

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**

National Park, New Jersey  
County of Gloucester

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**OF THE**

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**

**NATIONAL PARK, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Prepared by**

**National Park Borough School District  
Finance Department**

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**INTRODUCTORY SECTION**

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

**856-845-6876**  
**FAX 856-848-6710**

January 26, 2023

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the National Park Borough School District for the fiscal year ended 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 National Park Borough School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The National Park Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment for the past ten fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	283	-5.98%
2020-2021	301	2.38%
2019-2020	294	3.89%
2018-2019	283	1.07%
2017-2018	280	3.32%
2016-2017	271	-5.57%
2015-2016	287	1.41%
2014-2015	283	-2.41%
2013-2014	290	9.02%
2012-2013	266	-3.27%

**ECONOMIC CONDITION AND OUTLOOK**

The National Park School District presently maintains a sound financial condition. The State of New Jersey continues to cope with achieving a consistent school aid formula which is equitable for all districts. In recent years the district did receive an increase in state school aid, however it is uncertain whether state school aid will again increase for the 2023-24 school year.

The reliance on property taxes to support the schools in National Park is an annual concern for both the Board of Education and its Administration. The School District strives to maintain programs and technology, provide a safe and secure learning environment and sustain a fiscally responsible fund balance each year. The School District’s system for financial planning, budgeting and capital improvements is well regarded and the Board of Education is committed to continually improving upon its fiscal management processes and to meeting the challenges of the future.

## **MAJOR INITIATIVES**

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

A security vestibule will be installed at the main entrance of the school building in the summer of 2023 and upgrades to the windows, air conditioning and carpeting in the music room will be completed as well.

## **INTERNAL ACCOUNTING CONTROLS**

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

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

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

## **BUDGETARY CONTROLS**

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

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

## **ACCOUNTING SYSTEM AND REPORTS**

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


## **OTHER INFORMATION**

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

## **ACKNOWLEDGMENTS**

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

Respectfully submitted,



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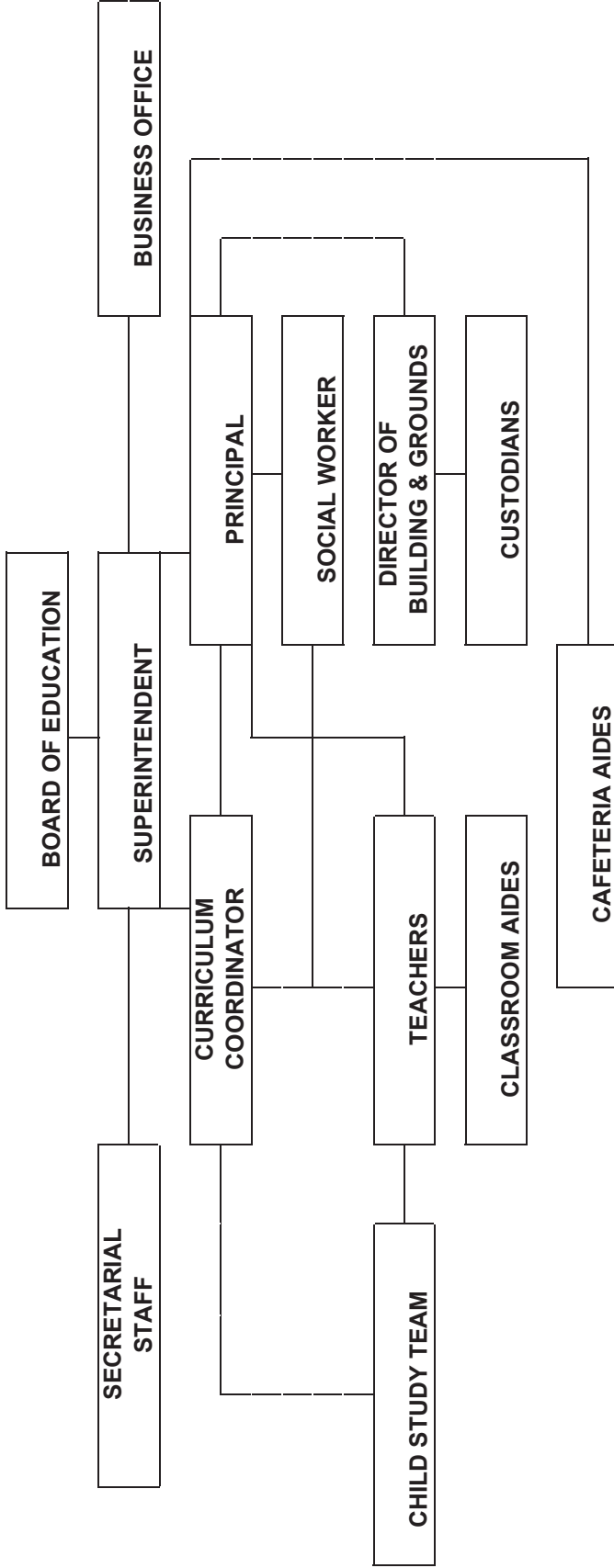
Shannon M. Whalen, Ed. D.  
Superintendent



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Janice Grassia, CPA  
School Business Administrator/  
Board Secretary

NATIONAL PARK SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



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

**ROSTER OF OFFICIALS**

**JUNE 30, 2022**

	<b>TERM EXPIRES</b>
<b>MEMBERS OF THE BOARD OF EDUCATION</b>	
Dawn Sholders, President	2023
Kelly Read, Vice President	2024
Rachel Clancy	2024
Amy Farley	2025
Jessica Fleming	2025
Brian Guinup	2023
Kandance Perry	2025
Kevin Reed	2024
Kristen Venable	2023

**OTHER OFFICIALS**

Dr. Shannon M. Whalen, Superintendent of Schools

Allison Thompson, Principal

Donna J. Contrevo, Business Administrator/Board Secretary

Charles Owens, Treasurer



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

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Garrison Architects  
Bellmawr, New Jersey

**AUDIT FIRM**

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

**SOLICITOR**

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

**OFFICIAL DEPOSITORY**

Fulton Bank  
National Park, NJ

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**FINANCIAL SECTION**

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the National Park Borough School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the National Park Borough School District, County of Gloucester, State of New Jersey, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 School District, and to meet our 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 these 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 misstatement, whether due to fraud or error.

618 Stokes Road, Medford, NJ 08055

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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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the 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 opinion. 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 and *Government Auditing Standards* and in accordance with accounting principles and practices 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 School District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District'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, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award 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 and statistical sections 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 the 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 basic 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 January 26, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

*Certified Public Accountants & Advisors*

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

Medford, New Jersey  
January 26, 2023



**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The Management Discussion and Analysis (MD&A) of National Park Borough School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended on June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2021-2022) and the prior fiscal year (2020-2021) is required and is presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022 fiscal year are as follows:

- The District budgeted a withdrawal of \$105,000 from capital reserve to fund capital projects in the subsequent year. This brings the total balance in the capital reserve to \$310,164 at fiscal year-end.
- The overall General Fund - fund balance (budgetary basis) increased \$445,068 from the prior fiscal year to \$2,262,750 as of June 30, 2022.
- At the conclusion of the fiscal year, the district's Unassigned General Fund balance (budgetary basis) was \$305,031. The State of New Jersey limits the amount of unassigned fund balance to 4% of the adjusted general fund expenditures plus certain allowable adjustments. The amount of unassigned fund balance at the end of the current year is at the maximum allowed.
- The amount of unassigned general fund balance in the School District's general fund on a GAAP basis was \$43,022. The difference between the budgetary basis and the GAAP basis is the final two State aid payments in the amount of \$262,009 which was recognized as revenue on a budgetary basis but not on a GAAP basis.

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

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

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

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Reporting the School District as a Whole**

**Government-Wide Financial Statements**

This document contains the large number of funds used by the School District to provide programs and activities. The view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting take into account all of the current year's revenues and expenditures, regardless of when cash is received or paid.

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

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Notes to the Financial Statements**

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

**The School District as a Whole**

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

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

Table 1 provides a summary of the School District's net position for fiscal year 2022 compared to fiscal year 2021.

