the following issues:

\$1,333,000, 2017 Refunding Bonds , due in an annual installment of \$308,000 through July 15, 2022, interest at 1.65%	\$ <u>308,000</u>
	\$ <u>308,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ending	Serial Bonds		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
<u>June 30,</u>			
2023	\$ <u>308,000</u>	\$ <u>2,541</u>	\$ <u>310,541</u>
	\$ <u>308,000</u>	\$ <u>2,541</u>	\$ <u>310,541</u>

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 31,374,164
Less: Net Debt	<u>308,000</u>
Remaining Borrowing Power	<u>\$ 31,066,164</u>

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance, <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2022</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Serial Bonds Payable	\$ 593,000		\$ 285,000	\$ 308,000	\$ 308,000
Capital Financing Agreements	32,017		32,017	-	
Compensated Absences Payable	238,435	\$ 51,359		289,794	
Net Pension Liability	<u>3,424,589</u>	<u>-</u>	<u>1,076,666</u>	<u>2,347,923</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 4,288,041</u>	<u>\$ 51,359</u>	<u>\$ 1,393,683</u>	<u>\$ 2,945,717</u>	<u>\$ 308,000</u>

For the governmental activities, the liabilities for compensated absences, capital financing agreements and net pension liability are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

The relationship between the Board and the insurance group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the group, to report claims on a timely basis, cooperate with the management of the group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the group. Members have a contractual obligation to fund any deficit of the group attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance group are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 12,143	\$ 29,760	\$ 77,731
2021	11,613	1,671	85,406
2020	11,414	5,947	85,406

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022 the District has not estimated its arbitrage earnings due to the IRS, if any.



**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees’ Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

**Teachers’ Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Plan Amendments**

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2022.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 232,110	\$ 2,001,228	\$ 4,015
2021	229,732	1,356,840	3,029
2020	197,505	1,017,155	3,819

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$563, respectively for PERS and the State contributed \$543, \$583 and \$731, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$426,998 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$2,347,923 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .01982 percent, which was a decrease of .00118 percent from its proportionate share measured as of June 30, 2020 of .02100 percent.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) benefit of \$281,242 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 37,030	\$ 16,808
Changes of Assumptions	12,228	835,876
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		618,505
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>211,568</u>	<u>314,406</u>
Total	<u>\$ 260,826</u>	<u>\$ 1,785,595</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (565,636)
2024	(425,945)
2025	(297,520)
2026	(230,960)
2027	(4,708)
Thereafter	<u>-</u>
	<u>\$ (1,524,769)</u>

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%



**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Discount Rate (Continued)***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,197,395</u>	<u>\$ 2,347,923</u>	<u>\$ 1,627,026</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District's net pension liability at June 30, 2021 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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 the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$518,164 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$22,021,010. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .04581 percent, which was an increase of .00025 percent from its proportionate share measured as of June 30, 2020 of .04556 percent.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to Pensions (Continued)**

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 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.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. 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 based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

*Sensitivity of Net Pension Liability*

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 26,054,533</u>	<u>\$ 22,021,010</u>	<u>\$ 18,633,104</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member’s employer does not provide this coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$467,568, \$425,212, \$377,346, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,803,150. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$26,101,702. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .03849 percent, which was a decrease of .03272 percent from its proportionate share measured as of June 30, 2020 of .07121 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. 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-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.



**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. 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.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>29,715,498</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,476,851
Interest on the Total OPEB Liability	677,106
Changes In Benefit Term	(27,782)
Differences Between Expected and Actual Experience	(5,249,662)
Changes of Assumptions	25,751
Gross Benefit Payments	(533,370)
Contributions from the Non-Employer	
Contributions from the Member	<u>17,310</u>
<b>Net Changes</b>	<u>(3,613,796)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>26,101,702</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Current Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 31,265,741</u>	<u>\$ 26,101,702</u>	<u>\$ 22,035,331</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 21,129,413</u>	<u>\$ 26,101,702</u>	<u>\$ 32,779,119</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**NOTE 5 RESTATEMENT**

On July 1, 2021, the Harrington Park Board of Education made a prior period adjustment for capital assets as of June 30, 2021. The Harrington Park Board of Education has determined that the effect of the adjustment of capital assets on the financial statements previously reported as of and for the fiscal year ended June 30, 2021 is as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect the addition of twelve (12) interactive wall boards which resulted in an increase in net position of \$40,128. The effect of this restatement is to increase net position of governmental activities by \$40,128 from \$3,521,796 as previously reported to \$3,561,924 as of June 30, 2021.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$1,062,807 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGET COMPARISON SCHEDULES**

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 12,794,293		\$ 12,794,293	\$ 12,794,293	
Tuition from Individuals	109,500	\$ 29,480	138,980	169,130	\$ 30,150
Rentals	273,590		273,590	273,590	-
Interest	350		350	350	-
Unrestricted Miscellaneous Revenues	115,556	-	115,556	147,748	32,192
<b>Total Local Sources</b>	<u>13,293,289</u>	<u>29,480</u>	<u>13,322,769</u>	<u>13,385,111</u>	<u>62,342</u>
State Sources					
Special Education Aid	414,862		414,862	414,862	
Transportation Aid	75,414		75,414	75,414	
Equalization Aid	2,317		2,317	2,317	
Security Aid	24,352		24,352	24,352	
Extraordinary Aid				464,581	464,581
Non Public Transportation Aid				1,072	1,072
On-behalf TPAF Pension System Payments(Non-Budget)					
Normal Cost				1,973,386	1,973,386
NCGI				27,842	27,842
Long Term Disability Insurance				543	543
Post Retirement Medical Contribution				467,568	467,568
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	426,998	426,998
<b>Total State Sources</b>	<u>516,945</u>	<u>-</u>	<u>516,945</u>	<u>3,878,935</u>	<u>3,361,990</u>
<b>Total Revenues</b>	<u>13,810,234</u>	<u>29,480</u>	<u>13,839,714</u>	<u>17,264,046</u>	<u>3,424,332</u>
<b>EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	122,858	(60,974)	61,884	60,339	1,545
Kindergarten	433,740	62,245	495,985	495,985	-
Grades 1-5	2,180,600	(19,021)	2,161,579	2,150,870	10,709
Grades 6-8	1,313,518	(69,105)	1,244,413	1,217,484	26,929
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	20,626	(10,615)	10,011	10,011	-
Other Purchased Services	81,577	(23,026)	58,551	58,364	187
General Supplies	82,500	25,294	107,794	96,428	11,366
Textbooks	35,000	(10,355)	24,645	22,928	1,717
<b>Total Regular Programs</b>	<u>4,270,419</u>	<u>(105,557)</u>	<u>4,164,862</u>	<u>4,112,409</u>	<u>52,453</u>
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	788,954	(76,224)	712,730	697,820	14,910
Other Salaries for Instruction	719,831	44,988	764,819	764,819	-
Purchased Professional Educational Services	1,000	(1,000)			-
General Supplies	2,500	(62)	2,438	2,337	101
Textbooks	-	1,050	1,050	1,050	-
<b>Total Resource Room/Resource Center</b>	<u>1,512,285</u>	<u>(31,248)</u>	<u>1,481,037</u>	<u>1,466,026</u>	<u>15,011</u>

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Home Instruction					
Purchased Professional Educational Services	\$ 14,000	\$ (12,182)	\$ 1,818	\$ 717	\$ 1,101
Total Home Instruction	14,000	(12,182)	1,818	717	1,101
Total Special Education	1,526,285	(43,430)	1,482,855	1,466,743	16,112
Basic Skills/Remedial - Instruction					
General Supplies	-	389	389	312	77
Total Basic Skills/Remedial - Instruction	-	389	389	312	77
Bilingual Education - Instruction					
Salaries of Teachers	98,424	2,064	100,488	100,488	-
General Supplies	2,500	168	2,668	2,653	15
Total Bilingual Education - Instruction	100,924	2,232	103,156	103,141	15
School Sponsored Co/Extra Curricular Activities					
Salaries	59,781	-	59,781	57,604	2,177
Purchased Services	3,000	217	3,217	3,217	-
Supplies and Materials	500	495	995	34	961
Total School Sponsored Co/Extra Curricular Activities	63,281	712	63,993	60,855	3,138
School Sponsored Athletics					
Salaries	28,096	-	28,096	21,260	6,836
Purchased Services	4,500	350	4,850	4,850	-
Supplies and Materials	3,500	1,703	5,203	5,203	-
Total School Sponsored Athletics	36,096	2,053	38,149	31,313	6,836
Total Instruction	5,997,005	(143,601)	5,853,404	5,774,773	78,631
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	987,732	174,070	1,161,802	1,161,586	216
Tuition to APSSD W/I State	438,245	63,483	501,728	501,728	-
Tuition - Other	-	950	950	950	-
Total Undistributed Expenditures - Instruction	1,425,977	238,503	1,664,480	1,664,264	216
Attendance and Social Work					
Salaries	55,757	4,708	60,465	60,465	-
Supplies and Materials	-	71	71	71	-
Total Attendance and Social Work	55,757	4,779	60,536	60,536	-
Health Services					
Salaries	108,233	6,476	114,709	114,709	-
Purchased Professional and Technical Services	3,500	6,878	10,378	10,378	-
Other Purchased Services	-	732	732	732	-
Supplies and Materials	6,000	3,945	9,945	9,945	-
Total Health Services	117,733	18,031	135,764	135,764	-