**Table 1  
Net Position**

	Governmental Activities	
	2022	2021
<b>ASSETS</b>		
Current Assets	\$ 2,783,790	\$ 1,964,863
Capital Assets, Net	3,170,339	3,330,637
<b>Total Assets</b>	<b>5,954,129</b>	<b>5,295,500</b>
Deferred Outflows Resources	49,108	125,851
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 6,003,237</b>	<b>\$ 5,421,351</b>
<b>LIABILITIES</b>		
Current Liabilities	\$ 769,373	\$ 486,355
Noncurrent Liabilities	1,160,752	1,575,445
<b>Total Liabilities</b>	<b>1,930,125</b>	<b>2,061,800</b>
Deferred Inflows of Resources	362,676	349,068
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,292,801</b>	<b>2,410,868</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,565,339	2,523,706
Restricted	2,080,473	1,514,174
Unrestricted (Deficit)	(935,376)	(1,027,397)
<b>Total Net Position</b>	<b>\$ 3,710,436</b>	<b>\$ 3,010,483</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

The School District's combined net position was \$3,710,436 on June 30, 2022. This was an increase of \$699,953 or 23.25% from the prior year. For the Governmental activities, the largest component of net position is Investment in Capital Assets.

Table 2 provides a summary of the School District's changes in net position for fiscal year 2022 compared to fiscal year 2021.

**Table 2  
Changes in Net Position**

	Governmental Activities	
	2022	2021
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 22,711	\$ 18,906
Operating Grants & Contributions	1,770,057	2,215,857
General Revenues		
Property Taxes	2,295,123	2,305,685
Grants & Entitlements	3,724,291	3,178,827
Miscellaneous	39,432	91,122
Total Revenues	7,851,614	7,810,397
<b>Function/Program Expenditures:</b>		
Instruction	2,637,862	2,297,789
Tuition, Student & Instructional Related	980,095	876,132
General Administration	179,363	172,218
School Administration	196,328	196,663
Plant Operations & maintenance	281,982	322,052
Pupil Transportation	152,592	91,058
Employee Benefits	2,531,472	2,839,677
Interest and Other Charges	28,750	55,387
Capital Outlay	-	41,920
Depreciation	163,217	163,261
Total Expenses	7,151,661	7,056,157
Increase in Net Position before Transfers	699,953	754,240
Changes in Net Position	699,953	754,240
Net Position - July 1 Restated	3,010,483	2,256,243
Net Postion- June 30	\$ 3,710,436	\$ 3,010,483

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Governmental Activities**

During the fiscal year 2022, the net position of governmental activities increased by \$699,953 or 23.25%. The primary reasons for the increase are:

- Increased grant funding from legislature passed to combat the effects of COVID-19
- Increased equalization aid received in the current year according to the State's grant formula

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$3,710,436, with an unrestricted deficit balance of \$(935,376). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

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

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

Unrestricted Net Position (With GASB 68)	\$	(935,376)
Add back: PERS Pension Liability		529,378
Less: Deferred Outflows related to pensions		(49,108)
Add back: Deferred Inflows related to pensions		362,676
Unrestricted Net Position (Without GASB 68)	\$	(92,430)

**Governmental Funds - General Fund Budgeting Highlights**

Final budgeted revenues were \$4,854,781, which equaled the original budget. Excluding non-budgeted revenues, the School District's actual revenues exceeded estimated revenues by \$15,892.

Final budgeted appropriations were \$5,289,247 which was higher by \$9,638 from the original budget of \$5,279,609. This increase is due to prior year reserve for encumbrances of \$9,638, which increase budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$808,611.

As previously mentioned, the School District's general fund budgetary basis fund balance (Exhibit C-1) was \$2,262,750 as of June 30, 2022, an increase of \$445,068 from the prior year.

**Governmental Funds**

*General Fund*

At the end of the current fiscal year, the School District's general fund reported an ending fund balance of \$2,000,741, an increase of \$405,897 from the prior year (see exhibit B-2).

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Governmental Funds (continued):**

As of June 30, 2022, the District has an unassigned fund balance of \$43,022. The School District designated \$768,717 in excess surplus for the subsequent years' expenditures, which is restricted for the subsequent years' budget. Current year excess surplus was \$772,982. Additionally, the District maintains a capital reserve restricted fund balance in the amount of \$310,164 for future capital improvements and maintenance reserve of \$80,013, also there is \$25,008 restricted for unemployment. \$835 is recorded in encumbrances and assigned to other purposes.

*Special Revenue Fund*

The Special Revenue Fund saw an increase in expenditures and resulting revenues in the current year of \$134,727. This increase is primarily due to the funding of COVID-19 federal awards.

*Capital Projects Fund*

The Capital Projects Fund saw an increase in fund balance of \$105,000 as of June 30, 2022. This represents the withdrawal from capital reserve for projects in the current year.

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$3,170,339 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. Overall, the capital assets decreased by \$160,298 from fiscal year 2021 to fiscal year 2022. The primary reason for the decrease is due to depreciation. Table 4 shows combining 2022 balances compared to 2021.

**Table 4  
Summary of Capital Assets**

	2022	2021
Governmental Activities:		
Land Improvements	\$ 169,493	\$ 169,493
Building & Improvements	6,134,162	6,134,162
Equipment	373,509	370,590
Less: Accumulated Depreciation:	(3,506,825)	(3,343,608)
	\$ 3,170,339	\$ 3,330,637
Depreciation Expense	\$ 163,217	\$ 163,261

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



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**For the Future**

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

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

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

**Requests for Information**

This financial report is designed to provide a general overview of the National Park Borough School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary, Janice Grassia, Gateway Business Services, 775 Tanyard Road, Woodbury Heights, NJ 08097.

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**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

ASSETS	GOVERNMENTAL ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 1,304,487	\$ 1,304,487
Receivables, Net (Note 4)	1,045,529	1,045,529
Restricted Cash & Cash Equivalents	433,774	433,774
Capital Assets, Net (Note 5)	3,170,339	3,170,339
	<hr/>	<hr/>
Total Assets	5,954,129	5,954,129
	<hr/>	<hr/>
DEFERED OUTFLOW OF RESOURCES		
Deferred Outflows Related to Pensions (Note 8)	49,108	49,108
	<hr/>	<hr/>
Total Deferred Outflow of Resources	49,108	49,108
	<hr/>	<hr/>
Total Assets and Deferred Outflow of Resources	6,003,237	6,003,237
	<hr/>	<hr/>
LIABILITIES		
Due to Other Governments	32,230	32,230
Accounts Payable	72,621	72,621
Accrued Interest Payable	10,083	10,083
Unearned Revenue	646,644	646,644
Payroll Deductions and Withholdings Payable	7,795	7,795
Noncurrent Liabilities (Note 7):		
Due Within One Year	195,000	195,000
Due Beyond One Year	965,752	965,752
	<hr/>	<hr/>
Total Liabilities	1,930,125	1,930,125
	<hr/>	<hr/>
DEFERED INFLOW OF RESOURCES		
Deferred Inflows Related to Pensions (Note 8)	362,676	362,676
	<hr/>	<hr/>
Total Deferred Inflows of Resources	362,676	362,676
	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	2,292,801	2,292,801
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	2,565,339	2,565,339
Restricted For:		
Capital Projects	415,164	415,164
Maintenance Reserve	80,013	80,013
Excess Surplus	1,541,699	1,541,699
Unemployment Compensation	25,008	25,008
Student Activities	18,418	18,418
Scholarships	171	171
Unrestricted	(935,376)	(935,376)
	<hr/>	<hr/>
Total Net Position	\$ 3,710,436	\$ 3,710,436
	<hr/>	<hr/>

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET NET ASSETS	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	TOTALS
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 1,335,417	\$ -	\$ -	(1,335,417)	\$ (1,335,417)
Special Education Instruction	1,293,747	-	595,462	(698,285)	(698,285)
Other Instruction	8,698	-	-	(8,698)	(8,698)
Support Services & Undistributed Costs:					
Student & Instruction Related Services	980,095	22,711	144,132	(813,252)	(813,252)
General Administrative Services	179,363	-	-	(179,363)	(179,363)
School Administrative Services	196,328	-	-	(196,328)	(196,328)
Plant Operations & Maintenance	281,982	-	-	(281,982)	(281,982)
Pupil Transportation	152,592	-	-	(152,592)	(152,592)
Unallocated Benefits	2,531,472	-	1,030,463	(1,501,009)	(1,501,009)
Interest and Other Changes on Long-Term Debt	28,750	-	-	(28,750)	(28,750)
Unallocated Depreciation	163,217	-	-	(163,217)	(163,217)
Total Governmental Activities	\$ 7,151,661	\$ 22,711	\$ 1,770,057	\$ (5,358,893)	\$ (5,358,893)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				2,167,737	2,167,737
Property Taxes Levied for Debt Service				127,386	127,386
Federal & State Aid Not Restricted				3,724,291	3,724,291
Tuition - From Other LEAS				24,378	24,378
Miscellaneous Income				15,054	15,054
Total General Revenues & Transfers				6,058,846	6,058,846
Change In Net Position				699,953	699,953
Net Position - Beginning				3,010,483	3,010,483
Net Position - Ending				\$ 3,710,436	\$ 3,710,436

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



## B. Fund Financial Statements

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## Governmental Funds

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
<b>Assets:</b>					
Cash & Cash Equivalents	\$ 1,664,246	\$ 239,791	\$ -	\$ -	\$ 1,904,037
Receivables From Other Governments	63,357	382,622	599,550	-	1,045,529
Interfund Receivable	-	-	105,000	-	105,000
Restricted Cash & Cash Equivalents	415,185	18,589	-	-	433,774
<b>Total Assets</b>	<b>\$ 2,142,788</b>	<b>\$ 641,002</b>	<b>\$ 704,550</b>	<b>\$ -</b>	<b>\$ 3,488,340</b>
<b>Liabilities &amp; Fund Balances:</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ -	\$ 599,550	\$ -	\$ 599,550
Accounts Payable	29,252	43,369	-	-	72,621
Unearned Revenue	-	646,644	-	-	646,644
Payroll Deductions and Withholdings Payable	7,795	-	-	-	7,795
Interfund Payable	105,000	-	-	-	105,000
<b>Total Liabilities</b>	<b>142,047</b>	<b>690,013</b>	<b>599,550</b>	<b>-</b>	<b>1,431,610</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	310,164	-	-	-	310,164
Maintenance Reserve Account	80,013	-	-	-	80,013
Excess Surplus	772,982	-	-	-	772,982
Excess Surplus Designated for Subsequent Year's Expenditures	768,717	-	-	-	768,717
Capital Projects Fund	-	-	105,000	-	105,000
Unemployment Compensation	25,008	-	-	-	25,008
Student Activity	-	18,418	-	-	18,418
Scholarships	-	171	-	-	171
<b>Assigned to:</b>					
Other Purposes	835	-	-	-	835
Unassigned	43,022	(67,600)	-	-	(24,578)
<b>Total Fund Balances</b>	<b>2,000,741</b>	<b>(49,011)</b>	<b>105,000</b>	<b>-</b>	<b>2,056,730</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 2,142,788</b>	<b>\$ 641,002</b>	<b>\$ 704,550</b>	<b>\$ -</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,677,164 and the accumulated depreciation is \$3,506,825.	3,170,339
Accrued interest payable is not recorded in the fund financials due to the fact that payables are not due in the current period.	(10,083)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows Related to Pensions	49,108
Deferred Inflows Related to Pension	(362,676)
Deferred Outflows Related to the Loss on Bond Refunding of Debt	
Accrued pension contributions for the June 30, 2022 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(32,230)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 7)	(1,160,752)
<b>Net Position of Governmental Activities</b>	<b>\$ 3,710,436</b>

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,167,737	\$ -	\$ -	\$ 127,386	\$ 2,295,123
Tuition From Other LEAs Within the State	24,378	-	-	-	24,378
Interest Earnings	40	-	-	-	40
Other Restricted Miscellaneous Revenue	8,195	-	-	-	8,195
Miscellaneous	6,819	22,711	-	-	29,530
Total Revenues - Local Sources	<u>2,207,169</u>	<u>22,711</u>	<u>-</u>	<u>127,386</u>	<u>2,357,266</u>
State Sources	3,788,770	394,568	-	99,614	4,282,952
Federal Sources	-	403,618	-	-	403,618
Total Revenues	<u>5,995,939</u>	<u>820,897</u>	<u>-</u>	<u>227,000</u>	<u>7,043,836</u>
Expenditures:					
Current Expense:					
Regular Instruction	1,335,417	-	-	-	1,335,417
Special Education Instruction	593,904	699,843	-	-	1,293,747
Other Instruction	8,698	-	-	-	8,698
Support Services & Undistributed Costs:					
Student & Instruction Related Services	813,252	166,843	-	-	980,095
General Administrative & Central Services	186,294	-	-	-	186,294
School Administrative Services	196,328	-	-	-	196,328
Plant Operations & Maintenance	281,982	-	-	-	281,982
Pupil Transportation	152,592	-	-	-	152,592
Personal Services - Employee Benefits	1,807,616	58,592	-	-	1,866,208
Capital Outlay	2,919	-	-	-	2,919
Debt Service:					
Principal	-	-	-	195,000	195,000
Interest & Other Charges	-	-	-	32,000	32,000
Total Expenditures	<u>5,379,002</u>	<u>925,278</u>	<u>-</u>	<u>227,000</u>	<u>6,531,280</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>616,937</u>	<u>(104,381)</u>	<u>-</u>	<u>-</u>	<u>512,556</u>
Other Financing Sources/(Uses):					
Transfers In	-	106,040	105,000	-	211,040
Transfers Out	(211,040)	-	-	-	(211,040)
Total Other Financing Sources/(Uses)	<u>(211,040)</u>	<u>106,040</u>	<u>105,000</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	405,897	1,659	105,000	-	512,556
Fund Balances, July 1	1,594,844	(50,670)	-	-	1,544,174
Fund Balances, June 30	<u>\$ 2,000,741</u>	<u>\$ (49,011)</u>	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ 2,056,730</u>

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	512,556
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Capital Outlays	\$	2,919	
Depreciations Expense		<u>(163,217)</u>	(160,298)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bond principal payments		195,000	
Loans payable principal		<u>6,931</u>	201,931

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

132,287

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

3,250

Decrease in accrual for compensated absences

10,227

Change in Net Position of Governmental Activities

\$ 699,953

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Proprietary Funds  
Not applicable

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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

**Basis of Presentation**

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

**Reporting Entity**

The National Park Borough School District (hereafter referred to as the “School District”) is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through six.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the Financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2022.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

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

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

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

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

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

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

**Governmental Fund Financial Statements**

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

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (continued)**

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

revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (continued)**

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

and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

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

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue



**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (continued)**

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

fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**Encumbrances**

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

**Cash and Cash Equivalents**

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

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

Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2022 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

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

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**Unearned Revenue**

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

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

**Accounting Estimates**

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

**Interfund Activity**

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

**Fund Balance**

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2022.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (continued)**

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

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

**Net Position**

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2022:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. The adoption of this pronouncement had no material effect on the financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

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

beginning after June 15, 2022. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 2. Deposits and Investments**

**Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the School District’s bank balance of \$1,830,508 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	1,789,501
Uninsured and Uncollateralized		41,007
		\$ 1,830,508

**Investments**

The School District had no investments as of June 30, 2022.

**Note 3. Reserve Accounts**

**Capital Reserve**

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

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

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

Beginning Balance, July 1, 2021	\$	415,129
Increased by:		
Interest Earnings		35
		415,164
Decreased by:		
Budget Withdrawals		(105,000)
Ending Balance, June 30, 2022	\$	310,164

**Maintenance Reserve**

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s facilities for the current year.

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	80,008
Increased by:		
Interest Earnings		5
Ending Balance, June 30, 2022	\$	80,013

**Note 4. Accounts Receivable**

Accounts receivable as of June 30, 2022, consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District’s governmental activities as of June 30, 2022, consisted of the following:

<u>Description</u>	Governmental Funds			Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Federal Awards	\$ -	\$ 382,622	\$ -	\$ 382,622
State Awards	63,357	-	599,550	662,907
Total	\$ 63,357	\$ 382,622	\$ 599,550	\$ 1,045,529



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 5. Capital Assets**

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

	<b>Balance July 1, <u>2021</u></b>	<b><u>Additions</u></b>	<b><u>Retirements and Transfers</u></b>	<b>Balance June 30, <u>2022</u></b>
<b>Governmental Activities:</b>				
Capital Assets being depreciated:				
Sites & Site Improvements	\$ 169,493	\$ -	\$ -	\$ 169,493
Buildings and Improvements	6,134,162	-	-	6,134,162
Equipment	370,590	2,919	-	373,509
Total Capital Assets being depreciated	<u>6,674,245</u>	<u>2,919</u>	<u>-</u>	<u>6,677,164</u>
Less: Accumulated Depreciation:				
Sites & Site Improvements	(116,264)	(3,717)	-	(119,981)
Buildings and Improvements	(2,921,909)	(146,962)	-	(3,068,871)
Equipment	(305,435)	(12,538)	-	(317,973)
Total Accumulated Depreciation	<u>(3,343,608)</u>	<u>(163,217)</u>	<u>-</u>	<u>(3,506,825)</u>
Total Capital Assets being depreciated, net	<u>3,330,637</u>	<u>(160,298)</u>	<u>-</u>	<u>3,170,339</u>
Total Governmental Activities Capital Assets, net	<u>\$ 3,330,637</u>	<u>\$ (160,298)</u>	<u>\$ -</u>	<u>\$ 3,170,339</u>