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Speech, OT, PT & Related Services					
Salaries	\$ 181,315	\$ (11,724)	\$ 169,591	\$ 165,617	\$ 3,974
Purchased Professional-Educational Services	310,000	(168,086)	141,914	141,914	-
Supplies and Materials	1,500	3,526	5,026	5,026	-
Total Speech, OT, PT & Related Services	492,815	(176,284)	316,531	312,557	3,974
Guidance					
Salaries of Other Professional Staff	148,092	(16,631)	131,461	131,461	-
Salaries of Secretarial and Clerical Assistants	19,203	-	19,203	18,923	280
Other Purchased Services	500	(500)	-	-	-
Supplies and Materials	500	(181)	319	319	-
Total Guidance	168,295	(17,312)	150,983	150,703	280
Child Study Teams					
Salaries of Other Professional Staff	392,889	17,752	410,641	410,641	-
Salaries of Secretarial and Clerical Assistants	40,000	(8,950)	31,050	31,050	-
Other Salaries	-	700	700	700	-
Purchased Professional-Educational Services	60,000	6,276	66,276	66,106	170
Other Purchased Services	2,500	13,879	16,379	16,379	-
Supplies and Materials	4,000	1,966	5,966	5,608	358
Total Child Study Teams	499,389	31,623	531,012	530,484	528
Improvement of Inst. Serv.					
Salaries of Other Professional Staff	96,617	1	96,618	96,618	-
Total Improvement of Inst. Serv.	96,617	1	96,618	96,618	-
Educational Media Services/School Library					
Salaries	81,790	1,349	83,139	83,139	-
Purchased Professional and Technical Services	122,800	600	123,400	123,400	-
Other Purchased Services	14,768	(4,313)	10,455	9,894	561
Supplies and Materials	22,232	(568)	21,664	21,262	402
Total Educational Media Serv./School Library	241,590	(2,932)	238,658	237,695	963
Instructional Staff Training Services					
Purchased Professional - Educational Services	55,000	(4,465)	50,535	48,999	1,536
Other Purchased Services	3,500	(1,994)	1,506	192	1,314
Other Objects	250	-	250	172	78
Total Instructional Staff Training Services	58,750	(6,459)	52,291	49,363	2,928

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Support Services General Administration					
Salaries	\$ 307,973	\$ 40,885	\$ 348,858	\$ 348,858	-
Legal Services	16,000	(4,707)	11,293	11,293	-
Audit	23,500	24,957	48,457	23,957	\$ 24,500
Architectural/Engineering Services	15,000	414	15,414	15,414	-
Other Purchased Professional Services	5,400	-	5,400	5,275	125
Communications/Telephone	27,000	(4,483)	22,517	22,515	2
BOE Other Purchased Services	5,000	(1,800)	3,200	2,400	800
Miscellaneous Purchased Services	10,622	(1,306)	9,316	8,734	582
General Supplies	1,000	149	1,149	649	500
Miscellaneous Expenditures	9,000	(4,638)	4,362	4,362	-
BOE Membership Dues and Fees	9,500	7,338	16,838	16,838	-
<b>Total Support Services General Administration</b>	<b>429,995</b>	<b>56,809</b>	<b>486,804</b>	<b>460,295</b>	<b>26,509</b>
Support Services School Administration					
Salaries of Principal/Asst. Principals	201,748	-	201,748	201,747	1
Salaries of Secretarial and Clerical Assistants	43,875	279	44,154	44,154	-
Other Purchased Services	7,800	2,825	10,625	10,325	300
Supplies and Materials	9,000	(2,141)	6,859	6,859	-
Other Objects	6,000	6,978	12,978	12,978	-
<b>Total Support Services School Administration</b>	<b>268,423</b>	<b>7,941</b>	<b>276,364</b>	<b>276,063</b>	<b>301</b>
Central Services					
Salaries	281,276	11,812	293,088	293,088	-
Miscellaneous Purchased Services	14,000	5,970	19,970	17,170	2,800
Supplies and Materials	3,500	(3,072)	428	428	-
Miscellaneous Expenditures	2,500	-	2,500	1,447	1,053
<b>Total Central Services</b>	<b>301,276</b>	<b>14,710</b>	<b>315,986</b>	<b>312,133</b>	<b>3,853</b>
Admin. Info. Tech.					
Purchased Technical Serv.	62,498	(2,316)	60,182	49,006	11,176
Supplies and Materials	25,155	-	25,155	24,946	209
<b>Total Admin. Info. Tech.</b>	<b>87,653</b>	<b>(2,316)</b>	<b>85,337</b>	<b>73,952</b>	<b>11,385</b>
Required Maintenance for School Facilities					
Salaries	126,825	10,425	137,250	137,250	-
Cleaning, Repair and Maintenance	135,000	(19,857)	115,143	114,380	763
General Supplies	10,000	(3,163)	6,837	5,587	1,250
Other Objects	900	150	1,050	500	550
<b>Total Required Maintenance for School Fac.</b>	<b>272,725</b>	<b>(12,445)</b>	<b>260,280</b>	<b>257,717</b>	<b>2,563</b>



**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 137,072	\$ (17,777)	\$ 119,295	\$ 119,295	-
Salaries of Non-Instructional Aides	86,000	17,098	103,098	103,098	-
Cleaning, Repair and Maint. Serv.	175,521	17,956	193,477	189,468	\$ 4,009
Other Purchased Property Services	67,000	15,225	82,225	81,299	926
Insurance	127,036	11,809	138,845	138,845	-
General Supplies	40,000	3,135	43,135	42,944	191
Energy (Natural Gas)	45,000	9,241	54,241	54,241	-
Energy (Electricity)	125,000	20,303	145,303	145,303	-
Other Objects	2,000	(1,520)	480	59	421
<b>Total Custodial Services</b>	<b>804,629</b>	<b>75,470</b>	<b>880,099</b>	<b>874,552</b>	<b>5,547</b>
Student Transportation Services					
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	13,000	(9,683)	3,317	3,000	317
Contracted Services (Between Home and School)- Vendors	2,500	(300)	2,200	1,878	322
Contracted Services (Other than Between Home and School)-Vendors	16,000	2,463	18,463	14,658	3,805
Contracted Services (Between Home and School)- Joint Agreements		1,300	1,300	878	422
Contracted Services (Sp. Ed. Students) Joint Agreements	200,000	86,363	286,363	285,203	1,160
Lease Purchase Payments - School Buses	-	-	-	-	-
Misc. Purchased Services - Transportation	-	30,730	30,730	30,730	-
<b>Total Student Transportation Services</b>	<b>231,500</b>	<b>110,873</b>	<b>342,373</b>	<b>336,347</b>	<b>6,026</b>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	160,000	31,342	191,342	191,342	-
Other Retirement Contributions -PERS	215,068	17,557	232,625	232,625	-
Other Retirement Contributions - Regular	4,500	-	4,500	4,015	485
Unemployment Compensation	10,000	(10,000)	-	-	-
Unemployment Compensation (Non-Budget)		-		7,675	(7,675)
Workmen's Compensation	57,360	(21,055)	36,305	36,305	-
Health Benefits	2,030,481	(226,571)	1,803,910	1,706,759	97,151
Tuition Reimbursement	17,500	(9,500)	8,000	3,000	5,000
Other Employee Benefits	55,092	12,764	67,856	67,856	-
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>2,550,001</b>	<b>(205,463)</b>	<b>2,344,538</b>	<b>2,249,577</b>	<b>94,961</b>
On-behalf TPAF Pension System Payments(Non-Budget)					
Normal Cost				1,973,386	(1,973,386)
NCGI				27,842	(27,842)
Long Term Disability Insurance				543	(543)
Post Retirement Medical Contribution				467,568	(467,568)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	426,998	(426,998)
<b>Total Undistributed Expenditures</b>	<b>8,103,125</b>	<b>135,529</b>	<b>8,238,654</b>	<b>10,974,957</b>	<b>(2,736,303)</b>
Interest - Earned on Maintenance Reserve	125	-	125	-	125
Interest - Earned on Emergency Reserve	175	-	175	-	175
	300	-	300	-	300
<b>Total Expenditures - Current Expenditures</b>	<b>14,100,430</b>	<b>(8,072)</b>	<b>14,092,358</b>	<b>16,749,730</b>	<b>(2,657,372)</b>

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>CAPITAL OUTLAY</b>					
Equipment					
Required Maintenance for School Facilities	-	\$ 6,500	\$ 6,500	\$ 6,500	-
Total Equipment	-	6,500	6,500	6,500	-
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	62,000	62,000	62,000	-
Assessment for Debt Serv on SDA Funding	\$ 19,389	-	19,389	19,389	-
Total Facilities Acquisition and Construction Services	19,389	62,000	81,389	81,389	-
Interest Deposit to Capital Reserve	50	-	50	-	\$ 50
Total Capital Outlay	19,439	68,500	87,939	87,889	50
Special Schools					
Summer School - Instruction					
Salaries of Teachers	-	32,590	32,590	32,590	-
General Supplies	-	2,680	2,680	2,680	-
Total Summer School - Instruction	-	35,270	35,270	35,270	-
Total Expenditures	14,119,869	95,698	14,215,567	16,872,889	(2,657,322)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(309,635)	(66,218)	(375,853)	391,157	767,010
Other Financing Sources					
Transfer In - Capital Projects Fund	-	-	-	2,357	2,357
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(309,635)	(66,218)	(375,853)	393,514	769,367
Fund Balance, Beginning of Year	1,974,241	-	1,974,241	1,974,241	-
Fund Balance, End of Year	\$ 1,664,606	\$ (66,218)	\$ 1,598,388	\$ 2,367,755	\$ 769,367
<b>Recapitulation of Fund Balance</b>					
Restricted Fund Balance					
Excess Surplus				\$ 241,213	
Excess Surplus - Designated for Subsequent Year's Expenditures				115,396	
Capital Reserve				150,350	
Capital Reserve - Designated for Subsequent Year's Expenditures				200,000	
Maintenance Reserve				125,875	
Emergency Reserve				110,969	
Unemployment Compensation				77,731	
Assigned					
Year Encumbrances				39,000	
Designated for Subsequent Year's Expenditures				282,506	
Unassigned				1,024,715	
Reconciliation to Governmental Funds Statements (GAAP):				2,367,755	
Less: State Aid Payments Not Recognized on GAAP Basis				(514,336)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,853,419	