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

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivable/payable balances as of June 30, 2022 were as follows:

<b><u>Fund</u></b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
General Fund	\$ -	\$ 105,000
Capital Projects Fund	<u>105,000</u>	<u>-</u>
	<u>\$ 105,000</u>	<u>\$ 105,000</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 6. Interfund Receivables, Payables and Transfers (continued):**

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 211,040
Special Revenue Fund	106,040	-
Capital Projects Fund	105,000	-
	<u>\$ 211,040</u>	<u>\$ 211,040</u>

The purpose of the interfund transfer from the general fund to the capital projects fund was to fund capital projects with local capital reserve. The purpose of the interfund transfer from the general fund to the special revenue fund was to provide for the local funding of the preschool program.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 800,000	\$ -	\$ 195,000	\$ 605,000	\$ 195,000
Capital Leases	6,931	-	6,931	-	-
Compensated Absences	36,601	1,273	11,500	26,374	-
Net Pension Liability	731,913	-	202,535	529,378	-
	<u>\$ 1,575,445</u>	<u>\$ 1,273</u>	<u>\$ 415,966</u>	<u>\$ 1,160,752</u>	<u>\$ 195,000</u>

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

**Bonds Authorized but not Issued**

As of June 30, 2022, the School District had no bonds authorized but not issued.

**Bonds Payable**

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

On December 10, 2009, the School District issued \$2,950,000 General Obligation Refunding Bonds payable in annual installments through February 1, 2025. Interest is paid semi-annually at the rate of 4% to 4.5% per annum. The balance remaining at June 30, 2022, was \$650,000.

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 7. Long-Term Obligations (continued):**

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 195,000	\$ 24,200	\$ 219,200
2024	200,000	16,400	216,400
2025	210,000	8,400	218,400
	\$ 605,000	\$ 49,000	\$ 654,000

**Note 8. Pension Plans**

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

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2022, the School District reported a liability of \$529,378 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The School District's proportion measured as of June 30, 2021, was 0.00447%, which was an decrease of 0.00002% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension benefit of \$79,955 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 8,349	\$ 3,790
Changes of Assumptions	2,757	188,462
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	139,452
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	5,772	30,972
School District Contributions Subsequent to Measurement Date	<u>32,230</u>	<u>-</u>
	<u>\$ 49,108</u>	<u>\$ 362,676</u>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

\$32,230 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2022	\$ (134,729)
2023	(96,196)
2024	(65,589)
2025	(49,304)
2026	<u>20</u>
	<u><u>\$ (345,798)</u></u>

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	-	5.13
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

**Actuarial Assumptions** – The collective 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 assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

asset class included in 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>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability 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 made 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 projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

	<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 Net Pension Liability	\$ 728,590	\$ 529,378	\$ 370,750

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

**Balances at June 30, 2022 and June 30, 2021**

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.00447%	0.00449%

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

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

The following represents the membership tiers for TPAF:



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2021 was \$9,167,957. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.01907%, which was an increase of 0.00050% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the School District recognized \$215,726 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2021 measurement date.

**Actuarial Assumptions** – The 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:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability 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 made 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 projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

	<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>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>10,847,225</u>	<u>9,167,957</u>	<u>7,757,478</u>
	<u>\$ 10,847,225</u>	<u>\$ 9,167,957</u>	<u>\$ 7,757,478</u>

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

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

**Balances at June 30, 2022 and June 30, 2021**

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,458,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
District's portion of the Plan's total Net Pension Liability	0.01907%	0.01857%

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

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (continued)**

**Note 8. Pension Plans (continued):**

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

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2022, employee contributions totaled \$10,639, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$5,803.

**Note 9. Other Post-Retirement Benefits**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

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

**Basis of Presentation**

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

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

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability:	\$	60,007,650,970		
<b>Inflation Rate:</b>		2.50%		
		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:				
Through 2026		1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25%
		based on years of service	based on years of service	based on years of service
Thereafter		2.75 - 5.65%	3.00 - 7.00%	
		based on years of service	based on years of service	Not Applicable

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$13,083,596. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.02180%, which was an increase of 0.00032% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$592,052 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2021 measurement date.

**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 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 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.

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

	<b>June 30, 2021</b>		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 15,672,094.08	\$ 13,083,596	\$ 11,045,309
State of New Jersey's Total Non- employer Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2021</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 10,591,213	\$ 13,083,596	\$ 16,430,682
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782

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

**Additional Information**

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,045,886,863	18,009,362,976
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	10,179,536,966	6,438,261,807
	TBD	-
	\$ 19,225,423,829	\$ 24,447,624,783



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

\*\* Employer Contributions made after June 30, 2021 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
	\$ (5,222,200,954)

**Plan Membership**

At June 30, 2020, the Program membership consisted of the following:

	June 30, 2020
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
	364,328

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Difference Between Expected & Actual Experience	(11,385,071,658)
Changes of Benefit Terms	(63,870,842)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	(1,226,213,382)
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	67,809,962,608
Total OPEB Liability (Ending)	\$ 60,007,650,970
Total Covered Employee Payroll	\$ 14,425,669,769
Net OPEB Liability as a Percentage of Payroll	415.98%

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 10. Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ 8,195	\$ -	\$ -	\$ 25,008
2020-2021	5,269	4	2,776	16,813
2019-2020	5,135	15	5,048	14,316

**Note 11. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs, post-retirement medical costs and non-contributory insurance costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2022, the on-behalf payments for normal costs, post-retirement medical costs, non-contributory insurance costs and reimbursed social security were \$766,279, \$179,034, \$385 and \$163,708, respectively.

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (continued)**

**Note 12. Contingencies (continued):**

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

**Note 13. Deferred Compensation**

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

Lincoln Investment Planning                      Prudential

**Note 14. Compensated Absences**

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. As of June 30, 2022, the liability for compensated absences reported on the government-wide Statement of Net Position was \$26,374.

**Note 15. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (continued)**

**Note 15. Tax Abatements (continued):**

due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**Note 16. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 was \$772,982.

**Note 17. Fund Balances**

**General Fund** – Of the \$2,000,741 General Fund, Fund balance at June 30, 2022, \$310,164 has been restricted for the Capital Reserve Account; \$80,013 has been restricted for the Maintenance Reserve Account; \$25,008 has been restricted for unemployment compensation; \$835 has been assigned for other purposes \$772,982 has been restricted for current year Excess surplus; \$768,717 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditures and \$43,022 has been unassigned.

**Special Revenue Fund** – Of the (\$49,011) Special Revenue Fund, Fund balance at June 30, 2022, \$18,418 is restricted for student activities, \$171 is restricted for scholarships and (\$67,600) is unassigned.

**Note 18. Deficit Fund Balance**

The School District has a deficit fund balance of \$49,011 in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$49,011 is less than or equal to the last two state aid payments.

**Note 19. Deficit in Net Position**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$935,376 as of June 30, 2022. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022 (continued)**

**Note 20. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and January 26, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 2,167,737	\$ -	\$ 2,167,737	\$ 2,167,737	\$ -
Tuition From Other LEAs Within the State	10-1320	20,500	-	20,500	24,378	3,878
Interest Earned on Capital Reserve	10-1xxx	35	-	35	35	-
Interest Earned on Maintenance Reserve	10-1xxx	5	-	5	5	-
Miscellaneous	10-1xxx	3,000	-	3,000	6,819	3,819
Other Restricted Miscellaneous Revenue	10-1xxx	-	-	-	8,195	8,195
Total Local Sources		2,191,277	-	2,191,277	2,207,169	15,892
State Sources:						
Categorical Transportation Aid	10-3121	15,950	-	15,950	15,950	-
Categorical Special Education Aid	10-3132	152,723	-	152,723	152,723	-
Equalization Aid	10-3176	2,431,148	-	2,431,148	2,431,148	-
Categorical Security Aid	10-3177	63,683	-	63,683	63,683	-
Extraordinary Aid	10-3131	-	-	-	51,841	51,841
Nonpublic Transportation Aid	10-3xxx	-	-	-	3,190	3,190
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	766,279	766,279
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	179,034	179,034
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	385	385
Reimbursed TPAF Social Security		-	-	-	163,708	163,708
Total State Sources		2,663,504	-	2,663,504	3,827,941	1,164,437
Total Revenues		4,854,781	-	4,854,781	6,035,110	1,180,329
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	124,236	4,190	128,426	126,669	1,757
Grades 1 - 5	11-120-100-101	939,289	(11,189)	928,100	901,579	26,521
Grades 6 - 8	11-130-100-101	184,419	-	184,419	176,927	7,492
Home Instruction - Regular	11-150-100-101	1,500	-	1,500	618	882
Purchased Professional & Educational Services	11-150-100-320	5,500	-	5,500	-	5,500
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	38,478	-	38,478	37,248	1,230
Purchased Professional & Educational Services	11-190-100-320	2,500	7,000	9,500	8,586	914
Purchased Technical Services	11-190-100-340	10,100	-	10,100	8,500	1,600
Other Purchased Services	11-190-100-500	12,000	-	12,000	8,668	3,332
General Supplies	11-190-100-610	105,691	(2,357)	103,334	66,438	36,896
Textbooks	11-190-100-640	81,510	-	81,510	-	81,510
Other Objects	11-190-100-800	1,300	-	1,300	184	1,116
Total Regular Programs		1,506,523	(2,356)	1,504,167	1,335,417	168,750
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	74,747	(337)	74,410	70,824	3,586
Other Salaries for Instruction	11-204-100-106	38,572	337	38,909	38,907	2
General Supplies	11-204-100-610	675	620	1,295	1,294	1
Total Learning and/or Language Disabilities:		113,994	620	114,614	111,025	3,589