**HARRINGTON PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 13,651		\$ 13,651	\$ 13,651	
Federal	1,221,408		1,221,408	336,583	\$ (884,825)
Other	47,428	\$ 44,298	91,726	94,942	3,216
Total Revenues	<u>1,282,487</u>	<u>44,298</u>	<u>1,326,785</u>	<u>445,176</u>	<u>(881,609)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	252,622	-	252,622	67,933	184,689
Purchased Professional Technical Services	47,500	-	47,500	47,500	-
Purchased Professional Educational Services	15,311	-	15,311	15,311	-
Other Purchased Services	79,610	-	79,610	-	79,610
Tuition	136,800	-	136,800	136,800	-
General Supplies	69,371	-	69,371	14,571	54,800
School Sponsored Co-Curricular	-	44,298	44,298	44,298	-
Total Instruction	<u>601,214</u>	<u>44,298</u>	<u>645,512</u>	<u>326,413</u>	<u>319,099</u>
Support Services					
Salaries	113,745	-	113,745	-	113,745
Purchased Professional and Technical Services	41,355	-	41,355	35,354	6,001
Other Purchased Services	20,215	-	20,215	20,215	-
General Supplies	360,219	-	360,219	46,508	313,711
Total Support Services	<u>535,534</u>	<u>-</u>	<u>535,534</u>	<u>102,077</u>	<u>433,457</u>
Facilities and Construction Services					
Buildings	145,739	-	145,739	13,470	132,269
Total Facilities and Construction Services	<u>145,739</u>	<u>-</u>	<u>145,739</u>	<u>13,470</u>	<u>132,269</u>
Total Expenditures	<u>1,282,487</u>	<u>44,298</u>	<u>1,326,785</u>	<u>441,960</u>	<u>884,825</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,216</u>	<u>3,216</u>
Fund Balances, Beginning of Year	<u>9,754</u>	<u>-</u>	<u>9,754</u>	<u>9,754</u>	<u>9,754</u>
Fund Balances, End of Year	<u>\$ 9,754</u>	<u>\$ -</u>	<u>\$ 9,754</u>	<u>\$ 12,970</u>	<u>\$ 12,970</u>

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

**HARRINGTON PARK BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund is 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 following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (Exhibits C-1, C-2)	\$ 17,264,046	\$ 445,176
Difference - budget to GAAP:		
State Aid payments not recognized for budgetary purposes, recognized for GAAP purposes, 2020/2021 State Aid	460,114	
State Aid payments recognized for budgetary purposes, not recognized for GAAP purposes, 2021/2022 State Aid	(514,336)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, Prior Year	-	277
Encumbrances, Current Year	-	(21,526)
	\$ 17,209,824	\$ 423,927
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules ( Exhibit C-1, C-2)	\$ 16,872,889	\$ 441,960
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, Prior Year	-	277
Encumbrances, Current Year	-	(21,526)
	\$ 16,872,889	\$ 420,711
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	\$ 16,872,889	\$ 420,711

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

**HARRINGTON PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
Public Employees Retirement System**

**Last Nine Fiscal Years\*  
(Dollar amounts in thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.01982%	0.02100%	0.02030%	0.02141%	0.01964%	0.01968%	0.01781%	0.01779%	0.01603%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 2,347,923</u>	<u>\$ 3,424,589</u>	<u>\$ 3,658,582</u>	<u>\$ 4,215,912</u>	<u>\$ 4,572,063</u>	<u>\$ 5,827,841</u>	<u>\$ 3,998,922</u>	<u>\$ 3,330,066</u>	<u>\$ 3,064,520</u>
District's Covered Payroll	<u>\$ 1,265,757</u>	<u>\$ 1,520,580</u>	<u>\$ 1,488,848</u>	<u>\$ 1,422,016</u>	<u>\$ 1,413,427</u>	<u>\$ 1,337,703</u>	<u>\$ 1,318,357</u>	<u>\$ 1,186,541</u>	<u>\$ 1,198,576</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	185.50%	225.22%	245.73%	296.47%	323.47%	435.66%	303.33%	280.65%	255.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirements to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

HARRINGTON PARK BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Nine Fiscal Years  
 (Dollar amounts in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 232,110	\$ 231,253	\$ 197,505	\$ 212,980	\$ 181,951	\$ 174,810	\$ 153,154	\$ 146,783	\$ 124,880
Contributions in Relation to the Contractually Required Contribution	<u>232,110</u>	<u>231,253</u>	<u>197,505</u>	<u>212,980</u>	<u>181,951</u>	<u>174,810</u>	<u>153,154</u>	<u>146,783</u>	<u>124,880</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 1,330,299</u>	<u>\$ 1,265,757</u>	<u>\$ 1,520,580</u>	<u>\$ 1,488,848</u>	<u>\$ 1,422,016</u>	<u>\$ 1,413,427</u>	<u>\$ 1,337,703</u>	<u>\$ 1,318,357</u>	<u>\$ 1,186,541</u>
Contributions as a Percentage of Covered Payroll	17.45%	18.27%	12.99%	14.31%	12.80%	12.37%	11.45%	11.13%	10.52%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until the full 10-year trend is compiled, the District will only present information for those years which information is available.



**HARRINGTON PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Nine Fiscal Years\*  
(Dollar amounts in thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 22,021,010</u>	<u>\$ 29,998,902</u>	<u>\$ 29,111,357</u>	<u>\$ 28,712,398</u>	<u>\$ 30,869,020</u>	<u>\$ 39,027,179</u>	<u>\$ 29,594,571</u>	<u>\$ 24,817,038</u>	<u>\$ 24,096,592</u>
<b>Total</b>	<u>\$ 22,021,010</u>	<u>\$ 29,998,902</u>	<u>\$ 29,111,357</u>	<u>\$ 28,712,398</u>	<u>\$ 30,869,020</u>	<u>\$ 39,027,179</u>	<u>\$ 29,594,571</u>	<u>\$ 24,817,038</u>	<u>\$ 24,096,592</u>
District's Covered Payroll	<u>\$ 5,694,942</u>	<u>\$ 5,330,030</u>	<u>\$ 5,111,045</u>	<u>\$ 4,898,807</u>	<u>\$ 4,907,351</u>	<u>\$ 4,632,016</u>	<u>\$ 4,756,793</u>	<u>\$ 4,934,879</u>	<u>\$ 4,622,396</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until the full 10-year trend is compiled, the District will only present information for those years which information is available.

**HARRINGTON PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

HARRINGTON PARK BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
 TOTAL OPEB LIABILITY

Postemployment Health Benefit Plan

Last Five Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 1,476,851	\$ 819,711	\$ 848,621	\$ 968,757	\$ 1,173,074
Interest on Total OPEB Liability	677,106	643,860	767,958	787,624	672,579
Changes in Benefit Terms	(27,782)				
Differences Between Expected and Actual Experience	(5,249,662)	5,500,607	(2,784,635)	(1,069,344)	
Changes of Assumptions	25,751	5,428,000	265,772	(2,209,975)	(2,811,171)
Gross Benefit Payments	(533,370)	(517,322)	(547,173)	(514,957)	(668,573)
Contribution from the Member	17,310	15,680	16,220	17,798	24,619
<b>Net Change in Total OPEB Liability</b>	<u>(3,613,796)</u>	<u>11,890,536</u>	<u>(1,433,237)</u>	<u>(2,020,097)</u>	<u>(1,609,472)</u>
<b>Total OPEB Liability - Beginning</b>	<u>29,715,498</u>	<u>17,824,962</u>	<u>19,258,199</u>	<u>21,278,296</u>	<u>22,887,768</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 26,101,702</u>	<u>\$ 29,715,498</u>	<u>\$ 17,824,962</u>	<u>\$ 19,258,199</u>	<u>\$ 21,278,296</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>26,101,702</u>	<u>29,715,498</u>	<u>17,824,962</u>	<u>19,258,199</u>	<u>21,278,296</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 26,101,702</u>	<u>\$ 29,715,498</u>	<u>\$ 17,824,962</u>	<u>\$ 19,258,199</u>	<u>\$ 21,278,296</u>
District's Covered Payroll	<u>\$ 6,960,699</u>	<u>\$ 6,850,610</u>	<u>\$ 6,631,625</u>	<u>\$ 6,387,655</u>	<u>\$ 6,329,367</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