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Behavioral Disabilities:</b>						
Salaries of Teachers	11-209-100-101	79,207	-	79,207	74,432	4,775
Other Salaries for Instruction	11-209-100-106	20,694	-	20,694	16,818	3,876
General Supplies	11-209-100-610	1,050	(315)	735	-	735
<b>Total Behavioral Disabilities</b>		<b>100,951</b>	<b>(315)</b>	<b>100,636</b>	<b>91,250</b>	<b>9,386</b>
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	291,312	(4,037)	287,275	277,602	9,673
Other Salaries for Instruction	11-213-100-106	80,748	(8,830)	71,918	56,206	15,712
General Supplies	11-213-100-610	4,625	-	4,625	1,683	2,942
<b>Total Resource Room/Resource Center</b>		<b>376,685</b>	<b>(12,867)</b>	<b>363,818</b>	<b>335,491</b>	<b>28,327</b>
<b>Preschool Disabilities - Part Time:</b>						
Salaries of Teachers	11-215-100-101	6,500	(3,000)	3,500	2,275	1,225
Other Salaries for Instruction	11-215-100-106	5,750	-	5,750	855	4,895
General Supplies	11-215-100-600	1,500	(305)	1,195	-	1,195
<b>Total Preschool Disabilities - Part-Time</b>		<b>13,750</b>	<b>(3,305)</b>	<b>10,445</b>	<b>3,130</b>	<b>7,315</b>
<b>Special Education - Home Instruction:</b>						
Salaries of Teachers	11-219-100-101	1,750	10,037	11,787	11,786	1
Purchased Professional - Educational Services	11-219-100-320	2,000	-	2,000	480	1,520
<b>Total Special Education - Home Instruction</b>		<b>3,750</b>	<b>10,037</b>	<b>13,787</b>	<b>12,266</b>	<b>1,521</b>
<b>Basic Skills/Remedial – Instruction:</b>						
Salaries of Teachers	11-230-100-101	42,197	-	42,197	40,428	1,769
Supplies and Materials	11-230-100-610	500	-	500	314	186
<b>Total Basic Skills/Remedial – Instruction</b>		<b>42,697</b>	<b>-</b>	<b>42,697</b>	<b>40,742</b>	<b>1,955</b>
<b>Total Special Education</b>		<b>651,827</b>	<b>(5,830)</b>	<b>645,997</b>	<b>593,904</b>	<b>52,093</b>
<b>School Sponsored Cocurricular Activities &amp; Athletics:</b>						
Salaries	11-401-100-100	6,800	-	6,800	5,889	911
Other Purchased Services	11-401-100-500	500	-	500	-	500
Supplies and Materials	11-401-100-600	250	-	250	-	250
Other Objects	11-401-100-800	150	-	150	-	150
<b>Total School Sponsored Cocurricular - Activities &amp; Athletics</b>		<b>7,700</b>	<b>-</b>	<b>7,700</b>	<b>5,889</b>	<b>1,811</b>
<b>Community Services Program</b>						
Salaries	11-800-330-100	3,500	-	3,500	2,809	691
<b>Total Community Services Program</b>		<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>2,809</b>	<b>691</b>
<b>Total - Instruction</b>		<b>2,169,550</b>	<b>(8,186)</b>	<b>2,161,364</b>	<b>1,938,019</b>	<b>223,345</b>
<b>Undistributed Expenditures:</b>						
<b>Instruction:</b>						
Tuition to other LEA's within the State - Regular	11-000-100-561	-	31,271	31,271	15,165	16,106
Tuition to CSSD & Regional Day Schools	11-000-100-565	95,040	(54,784)	40,256	38,957	1,299
Tuition to Private Schools for Disabled Within the State - Special	11-000-100-566	144,478	23,512	167,990	167,990	-
<b>Total Instruction</b>		<b>239,518</b>	<b>(1)</b>	<b>239,517</b>	<b>222,112</b>	<b>17,405</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	10,419	(2,310)	8,109	7,927	182
Purchased Professional & Technical Services	11-000-211-300	1,500	-	1,500	1,292	208
<b>Total Attendance Services</b>		<b>11,919</b>	<b>(2,310)</b>	<b>9,609</b>	<b>9,219</b>	<b>390</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	91,667	2,310	93,977	93,976	1
Purchased Professional & Technical Services	11-000-213-300	10,000	(2,789)	7,211	7,208	3
Supplies and Materials	11-000-213-600	2,450	345	2,795	2,617	178
Other Objects	11-000-213-890	200	-	200	149	51
<b>Total Health Services</b>		<b>104,317</b>	<b>(134)</b>	<b>104,183</b>	<b>103,950</b>	<b>233</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	163,367	1,762	165,129	165,127	2
Purchased Professional - Educational Services	11-000-216-320	17,500	-	17,500	15,185	2,315
Supplies and Materials	11-000-216-600	1,425	-	1,425	883	542
<b>Total Other Support Services - Students - Regular</b>		<b>182,292</b>	<b>1,762</b>	<b>184,054</b>	<b>181,195</b>	<b>2,859</b>
<b>Other Support Services - Students - Extraordinary Services:</b>						
Salaries	11-000-217-100	41,445	1,848	43,293	43,292	1
Supplies and Materials	11-000-217-600	300	-	300	94	206
<b>Total Other Support Services - Students - Extra Services</b>		<b>41,745</b>	<b>1,848</b>	<b>43,593</b>	<b>43,386</b>	<b>207</b>
<b>Other Support Services - Guidance Services:</b>						
Salaries of Other Professional Staff	11-000-218-104	63,879	-	63,879	63,639	240
Purchased Professional & Educational Services	11-000-218-320	1,500	-	1,500	427	1,073
Other Purchased Professional & Technical Services	11-000-218-390	4,000	-	4,000	3,300	700
Supplies & Materials	11-000-218-600	650	-	650	415	235
<b>Total Other Support Services-Guidance Services</b>		<b>70,029</b>	<b>-</b>	<b>70,029</b>	<b>67,781</b>	<b>2,248</b>
<b>Other Support Services - Child Study Team Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	1,000	-	1,000	73	927
Other Purchased Professional & Educational Services	11-000-219-320	107,652	-	107,652	107,165	487
Other Purchased Professional & Technical Services	11-000-219-390	8,500	15,214	23,714	23,714	-
<b>Total Other Support Services - Child Study Team</b>		<b>117,152</b>	<b>15,214</b>	<b>132,366</b>	<b>130,952</b>	<b>1,414</b>
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff:</b>						
Salaries Other Professional	11-000-221-104	2,500	-	2,500	2,500	-
Salaries Other Salaries	11-000-221-110	5,000	-	5,000	3,378	1,622
Purchases Professional & Educational Services	11-000-221-320	20,000	(3,200)	16,800	1,000	15,800
Other Purchased Professional & Technical Services	11-000-221-390	1,000	-	1,000	-	1,000
Supplies and Materials	11-000-221-600	500	-	500	-	500
Other Objects	11-000-221-800	500	-	500	-	500
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>29,500</b>	<b>(3,200)</b>	<b>26,300</b>	<b>6,878</b>	<b>19,422</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-106	200	-	200	-	200
Salaries of Technology Coordinators	11-000-222-177	54,643	(10,550)	44,093	44,092	1
Other Purchased Professional & Technical Services	11-000-222-320	500	-	500	500	-
Supplies and Materials	11-000-222-600	3,175	-	3,175	3,001	174
<b>Total Educational Media Services/School Library</b>		<b>58,518</b>	<b>(10,550)</b>	<b>47,968</b>	<b>47,593</b>	<b>375</b>
<b>Instructional Staff Training Services:</b>						
Other Purchased Services	11-000-223-500	5,000	-	5,000	186	4,814
<b>Total Instructional Staff Training Services</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>186</b>	<b>4,814</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	2,300	-	2,300	2,300	-
Legal Services	11-000-230-331	1,000	1,142	2,142	2,142	-
Audit Fees	11-000-230-332	13,500	8,500	22,000	22,000	-
Architectal/Engineering Services	11-000-230-334	1,000	(1,000)	-	-	-
Other Purchased Professional Services	11-000-230-339	34,500	(142)	34,358	34,256	102
Purchased Technical Services	11-000-230-340	4,670	-	4,670	3,996	674
Communications/Telephone	11-000-230-530	7,000	-	7,000	5,937	1,063
BOE Other Purchased Services	11-000-230-585	2,000	(2,000)	-	-	-
Misc. Purchased Services	11-000-230-590	17,050	-	17,050	16,244	806
General Supplies	11-000-230-610	100	-	100	-	100
Miscellaneous Expenditures	11-000-230-890	500	-	500	-	500
BOE Membership Dues & Fees	11-000-230-895	2,850	-	2,850	2,728	122
<b>Total Support Services General Administration</b>		<b>86,470</b>	<b>6,500</b>	<b>92,970</b>	<b>89,603</b>	<b>3,367</b>
<b>Support Services School Administration:</b>						
Salaries of Principals	11-000-240-103	126,932	(1,500)	125,432	119,317	6,115
Salaries of Secretarial and Clerical Assistants	11-000-240-105	64,537	(4,255)	60,282	60,174	108
Purchased Technical Services	11-000-240-300	6,375	3,455	9,830	9,828	2
Other Purchased Services	11-000-240-500	3,300	(1,000)	2,300	1,940	360
Supplies and Materials	11-000-240-600	4,250	-	4,250	4,224	26
Other Objects	11-000-240-800	1,000	-	1,000	845	155
<b>Total Support Services School Administration</b>		<b>206,394</b>	<b>(3,300)</b>	<b>203,094</b>	<b>196,328</b>	<b>6,766</b>
<b>Central Services:</b>						
Purchased Professional Services	11-000-251-330	88,991	1	88,992	88,992	-
Purchased Technical Services	11-000-251-340	7,750	-	7,750	7,498	252
Supplies and Materials	11-000-251-600	350	-	350	101	249
Miscellaneous Expenditures	11-000-251-890	300	(1)	299	100	199
<b>Total Central Services</b>		<b>97,391</b>	<b>-</b>	<b>97,391</b>	<b>96,691</b>	<b>700</b>
<b>Allowable Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	73,744	-	73,744	48,363	25,381
Cleaning, Repair & Maintenance Services	11-000-261-420	40,000	(2,802)	37,198	9,928	27,270
Lead Testing of Drinking Water	11-000-261-421	-	2,802	2,802	1,398	1,404
General Supplies	11-000-261-610	17,500	8,296	25,796	8,669	17,127
<b>Total Allowable Maintenance for School Facilities</b>		<b>131,244</b>	<b>8,296</b>	<b>139,540</b>	<b>68,358</b>	<b>71,182</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Custodial services:</b>						
Salaries	11-000-262-100	72,452	(800)	71,652	58,842	12,810
Salaries of Non-Instructional Aides	11-000-262-107	29,965	800	30,765	28,312	2,453
Purchased Professional and Technical Services	11-000-262-300	2,500	780	3,280	2,091	1,189
Cleaning, Repair & Maintenance Services	11-000-262-420	10,000	-	10,000	7,129	2,871
Other Purchased Property Services	11-000-262-490	15,000	-	15,000	8,976	6,024
Insurance	11-000-262-520	15,650	-	15,650	10,044	5,606
Other Purchased Services	11-000-262-590	275	-	275	-	275
General Supplies	11-000-262-610	47,000	-	47,000	17,211	29,789
Energy (Heat & Electricity)	11-000-262-622	109,500	-	109,500	80,305	29,195
Other Objects	11-000-262-800	975	-	975	214	761
<b>Total Custodial Services</b>		<b>303,317</b>	<b>780</b>	<b>304,097</b>	<b>213,124</b>	<b>90,973</b>
<b>Security</b>						
Purchased Professional and Technical Services	11-000-266-300	-	500	500	500	-
General Supplies	11-000-266-610	7,500	(500)	7,000	-	7,000
<b>Total Security</b>		<b>7,500</b>	<b>-</b>	<b>7,500</b>	<b>500</b>	<b>7,000</b>
<b>Total Operations and Maintenance</b>		<b>442,061</b>	<b>9,076</b>	<b>451,137</b>	<b>281,982</b>	<b>169,155</b>
<b>Student Transportation Services:</b>						
Management Fee CCESE	11-000-270-350	35	-	35	-	35
Contracted Services - Aid in Lieu of Payments	11-000-270-503	8,000	44	8,044	8,044	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	5,000	1,139	6,139	6,139	-
Contracted Services (Between Home & School) - Joint Agreements Regular	11-000-270-513	-	803	803	803	-
Contracted Services (Between Home & School) - Joint Agreements Special	11-000-270-515	65,000	(18,163)	46,837	23,429	23,408
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	98,000	16,177	114,177	114,177	-
<b>Total Student Transportation Services</b>		<b>176,035</b>	<b>-</b>	<b>176,035</b>	<b>152,592</b>	<b>23,443</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Social Security Contributions	11-000-291-220	74,500	-	74,500	61,791	12,709
Other Retirement Contribution - PERS	11-000-291-241	60,000	-	60,000	52,333	7,667
Other Retirement Contributions Regular	11-000-291-249	7,000	-	7,000	5,803	1,197
Unemployment Compensation	11-000-291-250	15,000	-	15,000	-	15,000
Workmen's Compensation	11-000-291-260	25,000	-	25,000	21,057	3,943
Health Benefits	11-000-291-270	822,388	-	822,388	553,678	268,710
Tuition Reimbursement	11-000-291-280	5,000	-	5,000	-	5,000
Other Employee Benefits	11-000-291-290	1,750	-	1,750	1,548	202
Unused Sick Payment to Terminated/Retired Employees	11-000-291-299	20,000	-	20,000	2,000	18,000
<b>Total Unallocated Benefits</b>		<b>1,030,638</b>	<b>-</b>	<b>1,030,638</b>	<b>698,210</b>	<b>332,428</b>
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	766,279	(766,279)
On-Behalf TPAF Post Retirement Medical Contribution		-	-	-	179,034	(179,034)
On-Behalf TPAF Long-Term Disability Insurance Contribution		-	-	-	385	(385)
Reimbursed TPAF Social Security		-	-	-	163,708	(163,708)
<b>Total on-behalf contributions</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,109,406</b>	<b>(1,109,406)</b>
<b>Total personal services - employee benefits</b>		<b>1,030,638</b>	<b>-</b>	<b>1,030,638</b>	<b>1,807,616</b>	<b>(776,978)</b>
<b>Total Undistributed Expenditures</b>		<b>2,898,979</b>	<b>14,905</b>	<b>2,913,884</b>	<b>3,438,064</b>	<b>(524,180)</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Interest Earned on Maintenance Reserve	10-606	5	-	5	-	5
Total Expenditures - Current Expense		5,068,534	6,719	5,075,253	5,376,083	(300,830)
Capital Outlay						
Undistributed Expenditures:						
Instructional Equipment	12-000-100-730	-	2,919	2,919	2,919	-
Total Equipment		-	2,919	2,919	2,919	-
Facilities Acquisitions & Construction Services:						
Interest Earned on Capital Reserve	10-604	35	-	35	-	35
Total Facilities Acquisitions & Construction Services Expenditures		35	-	35	-	35
Total Capital Outlay		35	2,919	2,954	2,919	35
Total Expenditures		5,068,569	9,638	5,078,207	5,379,002	(300,795)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(213,788)	(9,638)	(223,426)	656,108	879,534
Other Financing Sources/(Uses):						
Transfers In		106,040	-	106,040	-	(106,040)
Local Contrib. - Trans to Special Rev- Inclusion	11-105-100-936	(106,040)	-	(106,040)	(106,040)	-
Capital Reserve - Transfer to Capital Projects	12-000-400-931	(105,000)	-	(105,000)	(105,000)	-
Total other financing sources		(105,000)	-	(105,000)	(211,040)	(106,040)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(318,788)	(9,638)	(328,426)	445,068	773,494
Fund Balances, July 1		1,817,682	-	1,817,682	1,817,682	-
Fund Balances, June 30		\$ 1,498,894	\$ (9,638)	\$ 1,489,256	\$ 2,262,750	\$ 773,494