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

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

HARRINGTON PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

HARRINGTON PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title I	IDEA Basic	IDEA Preschool	ARP		ESSER II	CRRSA		ARP ESSER III	SDA Emergency Needs	Other Programs	E-Sports/ Student Activities	2022
				IDEA Basic	IDEA Preschool		Learning Acceleration	Mental Health					
<b>REVENUES</b>													
Intergovernmental													
State										\$ 13,651			\$ 13,651
Federal	\$ 67,933	\$ 120,215	\$ 11,277	\$ 23,514	\$ 2,009	\$ 16,621	\$ 15,311	\$ 45,000	\$ 34,703				336,583
Other	-	-	-	-	-	-	-	-	-	-	\$ 47,428	\$ 47,514	94,942
<b>Total Revenues</b>	<b>67,933</b>	<b>120,215</b>	<b>11,277</b>	<b>23,514</b>	<b>2,009</b>	<b>16,621</b>	<b>15,311</b>	<b>45,000</b>	<b>34,703</b>	<b>13,651</b>	<b>47,428</b>	<b>47,514</b>	<b>445,176</b>
<b>EXPENDITURES</b>													
Instruction													
Salaries	67,933												67,933
Purchased Professional Technical Services						7,000		40,500					47,500
Purchased Professional Educational Services							15,311						15,311
Tuition		100,000	11,277	23,514	2,009								136,800
General Supplies										13,651	920		14,571
School Sponsored Co-Curricular	-	-	-	-	-	-	-	-	-	-	-	44,298	44,298
<b>Total Instruction</b>	<b>67,933</b>	<b>100,000</b>	<b>11,277</b>	<b>23,514</b>	<b>2,009</b>	<b>7,000</b>	<b>15,311</b>	<b>40,500</b>	<b>-</b>	<b>13,651</b>	<b>920</b>	<b>44,298</b>	<b>326,413</b>
Support Services													
Purchased Professional Technical Services								4,500	30,854				35,354
Purchased Professional Educational Services													-
Other Purchased Services		20,215											20,215
General Supplies	-	-	-	-	-	-	-	-	-	-	46,508	-	46,508
<b>Total Support Services</b>	<b>-</b>	<b>20,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,500</b>	<b>30,854</b>	<b>-</b>	<b>46,508</b>	<b>-</b>	<b>102,077</b>
Facilities and Construction Services													
Property													
Buildings	-	-	-	-	-	9,621	-	-	3,849	-	-	-	13,470
<b>Total Facilities and Constructions Svcs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,621</b>	<b>-</b>	<b>-</b>	<b>3,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,470</b>
<b>Total Expenditures</b>	<b>\$ 67,933</b>	<b>\$ 120,215</b>	<b>\$ 11,277</b>	<b>\$ 23,514</b>	<b>\$ 2,009</b>	<b>\$ 16,621</b>	<b>\$ 15,311</b>	<b>\$ 45,000</b>	<b>\$ 34,703</b>	<b>\$ 13,651</b>	<b>\$ 47,428</b>	<b>\$ 44,298</b>	<b>\$ 441,960</b>
Excess (Deficiency) of Revenues													
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	3,216	3,216
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	9,754	9,754
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,970</b>	<b>\$ 12,970</b>

**HARRINGTON PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL PROGRAM AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOT APPLICABLE**



**CAPITAL PROJECTS FUND**

HARRINGTON PARK BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Transfer to General Fund Current Year</u>	<u>Unexpended Balance, June 30, 2022</u>
Boiler Replacement at the Harrington Park High Public School	\$ 705,000	\$ 702,643	\$ 2,357	\$ -
	<u>\$ 705,000</u>	<u>\$ 702,643</u>	<u>\$ 2,357</u>	<u>\$ -</u>

**HARRINGTON PARK BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>Expenditures and Other Financing Uses</b>	
Transfer to General Fund	\$ <u>2,357</u>
Total Expenditures	<u>2,357</u>
(Deficiency) of Other Financing Uses over Revenues	(2,357)
Fund Balance - Beginning of Year	\$ <u>2,357</u>
Fund Balance - End of Year	<u><u>          -</u></u>

**HARRINGTON PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
BOILER REPLACEMENT AT THE HARRINGTON PARK PUBLIC SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 226,000		\$ 226,000	\$ 226,000
Other Local Sources - Capital Reserve	479,000	-	479,000	479,000
	<u>705,000</u>	<u>-</u>	<u>705,000</u>	<u>705,000</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	657,984	-	657,984	657,984
Purchased Professional and Technical Services	44,659	-	44,659	44,659
Transfers to General Fund	-	\$ 2,357	2,357	2,357
	<u>702,643</u>	<u>2,357</u>	<u>705,000</u>	<u>705,000</u>
Excess of Revenue Over Expenditures	<u>\$ 2,357</u>	<u>\$ (2,357)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	2050-050-14-1001-G04
Grant Date	FY 2015
Original Authorized Cost	\$ 565,000
Additional Authorized Cost	140,000
Revised Authorized Cost	705,000

Percentage Increase Over Original

Authorized Cost	24.78%
Percentage Completion	100%
Original Target Completion Date	Sep-15
Revised Target Completion Date	Sep-15

**ENTERPRISE FUND**

**EXHIBIT G-1**

**HARRINGTON PARK BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**



**HARRINGTON PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	3/23/2017	\$ 1,333,000	7/15/2022	\$ 308,000	1.650%	<u>\$ 593,000</u>	<u>\$ 285,000</u>	<u>\$ 308,000</u>
						<u>\$ 593,000</u>	<u>\$ 285,000</u>	<u>\$ 308,000</u>

**HARRINGTON PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2021</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
<b><u>Capital Financing Agreements</u></b>					
Chromebooks and Other Equipment	155,310	3.24%	\$ 32,017	\$ 32,017	\$ -
Total			<u>\$ 32,017</u>	<u>\$ 32,017</u>	<u>\$ -</u>

**HARRINGTON PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources					
Local Tax Levy	\$ 193,006	-	\$ 193,006	\$ 193,006	
State Sources					
Debt Service Aid	<u>99,427</u>	<u>-</u>	<u>99,427</u>	<u>99,427</u>	<u>-</u>
 Total Revenues	 <u>292,433</u>	 <u>-</u>	 <u>292,433</u>	 <u>292,433</u>	 <u>-</u>
 <b>EXPENDITURES</b>					
Regular Debt Service					
Principal	285,000		285,000	285,000	
Interest	<u>7,433</u>	<u>-</u>	<u>7,433</u>	<u>7,433</u>	<u>-</u>
 Total Expenditures	 <u>292,433</u>	 <u>-</u>	 <u>292,433</u>	 <u>292,433</u>	 <u>-</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 -	 -	 -	 -	 -
 Fund Balance, Beginning of Year	 <u>19</u>	 <u>-</u>	 <u>19</u>	 <u>19</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ 19</u>	 <u>\$ -</u>	 <u>\$ 19</u>	 <u>\$ 19</u>	 <u>\$ -</u>

Analysis

Restricted \$ 19

## STATISTICAL SECTION

This part of the Harrington Park Board of Education's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**HARRINGTON PARK BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30									
	2013	2014 (1)	2015	2016	2017	2018	2019	2020 (2)	2021 (3)	2022
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 4,765,442	\$ 4,805,127	\$ 5,064,058	\$ 5,714,553	\$ 5,936,091	\$ 6,149,293	\$ 6,353,335	\$ 6,477,605	\$ 6,665,539	\$ 6,715,256
Restricted	475,001	575,001	558,360	177,582	177,707	177,883	178,077	273,401	423,586	566,945
Unrestricted	1,068,386	(2,132,561)	(2,032,786)	(2,222,245)	(3,060,596)	(3,376,015)	(3,611,481)	(3,611,291)	(3,527,201)	(2,865,352)
<b>Total Governmental Activities Net Position</b>	<u>\$ 6,308,829</u>	<u>\$ 3,247,567</u>	<u>\$ 3,589,632</u>	<u>\$ 3,669,890</u>	<u>\$ 3,053,202</u>	<u>\$ 2,951,161</u>	<u>\$ 2,919,931</u>	<u>\$ 3,139,715</u>	<u>\$ 3,561,924</u>	<u>\$ 4,416,849</u>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 3,422	\$ 2,790	\$ 2,349	\$ 1,908	\$ 9,129	\$ 15,865	\$ 21,208	\$ 19,709	\$ 17,985	\$ 11,764
Unrestricted	5,588	3,303	3,253	9,532	7,124	9,997	1,488	18,318	22,109	22,781
<b>Total Business-Type Activities Net Position</b>	<u>\$ 9,010</u>	<u>\$ 6,093</u>	<u>\$ 5,602</u>	<u>\$ 11,440</u>	<u>\$ 16,253</u>	<u>\$ 25,862</u>	<u>\$ 22,696</u>	<u>\$ 38,027</u>	<u>\$ 40,094</u>	<u>\$ 34,545</u>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 4,768,864	\$ 4,807,917	\$ 5,066,407	\$ 5,716,461	\$ 5,945,220	\$ 6,165,158	\$ 6,374,543	\$ 6,497,314	\$ 6,683,524	\$ 6,727,020
Restricted	475,001	575,001	558,360	177,582	177,707	177,883	178,077	273,401	423,586	566,945
Unrestricted	1,073,974	(2,129,258)	(2,029,533)	(2,212,713)	(3,053,472)	(3,366,018)	(3,609,993)	(3,592,973)	(3,505,092)	(2,842,571)
<b>Total District Net Position</b>	<u>\$ 6,317,839</u>	<u>\$ 3,253,660</u>	<u>\$ 3,595,234</u>	<u>\$ 3,681,330</u>	<u>\$ 3,069,455</u>	<u>\$ 2,977,023</u>	<u>\$ 2,942,627</u>	<u>\$ 3,177,742</u>	<u>\$ 3,602,018</u>	<u>\$ 4,451,394</u>

Note 1 - Net Pension at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Funds" and inclusion of the Lightning Detection Private Purpose Trust in Business-Type Activities.

Note 3 - Net Position at June 30, 2021 is restated to reflect the addition of 12 interactive wall boards.