**RECAPITULATION OF BUDGET TRANSFERS:**

Prior Year Reserve for Encumbrances	\$ 9,638
	<u>\$ 9,638</u>

**RECAPITULATION OF FUND BALANCE:**

<b>Restricted Fund Balance:</b>	
Capital Reserve Account	\$ 310,164
Maintenance Reserve Account	80,013
Excess Surplus	772,982
Excess Surplus - Designated for Subsequent Year's Expenditures	768,717
Unemployment Compensation	25,008
<b>Assigned Fund Balance:</b>	
Year-End Encumbrances	835
<b>Unassigned Fund Balance</b>	<u>305,031</u>
	2,262,750
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(262,009)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 2,000,741</u>



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>REVENUES</b>					
Local Sources	\$ 15,000	\$ 9,240	\$ 24,240	\$ 22,711	\$ (1,529)
State Sources	569,965	354,667	924,632	397,395	(527,237)
Federal Sources	206,115	1,081,288	1,287,403	395,028	(892,375)
<b>Total Revenues</b>	<b>791,080</b>	<b>1,445,195</b>	<b>2,236,275</b>	<b>815,134</b>	<b>(1,421,141)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	307,584	192,514	500,098	333,911	166,187
Other Salaries for Instruction	68,503	-	68,503	67,400	1,103
Purchased Professional/Technical Services	-	31,785	31,785	-	31,785
Other Purchased Services	10,000	9,209	19,209	11,340	7,869
Tuition	95,630	(6,417)	89,213	53,331	35,882
General Supplies	124,546	708,645	833,191	225,253	607,938
Other Objects	-	18	18	18	-
<b>Total Instruction</b>	<b>606,263</b>	<b>935,754</b>	<b>1,542,017</b>	<b>691,253</b>	<b>850,764</b>
Support Services:					
Salaries of Teachers	110,485	(26,143)	84,342	30,472	53,870
Salaries of Other Professional Staff	8,417	390	8,807	8,807	-
Salaries of Comm. Parent Involvement	3,000	-	3,000	2,000	1,000
Personal Services - Employee Benefits	60,455	37,723	98,178	58,592	39,586
Purchased Professional Educational Services	65,000	11,830	76,830	51,830	25,000
Purchased Professional Technical Services	2,750	116,317	119,067	30,046	89,021
Cleaning, Repairs & Maintenance	5,500	-	5,500	-	5,500
Contracted Services - Transportation	8,500	-	8,500	1,078	7,422
Other Purchased Services	3,000	20,256	23,256	6,011	17,245
Supplies & Materials	8,750	23,342	32,092	18,374	13,718
Student Activities	15,000	9,000	24,000	23,601	399
Scholarship	-	240	240	240	-
<b>Total Support Services</b>	<b>290,857</b>	<b>192,955</b>	<b>483,812</b>	<b>231,051</b>	<b>252,761</b>
Facilities Acquisition & Construction Services:					
Non-Instructional Equipment	-	316,486	316,486	-	316,486
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>316,486</b>	<b>316,486</b>	<b>-</b>	<b>316,486</b>
<b>Total Expenditures</b>	<b>897,120</b>	<b>1,445,195</b>	<b>2,342,315</b>	<b>922,304</b>	<b>1,420,011</b>
Other Financing Sources:					
Transfers from Operating Budget - Pre-K	106,040	-	106,040	106,040	-
<b>Total Other Financing Sources</b>	<b>106,040</b>	<b>-</b>	<b>106,040</b>	<b>106,040</b>	<b>-</b>
Net Change in Fund Balance	-	-	-	(1,130)	(1,130)
Fund Balance, July 1	19,719	-	19,719	19,719	-
<b>Fund Balance June 30</b>	<b>\$ 19,719</b>	<b>\$ -</b>	<b>\$ 19,719</b>	<b>\$ 18,589</b>	<b>\$ (1,130)</b>

**RECAPITULATION OF FUND BALANCE**

**Restricted Fund Balance:**

Scholarships	\$ 171
Student Activities	18,418
	<u>\$ 18,589</u>

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

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$6,035,110	\$ 815,134
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(6,201)
Prior Year	-	9,175
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(262,009)	(67,600)
Prior Year	222,838	70,389
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$5,995,939</u>	<u>\$ 820,897</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$5,379,002	\$ 922,304
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.	<hr/>	<hr/>
	-	2,974
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$5,379,002</u>	<u>\$ 925,278</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00447%	0.00449%	0.00445%	0.00474%	0.00474%	0.00468%	0.00460%	0.00446%	0.00507%
School District's proportionate share of the net pension liability	\$ 529,378	\$ 731,913	\$ 802,723	\$ 993,190	\$ 1,103,973	\$ 1,386,133	\$ 1,031,494	\$ 835,225	\$ 968,409
School District's covered payroll	\$ 195,776	\$ 236,871	\$ 327,482	\$ 316,769	\$ 326,842	\$ 307,525	\$ 324,787	\$ 328,175	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	270.40%	308.99%	245.12%	313.54%	337.77%	450.74%	317.59%	254.51%	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.93%	52.08%	58.70%

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

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

N/A Information not available

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 52,333	\$ 49,099	\$ 43,334	\$ 47,143	\$ 43,934	\$ 41,578	\$ 39,505	\$ 36,776	\$ 38,179
Contributions in relation to the contractually required contribution	(52,333)	(49,099)	(43,334)	(47,143)	(43,934)	(41,578)	(39,505)	(36,776)	(38,179)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	195,776	236,871	327,482	316,769	326,842	307,525	324,787	328,175	N/A
Contributions as a percentage of covered-employee payroll	26.73%	20.73%	13.23%	14.88%	13.44%	13.52%	12.16%	11.21%	-

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

N/A Information not available

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	9,167,957	12,225,882	10,713,752	11,323,022	11,915,200	13,965,247	10,973,838	9,245,980	8,703,255
	<u>\$ 9,167,957</u>	<u>\$ 12,225,882</u>	<u>\$ 10,713,752</u>	<u>\$ 11,323,022</u>	<u>\$ 11,915,200</u>	<u>\$ 13,965,247</u>	<u>\$ 10,973,838</u>	<u>\$ 9,245,980</u>	<u>\$ 8,703,255</u>
School District's covered payroll	\$ 2,288,596	\$ 2,065,657	\$ 2,057,196	\$ 2,040,496	\$ 1,882,908	\$ 1,916,143	\$ 1,830,930	\$ 1,728,211	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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 (the measurement date).

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

N/A Information not available

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

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

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

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

	2022	2021	2020	2019	2018
<b>District's Total OPEB Liability</b>					
Service Cost	\$ 615,716	\$ 326,109	\$ 366,844	\$ 373,809	\$ 451,304
Interest Cost	339,402	321,010	427,989	445,925	385,071
Difference between Expected & Actual Differences	(2,180,030)	2,538,387	(2,518,494)	(694,208)	-
Changes of Benefit Terms	(13,926)	-	-	-	-
Changes of Assumptions	12,908	2,661,110	133,706	(1,242,176)	(1,538,383)
Contributions: Member	8,677	7,687	8,160	10,004	10,423
Gross Benefit Payments	(267,354)	(253,620)	(275,276)	(289,446)	(283,057)
Net Change in District's Total OPEB Liability	(1,484,607)	5,600,683	(1,857,071)	(1,396,092)	(974,642)
District's Total OPEB Liability (Beginning)	14,568,203	8,967,520	10,824,591	12,220,683	13,195,325
District's Total OPEB Liability (Ending)	\$ 13,083,596	\$ 14,568,203	\$ 8,967,520	\$ 10,824,591	\$ 12,220,683
District's Covered Employee Payroll	\$ 2,484,372	\$ 2,302,528	\$ 2,384,678	\$ 2,357,265	\$ 2,209,750
District's Net OPEB Liability as a Percentage of Covered Payr	526.64%	632.70%	376.05%	459.20%	553.03%