HARRINGTON PARK BOARD OF EDUCATION  
 CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)

	2013		2014		2015		2016		Fiscal Year Ended June 30		2019		2020 (1)		2021		2022				
									2017	2018											
<b>Expenses</b>																					
Governmental Activities																					
Instruction																					
Regular	\$	4,685,539	\$	4,854,990	\$	5,712,168	\$	6,066,453	\$	7,141,163	\$	7,097,976	\$	6,660,230	\$	6,491,010	\$	7,298,171	\$	6,675,656	
Special education		2,630,838		2,853,907		3,266,950		3,925,687		4,425,278		4,769,656		4,412,156		4,407,353		4,332,164		4,046,411	
Other special education		103,354																			
Other instruction		127,008		139,432		131,207		118,783		199,831		208,117		217,300		251,823		98,039		206,864	
School Sponsored Activities and Athletics				153,697		144,791		147,668		167,867		141,065		157,392		123,544		89,057		187,198	
Support Services:																					
Tuition																					
Student & instruction related services		1,560,841		1,578,732		1,744,656		1,881,192		2,236,932		2,155,585		2,350,986		2,457,438		2,757,270		2,318,536	
General administration services		469,566		479,183		496,322		489,569		509,829		568,788		584,760		632,311		703,280		666,308	
School Administrative services		256,315		280,728		338,671		395,522		425,910		444,560		439,915		434,117		458,435		420,019	
Central Services		275,862		289,350		321,499		337,395		402,902		439,495		445,322		427,850		539,741		416,521	
Administrative Information Technology		42,939		41,786		46,408		21,130		69,840		52,424		37,010		54,562		109,058		73,952	
Operation and maintenance of Facilities		1,264,263		1,259,132		1,283,846		1,263,620		1,445,590		1,469,804		1,504,413		1,405,566		1,429,170		1,562,350	
Pupil transportation		82,903		131,349		89,243		104,020		168,198		232,525		206,051		156,592		179,336		340,610	
Interest On Long-Term Debt		134,042		121,501		107,136		91,444		90,572		13,712		33,242		25,000		16,163		9,352	
Total Governmental Activities Expenses		11,633,470		12,183,787		13,682,897		14,842,483		17,283,912		17,593,707		17,048,777		16,867,166		18,009,884		16,923,777	
Business-Type Activities:																					
Special Milk Fund											10,904		15,959		12,768		1,724				16,615
Laptop Fund		19,006		22,111		20,465		15,313		14,433		6,460		10,737		4,275		6,731			16,210
Lightening Detection															8,760		10,621				13,818
Total Business-Type Activities Expense		19,006		22,111		20,465		15,313		14,433		17,364		26,696		17,043		19,076			46,643
Total District Expenses		11,652,476		12,205,898		13,703,362		14,857,796		17,298,345		17,611,071		17,075,473		16,884,209		18,028,960			16,970,420
<b>Program Revenues</b>																					
Governmental Activities:																					
Charges For Services:																					
Instruction - Regular				\$	13,592	\$	31,603		46,077		120,290		197,349		141,952		82,650				169,130
Instruction - Special													9,000								-
School Sponsored Activities and Athletics																	4,900				47,514
Support - Operation & Maintenance of Facilities										240,000		264,000		264,000		264,000		268,752			348,590
Operating Grants And Contributions		1,885,350		1,528,619		2,814,871		3,326,350		4,578,646		4,859,998		4,118,193		3,849,648		5,192,754			4,047,491
Capital Grants And Contributions						77,760		148,240		-		-	13,566		-		-				6,820
Total Governmental Activities Program Revenues		1,885,350		1,542,211		2,924,234		3,520,667		4,860,018		5,244,288		4,602,108		4,255,600		5,549,056			4,619,545
Business-Type Activities:																					
Charges For Services:																					
Special Milk Fund		12,025		12,180		12,673		14,045		13,932		12,011		10,805		8,456					7,484
Laptop Fund												10,150		8,220		9,343		9,593			11,269
Lightening Detection																12,460		11,550			19,110
Operating Grants And Contributions		6,385		7,014		7,301		7,106		5,314		4,812		4,505		2,525		-			3,231
Total Business-Type Activities Program Revenues		18,410		19,194		19,974		21,151		19,246		26,973		23,530		32,784		21,143			41,094
Total District Program Revenues		1,903,760		1,561,405		2,944,208		3,541,818		4,879,264		5,271,261		4,625,638		4,288,384		5,570,199			4,660,639
<b>Net (Expense)/Revenue</b>																					
Governmental Activities		\$	(9,748,120)		\$	(10,641,576)		\$	(10,758,663)		\$	(11,321,816)		\$	(12,423,894)		\$	(12,349,419)		\$	(12,446,669)
Business-Type Activities			(596)		(2,917)		(491)		5,838		4,813		9,609		(3,166)		15,741			2,067	(5,549)
Total District-Wide Net Expense		\$	(9,748,716)		\$	(10,644,493)		\$	(10,759,154)		\$	(11,315,978)		\$	(12,419,081)		\$	(12,339,810)		\$	(12,449,835)
<b>General Revenues And Other Changes In Net Position</b>																					
Governmental Activities:																					
Property Taxes Levied For General Purposes, Net		\$	9,913,820		\$	10,112,096		\$	10,511,796		\$	10,833,817		\$	11,198,697		\$	11,534,776		\$	11,980,421
Taxes Levied For Debt Service			393,991		399,006		398,722		402,586		400,358		384,291		159,467		165,079		184,131		193,006
Federal And State Aid - Unrestricted			20,720		24,967		27,218		29,419		31,547		37,012		70,368		81,876		81,876		98,760
Investment Earnings			3,228																		
Miscellaneous Income			133,629		111,132		162,992		136,252		172,988		291,299		205,183		167,622		5,871		73,098
Gain on Disposal of Capital Assets					(2,367)					3,616											-
Total Governmental Activities		10,465,388		10,644,834		11,100,728		11,402,074		11,807,206		12,247,378		12,415,439		12,736,200		12,842,909			13,159,157
Business-Type Activities:																					
Investment Earnings			35																		
Total Business-Type Activities		35		-		-		-		-		-		-		-		-			-
Total District-Wide		10,465,423		10,644,834		11,100,728		11,402,074		11,807,206		12,247,378		12,415,439		12,736,200		12,842,909			13,159,157
<b>Change In Net Position</b>																					
Governmental Activities		\$	717,268		\$	3,258		\$	342,065		\$	80,258		\$	(616,688)		\$	(102,041)		\$	(31,230)
Business-Type Activities			(561)		(2,917)		(491)		5,838		4,813		9,609		(3,166)		15,741			2,067	(5,549)
Total District		\$	716,707		\$	341		\$	341,574		\$	86,096		\$	(611,875)		\$	(92,432)		\$	(34,396)

Note 1 - 2020 is restated to reflect the inclusion of the Lightening Detection Private Purpose Trust in Business-Type Activities

**HARRINGTON PARK BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Fiscal Year Ended June 30</u>		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
					<u>2017</u>	<u>2018</u>				
General Fund										
Restricted	\$ 1,102,119	\$ 1,287,753	\$ 1,421,420	\$ 891,291	\$ 759,515	\$ 922,399	\$ 1,001,640	\$ 1,066,985	\$ 947,281	\$ 1,021,534
Committed										
Assigned	354,687	151,198	337,486	335,121	305,250	76,772	106,785	119,409	66,218	321,506
Unassigned	225,590	226,064	224,304	224,359	82,824	87,083	61,300	52,010	500,628	510,379
Total General Fund	<u>\$ 1,682,396</u>	<u>\$ 1,665,015</u>	<u>\$ 1,983,210</u>	<u>\$ 1,450,771</u>	<u>\$ 1,147,589</u>	<u>\$ 1,086,254</u>	<u>\$ 1,169,725</u>	<u>\$ 1,238,404</u>	<u>\$ 1,514,127</u>	<u>\$ 1,853,419</u>
All Other Governmental Funds										
Restricted			\$ (116,641)	\$ 2,357	\$ 2,357	\$ 2,358	\$ 2,377	\$ 2,376	\$ 12,130	\$ 12,989
Assigned										
Unassigned	\$ -	\$ -	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (116,641)</u>	<u>\$ 2,357</u>	<u>\$ 2,357</u>	<u>\$ 2,358</u>	<u>\$ 2,377</u>	<u>\$ 2,376</u>	<u>\$ 12,130</u>	<u>\$ 12,989</u>

**HARRINGTON PARK BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax Levy	\$ 10,307,811	\$ 10,511,102	\$ 10,910,518	\$ 11,236,403	\$ 11,599,055	\$ 11,919,067	\$ 12,139,888	\$ 12,486,702	\$ 12,739,865	\$ 12,987,299
Tuition Charges						120,290	206,349	141,952	82,650	169,130
Rentals					240,000	264,000	264,000	264,000	268,752	273,590
Interest Earnings	3,228									
Miscellaneous	136,743	158,343	194,632	185,829	247,526	244,553	232,183	197,388	67,952	243,040
County Sources										
State Sources	1,752,579	1,379,857	1,691,863	1,939,330	1,996,943	2,134,138	2,528,385	2,628,045	3,080,479	3,924,140
Federal Sources	153,491	140,110	145,705	151,369	162,711	165,765	177,359	210,025	299,557	328,985
<b>Total Revenue</b>	<b>12,353,852</b>	<b>12,189,412</b>	<b>12,942,718</b>	<b>13,512,931</b>	<b>14,246,235</b>	<b>14,847,813</b>	<b>15,548,164</b>	<b>15,928,112</b>	<b>16,539,255</b>	<b>17,926,184</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	4,677,377	4,842,248	4,921,978	5,075,134	5,428,847	5,531,201	5,800,214	5,836,107	6,311,884	6,925,597
Special Education Instruction	2,627,768	2,849,568	3,087,589	3,677,083	3,904,185	4,235,658	4,074,202	4,196,327	3,975,968	4,186,481
Other Instruction	103,185	139,166	113,173	99,935	158,574	164,703	180,888	224,562	98,039	206,656
School Sponsored Activities And Athletics	122,276	149,981	137,287	137,089	142,930	119,053	140,870	117,288	77,865	191,696
<b>Support Services:</b>										
<b>Tuition</b>										
Student & Inst. Related Services	1,549,588	1,563,367	1,590,944	1,674,534	1,843,977	1,786,123	2,106,234	2,299,944	2,485,554	2,395,750
General Administrative	467,415	461,001	468,193	453,465	410,063	476,668	493,803	580,043	621,934	686,813
School Administrative Services	255,917	280,046	299,531	338,640	333,946	351,135	385,837	394,326	399,150	438,146
Business and Other Support Services	275,413									
Central Administrative Services		288,637	312,244	320,385	348,545	369,904	395,175	403,065	468,580	450,179
Administrative Info Tech	42,939	41,786	46,408	21,130	69,840	52,424	37,010	54,562	96,574	73,952
Plant Operations And Maintenance	1,014,881	1,008,111	1,018,169	987,414	1,085,259	1,061,538	1,119,658	1,058,648	1,049,750	1,280,714
Pupil Transportation	82,903	131,349	84,980	99,757	163,935	228,262	198,026	152,329	175,073	336,347
<b>Capital Outlay</b>	<b>138,245</b>	<b>57,488</b>	<b>218,392</b>	<b>594,436</b>	<b>1,021,864</b>	<b>47,872</b>	<b>53,871</b>	<b>47,022</b>	<b>73,209</b>	<b>88,214</b>
<b>Debt Service:</b>										
Principal	285,000	315,032	328,871	349,148	554,433	601,186	446,056	469,913	498,214	317,017
Interest And Other Charges	139,269	126,225	113,405	98,222	81,867	38,730	32,830	25,298	17,134	8,471
Cost of Issuance					30,912					-
Advanced Refunding Escrow					25,088	-	-	-	-	-
<b>Total Expenditures</b>	<b>11,782,176</b>	<b>12,254,005</b>	<b>12,741,164</b>	<b>13,926,372</b>	<b>15,604,265</b>	<b>15,064,457</b>	<b>15,464,674</b>	<b>15,859,434</b>	<b>16,348,928</b>	<b>17,586,033</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	571,676	(64,593)	201,554	(413,441)	(1,358,030)	(216,644)	83,490	68,678	190,327	340,151
<b>Other Financing Sources (Uses)</b>										
Payment to Refunding Escrow Agent					(1,277,000)					
Refunding Bond Proceeds					1,333,000					
Capital Leases (Non-Budgeted)		47,212								
Lease Purchases (Non-Budgeted)						155,310				
Transfers In				479,000						2,357
Transfers Out				(479,000)	998,848					(2,357)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>47,212</b>	<b>-</b>	<b>-</b>	<b>1,054,848</b>	<b>155,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ 571,676</b>	<b>\$ (17,381)</b>	<b>\$ 201,554</b>	<b>\$ (413,441)</b>	<b>\$ (303,182)</b>	<b>\$ (61,334)</b>	<b>\$ 83,490</b>	<b>\$ 68,678</b>	<b>\$ 190,327</b>	<b>\$ 340,151</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	3.6%	3.6%	3.5%	3.4%	4.4%	4.3%	3.1%	3.1%	3.2%	1.9%

\* Noncapital expenditures are total expenditures less capital outlay.



**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND MISCELLANEOUS REVENUE BY SOURCE  
LAST TEN YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b>Interest on Investments</b>	<b>Donations</b>	<b>Insurance Dividend</b>	<b>Refunds</b>	<b>Misc.</b>	<b>E-Rate Reimb</b>	<b>Facility Use</b>	<b>Rentals</b>	<b>Trailer Rental</b>	<b>PY Void Checks</b>	<b>Tuition</b>	<b>NVR High School</b>	<b>Total</b>
2013	\$ 3,228		\$ 3,296		\$ 23,840	\$ 2,493	\$ 8,242		\$ 61,800	\$ 12,301	\$ 22,048	\$ 2,723	\$ 139,971
2014	860				4,395		4,100		101,700	77	13,592		124,724
2015	653			\$ 2,616	10,465	2,948	4,700		141,610		31,603		194,595
2016	3,572				22,180	2,000	108,500				46,077		182,329
2017	3,651			3,581	65,074		50,682	\$ 240,000			41,372	50,000	454,360
2018	3,387			11,435	38,511	4,197	58,876	264,000				100,000	480,406
2019	10,422			24,247	8,039		62,475	264,000			206,349	100,000	675,532
2020	8,043			13	11,719	4,530	43,317	264,000			141,952	100,000	573,574
2021					5,871			268,752			82,650		357,273
2022	2,025			15,066	44,937	11,070	25,000	273,590			169,130	50,000	590,818

**HARRINGTON PARK BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (1)
2013 (A)	\$ 12,498,400	\$ 856,365,100	\$ 28,418,700	\$ 897,282,200		\$ 897,282,200	\$ 918,267,904	\$ 1.172
2014	12,498,400	855,446,400	28,221,900	896,166,700		896,166,700	940,449,312	1.218
2015	12,498,400	854,583,200	28,151,900	895,233,500		895,233,500	957,430,915	1.255
2016	12,498,400	856,178,500	27,192,100	895,869,000		895,869,000	977,108,511	1.295
2017	12,498,400	856,483,100	27,192,100	896,173,600		896,173,600	995,996,199	1.330
2018	12,498,400	856,504,400	27,192,100	896,194,900		896,194,900	993,808,185	1.355
2019	12,470,900	860,351,100	26,732,100	899,554,100		899,554,100	997,967,848	1.389
2020	12,470,900	859,526,400	30,473,600	902,470,900		902,470,900	1,020,306,460	1.412
2021	13,205,500	860,276,100	55,351,600	928,833,200		928,833,200	1,059,914,304	1.398
2022	13,205,500	859,723,150	67,926,700	940,855,350		940,855,350	1,106,039,202	1.408

Source: County Abstract of Ratables

(1) Tax rates are per \$100

N/A = Not Available

(A) The Borough undertook a revaluation of real property, which became effective in the year 2013.

**HARRINGTON PARK BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
(Unaudited)  
(rate per \$100 of assessed value)**

Calendar Year	Overlapping Rates					Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Northern Valley Regional H.S.	Harrington Park Borough	Bergen	County	
2013	(A) \$ 1.172	\$ 0.546	\$ 0.544	\$ 0.233	\$ 2.495	
2014	1.218	0.576	0.554	0.245	2.593	
2015	1.255	0.587	0.555	0.257	2.654	
2016	1.295	0.591	0.558	0.278	2.722	
2017	1.330	0.610	0.582	0.280	2.802	
2018	1.355	0.610	0.595	0.272	2.832	
2019	1.389	0.618	0.608	0.270	2.885	
2020	1.412	0.624	0.631	0.280	2.947	
2021	1.398	0.646	0.639	0.277	2.960	
2022	1.408	0.636	0.653	0.284	2.981	

(A) The Borough had a revaluation of real property which became effective in the year 2013.

Source: County Abstract of Ratables

HARRINGTON PARK BOARD OF EDUCATION  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)

Taxpayer	2022	
	Taxable Assessed Value	% of Total District Net Assessed Value
The Allegro At Harrington Park LLC	\$ 53,000,000	5.63%
Suez United Water Resources (A)	2,779,200	0.30%
100 Harrington LLC	2,200,000	0.23%
Rockland Electric Co.	1,561,300	0.17%
Suez United Water Resources (A)	1,479,100	0.16%
Red PIN Properties LLC	1,440,000	0.15%
Resident	1,379,900	0.15%
Schaffer Homes I LLC NJ	1,200,000	0.13%
Resident	1,159,900	0.12%
Resident	1,155,200	0.12%
	<u>\$ 67,354,600</u>	<u>1.53%</u>

Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
United Water Resources	\$ 20,784,500	2.18%
Quantmeyer	3,713,600	0.39%
Rockland Electric Co.	2,681,800	0.28%
76 Schaaenburgh Rd.	2,312,400	0.24%
Resident	1,168,400	0.12%
Resident	1,473,500	0.15%
Resident	1,389,800	0.15%
Resident	1,315,100	0.14%
Resident	1,203,000	0.13%
Resident	1,182,300	0.12%
	<u>\$ 37,224,400</u>	<u>3.90%</u>

Source: Municipal Tax Assessor

**HARRINGTON PARK BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 10,307,811	\$ 10,307,811	100.00%	
2014	10,511,102	9,632,462	91.64%	\$ 878,640
2015	10,910,518	10,910,518	100.00%	
2016	11,236,403	11,236,133	100.00%	270
2017	11,599,055	11,599,055	100.00%	
2018	11,919,067	11,919,067	100.00%	
2019	12,139,888	12,139,888	100.00%	
2020	12,486,702	12,486,702	100.00%	
2021	12,739,865	12,739,865	100.00%	
2022	12,987,299	12,987,299	100.00%	

**HARRINGTON PARK BOARD OF EDUCATION**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Loans Payable			
2013	\$ 2,967,000		\$ 2,967,000	4,737	\$ 626
2014	2,662,000		2,662,000	4,746	561
2015	2,342,000		2,342,000	4,763	492
2016	2,002,000		2,002,000	4,751	421
2017	1,703,000		1,703,000	4,764	357
2018	1,308,000		1,308,000	4,743	276
2019	1,094,000		1,094,000	4,729	231
2020	860,000		860,000	4,693	183
2021	593,000		593,000	4,963	119
2022	308,000		308,000	4,963 (1)	62

Source: District records

(1) Estimated

**HARRINGTON PARK BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL OBLIGATION DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Obligation Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Debt	Deductions			
2013	\$ 2,967,000		\$ 2,967,000	0.33%	\$ 623
2014	2,662,000		2,662,000	0.30%	561
2015	2,342,000		2,342,000	0.26%	492
2016	2,002,000		2,002,000	0.22%	421
2017	1,703,000		1,703,000	0.19%	357
2018	1,308,000	\$ 1	1,307,999	0.15%	276
2019	1,094,000	20	1,093,980	0.12%	231
2020	860,000	19	859,981	0.10%	183
2021	593,000	19	592,981	0.06%	119
2022	308,000	19	307,981	0.03%	62

Source: District records

Notes:

- a See Exhibit J-6 for property tax data.
- b See Exhibit J-14 for population data.

**HARRINGTON PARK BOARD OF EDUCATION  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2021  
 (Unaudited)**

	<u>Gross Debt</u>
Direct Debt: (1)	
Borough of Harrington Park	\$ 6,143,020
Local School District	308,000
Regional School District	<u>1,241,422</u>
	<u>7,692,442</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (2) (A)	8,409,217
Bergen County Utilities Authority (BCUA) (3) (B)	<u>1,250,787</u>
	<u>9,660,004</u>
Total Direct and Overlapping Debt	<u>\$ 17,352,446</u>

Source:

- (1) Borough of Harrington Park's 2021 Annual Debt Statement
- (2) Bergen County Annual Debt Statement
- (3) BCUA 2021 Annual Audit

(A) The debt for this entity was apportioned to the Borough of Harrington Park by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.



HARRINGTON PARK BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 1,091,460,870
2020	1,029,395,346
2019	1,016,560,176
	<u>\$ 3,137,416,392</u>
Average equalized valuation of taxable property	\$ 1,045,805,464
Debt limit (3 % of average equalization value)	31,374,164
Total Net Debt Applicable to Limit	308,000
Legal debt margin	<u>\$ 31,066,164</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 29,895,701	\$ 28,870,391	\$ 28,477,959	\$ 28,750,382	\$ 29,290,877	\$ 29,644,533	\$ 29,822,937	\$ 30,036,650	\$ 30,397,401	\$ 31,374,164
Total net debt applicable to limit	2,967,000	2,662,000	2,342,000	2,002,000	1,703,000	1,308,000	1,094,000	860,000	593,000	308,000
Legal debt margin	<u>\$ 26,928,701</u>	<u>\$ 26,208,391</u>	<u>\$ 26,135,959</u>	<u>\$ 26,748,382</u>	<u>\$ 27,587,877</u>	<u>\$ 28,336,533</u>	<u>\$ 28,728,937</u>	<u>\$ 29,176,650</u>	<u>\$ 29,804,401</u>	<u>\$ 31,066,164</u>
Total net debt applicable to the limit as a percentage of debt limit	9.92%	9.22%	8.22%	6.96%	5.81%	4.41%	3.67%	2.86%	1.95%	0.98%

Source: Annual Debt Statements

**HARRINGTON PARK BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>School District Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	4,737	\$ 71,286	8.3%
2014	4,746	73,883	4.8%
2015	4,763	77,323	3.7%
2016	4,751	78,836	3.4%
2017	4,764	81,024	3.2%
2018	4,743	85,191	2.9%
2019	4,729	88,241	2.3%
2020	4,693	91,972	7.6%
2021	4,963	N/A	4.6%
2022	4,963 (1)	N/A	N/A

Source: New Jersey State Department of Education

N/A - not available

(1) Estimated

HARRINGTON PARK BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

**HARRINGTON PARK BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	47.5	47.6	47.0	47.0	46.0	45.0	45.0	45.0	45.0	46.0
Special education	30.0	28.0	30.0	32.0	33.0	32.0	33.0	33.0	33.0	32.0
Support Services:										
Student & instruction related services	12.2	10.9	12.4	12.4	12.1	11.7	11.7	11.7	11.7	11.7
General administration services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	5.0	5.0	5.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5
Total	<u>101.7</u>	<u>98.5</u>	<u>101.4</u>	<u>102.4</u>	<u>103.1</u>	<u>100.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>

Source: District Personnel Records

HARRINGTON PARK BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Teacher/Pupil Ratio

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	648.0	\$ 11,219,662	\$ 17,314	7.57%	67	1:9.7	N/A	N/A	633	612	-8.39%	96.68%
2014	637.0	11,755,260	18,454	6.58%	65	1:10.1	1:9.4	N/A	636	616	0.47%	96.86%
2015	633.0	12,080,496	19,085	3.42%	64	1:9.8	1:10.1	N/A	633	617	-0.47%	97.47%
2016	632.0	12,884,566	20,387	6.82%	64	1:9.8	1:10.1	N/A	628	608	-0.79%	96.82%
2017	631.0	13,890,101	22,013	7.98%	64	1:9.8	1:10.1	N/A	624	604	-0.64%	96.79%
2018	623.0	14,376,669	23,077	4.83%	62	1:10.0	1:10.2	N/A	612	590	-1.92%	96.41%
2019	613.0	14,931,917	24,359	5.56%	62	1:9.9	1:9.9	N/A	597	575	-2.45%	96.31%
2020	609.0	15,549,915	25,534	4.82%	62	1:9.9	1:9.9	N/A	597	583	0.00%	97.65%
2021	569.0	15,760,371	27,698	8.48%	61	1:9.3	1:9.3	N/A	552	542	-7.54%	98.19%
2022	628.0	17,172,331	27,344	-1.28%	61	1:9.3	1:9.3	N/A	620	593	12.32%	95.65%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

HARRINGTON PARK BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b><u>District Building</u></b>										
<b><u>School</u></b>										
Harrington Park School										
Square Feet	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250
Capacity (students)	775	775	775	775	775	775	775	775	775	775
Enrollment	648	637	633	632	631	623	613	609	569	628
<b><u>Other</u></b>										
Administration Trailer										
Square Feet										
Storage Trailer										
Square Feet	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Number of Buildings at June 30, 2022										
Schools = 1										
Other = 1										

Source: District Records

**HARRINGTON PARK BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN YEARS**  
**(Unaudited)**

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

School Facilities	Project # (s)	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Harrington Park School	NA	\$ 262,351	\$ 237,672	\$ 224,734	\$ 243,715	\$ 264,462	\$ 219,103	\$ 258,885	\$ 222,018	\$ 238,128	\$ 257,717
Total School Facilities		<u>\$ 262,351</u>	<u>\$ 237,672</u>	<u>\$ 224,734</u>	<u>\$ 243,715</u>	<u>\$ 264,462</u>	<u>\$ 219,103</u>	<u>\$ 258,885</u>	<u>\$ 222,018</u>	<u>\$ 238,128</u>	<u>\$ 257,717</u>

Source: District Records

**HARRINGTON PARK BOARD OF EDUCATION**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2022**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>COMMERCIAL PROPERTY COVERAGE</b>		
Flood & Earthquake	\$ 5,000,000	\$ 50,000
Flood Zone A	1,000,000	500,000
Extra Expense	5,000,000	
Building Ordinance Demolition Cost	1,000,000	
Building Ordinance Increased Cost of Construction	1,000,000	
Pollutant Clean Up & Removal	250,000	
<b>GENERAL LIABILITY</b>		
General Aggregate	1,000,000	
Products & Completed Operations	1,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence	1,000,000	
Fire Legal Liability Limit	1,000,000	
Medical Expense	10,000	
Employee Benefits Liability	1,000,000	10,000
<b>COMMERCIAL AUTOMOBILE</b>		
Liability	1,000,000	
Medical Payments	10,000	
Uninsured Motorist	1,000,000	
Underinsured Motorist	1,000,000	
Cyber Liability Coverages	Various	
<b>Crime Coverage</b>		
Employee Dishonesty-Per Employee	500,000	5,000
Employee Dishonesty-Per Loss (Excess)	500,000	5,000
Forgery and Alteration	250,000	5,000

Source: District records



**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Harrington Park Board of Education  
Harrington Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Harrington Park Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Harrington Park Board of Education's basic financial statements and have issued our report thereon dated March 3, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Harrington Park Board of Education'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 Harrington Park Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Harrington Park Board of Education'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.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Harrington Park Board of Education’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.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Harrington Park Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated March 3, 2023.

### **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 Harrington Park Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Harrington Park Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Andrew D. Parente  
Public School Accountant  
PSA Number CS002246

Fair Lawn, New Jersey  
March 3, 2023



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
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ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Harrington Park Board of Education  
Harrington Park, New Jersey

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

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

We have audited the Harrington Park Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Harrington Park Board of Education's major state programs for the fiscal year ended June 30, 2022. The Harrington Park Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Harrington Park Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Harrington Park Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Harrington Park Board of Education's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Harrington Park Board of Education's state programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Harrington Park Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Harrington Park Board of Education's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Harrington Park Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Harrington Park Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Harrington Park Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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.

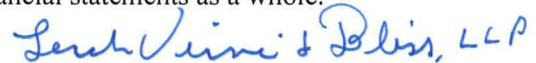
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Harrington Park Board of Education as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 3, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Andrew D. Parente  
Public School Accountant  
PSA Number CS002246

Fair Lawn, New Jersey  
March 3, 2023

HARRINGTON PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/Program Title	Federal		Grant Period	Award Amount	Balance at July 1, 2021				Cash Received	Budgetary Expenditures	Paid to Grantor	Deferred Revenue Adjustment	Balance at June 30, 2022			Memo GAAP Receivable
	CFDA Number	FAIN Number			(Account Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount					(Account Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Enterprise Fund</b>																
Special Milk Program for Children	10.556	201NJ304N1099	7/1/21-6/30/22	\$ 3,231	-	-	-	-	\$ 3,058	\$ 3,231	-	-	\$ (173)	-	-	\$ (173)
Total U.S. Department of Agriculture - Enterprise Fund					-	-	-	-	3,058	3,231	-	-	(173)	-	-	(173)
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Special Revenue</b>																
IDEA Part B Basic Regular	84.027	H027A210100	7/1/21-9/30/22	120,215					120,215	120,215			-	-	-	
IDEA Part B Preschool	84.173	H173A210114	7/1/21-9/30/22	11,277	-	-	-	-	11,277	11,277	-	-	-	-	-	
ARP IDEA Basic	84.027X	H027X210100	7/1/21-9/30/22	23,514	-	-	-	-	23,514	23,514	-	-	-	-	-	
ARP IDEA Preschool	84.173X	H173X210114	7/1/21-9/30/22	2,009	-	-	-	-	2,009	2,009	-	-	-	-	-	
Total Special Education(IDEA) Cluster					-	-	-	-	157,015	157,015	-	-	-	-	-	
Title I	84.010	S010A220030	7/1/21-9/30/22	67,933	-	-	-	-	67,933	67,933	-	-	-	-	-	
Total E.S.E.A					-	-	-	-	67,933	67,933	-	-	-	-	-	
<i>Elementary and Secondary School Emergency Relief (ESSER)</i>																
<i>Coronavirus Aid, Relief, and Economic Security (CARES) Act</i>																
CARES - ESSER I	84.425D	S425D200027	3/13/20-9/30/22	40,824	\$ (2,115)				2,115				-	-		
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	231,401	(231,401)	\$ 231,401				16,621			(231,401)	\$ 214,780		(16,621)
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(25,000)	25,000				15,311			(25,000)	9,689		(15,311)
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)	45,000	-	-	-	45,000	-	-	(45,000)	-	-	(45,000)
ARP - ESSER III	84.425U	S425U2100027	3/13/20 - 9/30/24	520,059						34,703			(520,059)	485,356		(34,703)
ARP - Accel. Learning	84.425U	S425U2100027	3/13/20 - 9/30/24	50,000									(50,000)	50,000		-
ARP - Summer Learning	84.425U	S425U2100027	3/13/20 - 9/30/24	40,000									(40,000)	40,000		-
ARP - Comp Beyond	84.425U	S425U2100027	3/13/20 - 9/30/24	40,000									(40,000)	40,000		-
ARP - Mental Health	84.425U	S425U2100027	3/13/20 - 9/30/24	45,000	-	-	-	-	-	-	-	-	(45,000)	45,000	-	-
Total ESSER Fund Cluster					(303,516)	301,401	-	-	2,115	111,635	-	-	(996,460)	884,825	-	(111,635)
<i>Coronavirus Relief Fund</i>																
Coronavirus Relief Fund (CRF)	21.109		3/13/20-9/30/22	15,225	-	-	-	-	-	-	\$ 277		-	277	-	-
Total U.S. Department of Education - Special Revenue Fund					(303,516)	301,401	-	-	227,063	336,583	-	277	(996,460)	885,102	-	(111,635)
Total Federal Financial Awards					\$ (303,516)	\$ 301,401	\$ -	\$ -	\$ 230,121	\$ 339,814	\$ -	\$ 277	\$ (996,633)	\$ 885,102	\$ -	\$ (111,808)

Note - This schedule was not subject to an audit in accordance with U.S. Uniform Guidance.

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

**HARRINGTON PARK BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at July 1, 2021					Balance at June 30, 2022					Memo		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Combined Total Expenditures	
<b>State Department of Education</b>																
<b>General Fund</b>																
Special Educational Aid	22-495-034-5120-089	\$ 414,862	7/1/21-6/30/22					\$ 374,932	\$ 414,862			\$ (39,930)			\$ 414,862	
Special Educational Aid	21-495-034-5120-089	339,400	7/1/20-6/30/21	\$ (32,449)				32,449				-				
Security Aid	22-495-034-5120-084	24,352	7/1/21-6/30/22					22,008	24,352			(2,344)			24,352	
Security Aid	21-495-034-5120-084	24,352	7/1/20-6/30/21	(2,328)				2,328				-				
Equalization Aid	22-495-034-5120-078	2,317	7/1/21-6/30/22					2,094	2,317			(223)			2,317	
Equalization Aid	21-495-034-5120-078	2,317	7/1/20-6/30/21	(222)	-	-	-	222	-	-	-	-	-	-	-	
Total State Aid Public Cluster				(34,999)	-	-	-	434,033	441,531	-	-	(42,497)	-	-	441,531	
Transportation Aid	22-495-034-5120-014	75,414	7/1/21-6/30/22					68,156	75,414			(7,258)			75,414	
Transportation Aid	21-495-034-5120-014	75,414	7/1/20-6/30/21	(7,210)				7,210				-				
Nonpublic Transportation Aid	22-495-034-5120-014	1,072	7/1/21-6/30/22						1,072			(1,072)		\$ (1,072)	1,072	
Nonpublic Transportation Aid	21-495-034-5120-014	2,115	7/1/20-6/30/21	(2,115)	-	-	-	2,115	-	-	-	-	-	-	-	
Total Transportation Aid Cluster				(9,325)	-	-	-	77,481	76,486	-	-	(8,330)	-	-	(1,072)	76,486
Extraordinary Aid	22-495-034-5120-044	464,581	7/1/21-6/30/22						464,581			(464,581)			464,581	
Extraordinary Aid	21-495-034-5120-044	417,905	7/1/20-6/30/21	(417,905)				417,905				-				
TPAF Social Security Contrib.	22-495-034-5094-003	426,998	7/1/21-6/30/22					401,941	426,998			(25,057)		(25,057)	426,998	
TPAF Social Security Contrib.	21-495-034-5094-003	407,631	7/1/20-6/30/21	(26,197)				26,197				-				
TPAF Pension - NCGI	22-495-034-5094-004	1,973,386	7/1/21-6/30/22					1,973,386	1,973,386			-			1,973,386	
TPAF Pension - Premium	22-495-034-5094-002	27,842	7/1/21-6/30/22					27,842	27,842			-			27,842	
TPAF Long-Term Disability Insurance	22-495-034-5094-001	543	7/1/21-6/30/22					543	543			-			543	
TPAF Pension Post Retirement Medical Contr.	22-495-034-5094-001	467,568	7/1/21-6/30/22	-	-	-	-	467,568	467,568	-	-	-	-	-	467,568	
Total General Fund				(488,426)	-	-	-	3,826,896	3,878,935	-	-	(540,465)	-	-	(26,129)	3,878,935
<b>Special Revenue Fund</b>																
SDA Emergency Needs	N/A	13,651	7/1/21-6/30/22	-	-	-	-	13,651	13,651	-	-	-	-	-	13,651	
Anti Bullying	N/A	1,113	7/1/13-6/30/21	-	\$ 75	-	-	-	-	-	-	\$ 75	-	-	-	
Total Special Revenue Fund				-	75	-	-	13,651	13,651	-	-	75	-	-	13,651	
<b>Debt Service Fund</b>																
Debt Service Aid Type II	22-495-034-5120-017	99,427	7/1/21-6/30/22	-	-	-	-	99,427	99,427	-	-	-	-	-	99,427	
Total State Financial Assistance Subject to Single Audit Determination				(488,426)	75	-	-	3,939,974	3,992,013	-	-	(540,465)	75	-	(26,129)	3,992,013
<b>State Financial Assistance</b>																
<b>Not Subject to Single Audit Determination</b>																
<b>General Fund</b>																
On-Behalf TPAF Pension System NCGI	22-495-034-5094-004	1,973,386	7/1/21-6/30/22					(1,973,386)	(1,973,386)			-			(1,973,386)	
On-Behalf TPAF Pension System Premium	22-495-034-5094-002	27,842	7/1/21-6/30/22					(27,842)	(27,842)			-			(27,842)	
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-001	543	7/1/21-6/30/22					(543)	(543)			-			(543)	
On-Behalf TPAF Post-Retirement Medical Contr.	22-495-034-5094-001	467,568	7/1/21-6/30/22	-	-	-	-	(467,568)	(467,568)	-	-	-	-	-	(467,568)	
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (488,426)	\$ 75	\$ -	\$ -	\$ 1,470,635	\$ 1,522,674	\$ -	\$ -	\$ (540,465)	\$ 75	\$ -	\$ (26,129)	\$ 1,522,674

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of the schedule.



**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Harrington Park Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal 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 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$54,222 for the general fund and a decrease of \$21,249 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,824,713	\$ 3,824,713
Special Revenue Fund	\$ 328,985		328,985
Debt Service Fund		99,427	99,427
Food Service Fund	<u>3,231</u>	<u>-</u>	<u>3,231</u>
Total Financial Assistance	<u>\$ 332,216</u>	<u>\$ 3,924,140</u>	<u>\$ 4,256,356</u>

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$426,998 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$2,001,228, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$467,568 and TPAF Long-Term Disability Insurance in the amount of \$543 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

HARRINGTON PARK BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part I – Summary of Auditor’s Results

**Financial Statement Section**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weaknesses identified?        yes   X   no

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

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

**Federal Awards Section - NOT APPLICABLE**

**State Awards Section**

Internal Control over major programs:

(1) Material weaknesses identified?        yes   X   no

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?        yes   X   none

Identification of major state programs:

GMIS Number(s)	Name of State Program
495-034-5094-003	TPAF Social Security

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

Auditee qualified as low-risk auditee?   X   yes        no

**HARRINGTON PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There are none.

HARRINGTON PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.

HARRINGTON PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

There are none.

**HARRINGTON PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.