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

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

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

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 7.00% as of June 30, 2020, to 7.00% as of June 30, 2021.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	ESEA CONSOLIDATED								IDEA PART-B		SUBTOTALS CARRIED FORWARD	
	TITLE I		TITLE II		TITLE IV		ARP IDEA		PRESCHOOL			
	PART A	SIA PART A	PART A	PART A	PART A	PART A	BASIC	PRESCHOOL	BASIC	PRESCHOOL		
Revenues:												
Federal Sources	\$ 63,913	\$ 39,028	\$ 4,279	\$ 10,456	\$ 9,209	\$ 1,292	\$ 65,394	\$ 4,176	\$ 4,176	\$ 197,747		
Total Revenues	\$ 63,913	\$ 39,028	\$ 4,279	\$ 10,456	\$ 9,209	\$ 1,292	\$ 65,394	\$ 4,176	\$ 4,176	\$ 197,747		
Expenditures:												
Instruction:												
Salaries of Teachers	\$ 41,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,937		
Other Purchased Services	-	-	-	-	9,209	-	-	-	-	9,209		
Tuition	-	-	-	-	-	-	53,331	-	-	53,331		
General Supplies	2,615	14,574	-	-	-	1,292	3,033	-	1,376	22,890		
Other Objects	18	-	-	-	-	-	-	-	-	18		
Total Instruction	44,570	14,574	-	-	9,209	1,292	56,364	1,376	1,376	127,385		
Support Services:												
Salaries of Teachers	-	6,408	1,445	-	-	-	-	-	-	7,853		
Personal Services - Employee Benefits	19,343	490	111	-	-	-	-	-	-	19,944		
Purchased Professional Educational Services	-	-	-	-	-	-	9,030	2,800	-	11,830		
Purchased Professional Technical Services	-	8,915	-	10,456	-	-	-	-	-	19,371		
Other Purchased Services	-	2,400	2,188	-	-	-	-	-	-	4,588		
Supplies & Materials	-	6,241	535	-	-	-	-	-	-	6,776		
Total Support Services	19,343	24,454	4,279	10,456	-	-	9,030	2,800	-	70,362		
Total Expenditures	63,913	39,028	4,279	10,456	9,209	1,292	65,394	4,176	4,176	197,747		
Net Change in Fund Balance	-	-	-	-	-	-	-	-	-	-		
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-		
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	PRESCHOOL EDUCATION AID	CARES	CRRSA - ESSER II		AMERICAN RESCUE PLAN BEYOND THE		STUDENT ACTIVITY	SCHOLARSHIP	TOTALS
			LEARNING ACCEL.	MENTAL HEALTH	ESSER III	SCHOOL DAY			
Revenues:									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,711	\$ -	\$ 22,711
State Sources	397,395	-	-	-	-	-	-	-	397,395
Federal Sources	-	8,592	133,396	4,384	6,559	42,719	1,631	-	395,028
<b>Total Revenues</b>	<b>\$ 397,395</b>	<b>\$ 8,592</b>	<b>\$ 133,396</b>	<b>\$ 4,384</b>	<b>\$ 6,559</b>	<b>\$ 42,719</b>	<b>\$ 1,631</b>	<b>\$ 22,711</b>	<b>\$ 815,134</b>
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 260,432	\$ -	\$ -	\$ 4,384	\$ -	\$ 25,527	\$ 1,631	\$ -	\$ 333,911
Other Salaries for Instruction	67,400	-	-	-	-	-	-	-	67,400
Other Purchased Services	2,131	-	-	-	-	-	-	-	11,340
Tuition	-	-	-	-	-	-	-	-	53,331
General Supplies	82,627	3,040	116,459	-	-	237	-	-	225,253
Other Objects	-	-	-	-	-	-	-	-	18
<b>Total Instruction</b>	<b>412,590</b>	<b>3,040</b>	<b>116,459</b>	<b>4,384</b>	<b>-</b>	<b>25,764</b>	<b>1,631</b>	<b>-</b>	<b>691,253</b>
Support Services:									
Salaries of Teachers	-	-	9,985	-	4,850	7,784	-	-	30,472
Salaries of Other Professional Staff	8,807	-	-	-	-	-	-	-	8,807
Salaries of Comm. Parent Involvement	2,000	-	-	-	-	-	-	-	2,000
Personal Services - Employee Benefits	38,271	377	-	-	-	-	-	-	58,592
Purchased Professional Educational Services	40,000	-	-	-	-	-	-	-	51,830
Contracted Professional Technical Services	-	5,175	-	-	-	5,500	-	-	30,046
Contracted Services - Transportation	1,078	-	-	-	-	-	-	-	1,078
Other Purchased Services	-	-	-	-	1,423	-	-	-	6,011
Supplies & Materials	689	-	6,952	-	286	3,671	-	-	18,374
Student Activities	-	-	-	-	-	-	-	-	23,601
Scholarship	-	-	-	-	-	-	-	240	240
<b>Total Support Services</b>	<b>90,845</b>	<b>5,552</b>	<b>16,937</b>	<b>-</b>	<b>6,559</b>	<b>16,955</b>	<b>-</b>	<b>240</b>	<b>231,051</b>
<b>Total Expenditures</b>	<b>503,435</b>	<b>8,592</b>	<b>133,396</b>	<b>4,384</b>	<b>6,559</b>	<b>42,719</b>	<b>1,631</b>	<b>240</b>	<b>922,304</b>
Other Financing Sources:									
Transfers from Operating Budget - Pre-K	106,040	-	-	-	-	-	-	-	106,040
<b>Total Other Financing Sources</b>	<b>106,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,040</b>
Net Change in Fund Balance	-	-	-	-	-	-	(890)	(240)	(1,130)
Fund Balance, July 1	-	-	-	-	-	-	19,308	411	19,719
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,418</b>	<b>\$ 171</b>	<b>\$ 18,589</b>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION/EXPANSION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	2022		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 307,194	\$ 260,432	\$ 46,762
Other Salaries for Instruction	68,503	67,400	1,103
Purchased Professional Services	-	-	-
Other Purchased Services	10,000	2,131	7,869
Supplies	479,213	82,627	396,586
Total Instruction	<u>864,910</u>	<u>412,590</u>	<u>452,320</u>
Support Services:			
Salaries of Other Professional Staff	8,807	8,807	-
Salaries of Comm. Parent Involvement	3,000	2,000	1,000
Personal Services - Employee Benefits	60,455	38,271	22,184
Purchased Professional Educational Services	65,000	40,000	25,000
Purchased Professional Technical Services	2,750	-	2,750
Cleaning, Repairs & Maintenance	5,500	-	5,500
Contracted Services - Transportation	8,500	1,078	7,422
Other Purchased Services	3,000	-	3,000
Supplies & Materials	8,750	689	8,061
Total Support Services	<u>165,762</u>	<u>90,845</u>	<u>74,917</u>
Total Expenditures	<u>\$ 1,030,672</u>	<u>\$ 503,435</u>	<u>\$ 527,237</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 676,005
Add: Budgeted Transfer from General Fund 2021-2022	106,040
Add: Actual Preschool Education Aid Carryover (June 30, 2021)	<u>354,667</u>
Total Preschool Education Aid Funds Available for 2021-2022 Budget	1,136,712
Less: 2021-2022 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(1,030,672)</u>
Available & Unbudgeted Preschool Education Aid Funds June 30, 2022	106,040
Add: June 30, 2022 Unexpended Preschool Education Aid	<u>527,237</u>
Total Actual Preschool Education Aid Carryover	<u>\$ 633,277</u>
2021-2022 Preschool Education Aid Carryover Budgeted in 2022-2023	<u>\$ -</u>

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F. Capital Projects Fund

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

<u>PROJECT TITLE/ISSUE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED BALANCE 2022</u>
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
School Security Vestibule	7/1/2021	\$ 105,000	\$ -	\$ -	\$ 105,000
Total		\$ 105,000	\$ -	\$ -	\$ 105,000

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Other Financing Sources/(Uses):	
Transfer from Capital Reserve	<u>\$ 105,000</u>
Total Other Financing Sources/(Uses):	<u>105,000</u>
Excess (deficiency) of revenues over (under) expenditures and Other Financing Sources/(Uses)	105,000
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ 105,000</u></u>

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
SCHOOL SECURITY VESTIBULE  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ -	\$ 105,000	\$ 105,000	\$ 105,000
 Total Revenues	 -	 105,000	 105,000	 105,000
Expenditures & Other Financing Uses:				
Architect/engineer services	-	-	-	20,000
Construction Services	-	-	-	85,000
 Total Expenditures	 -	 -	 -	 105,000
 Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	 \$ -	 \$ 105,000	 \$ 105,000	 \$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	3490-050-22-1001
Original Authorized Cost	\$ 105,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 105,000
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	0.00%
Original Target Completion Date	8/30/2022
Revised Target Completion Date	N/A

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G. Proprietary Funds

Not applicable

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Enterprise Funds

Not applicable

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Internal Service Fund

Not applicable

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## I. Long-Term Debt

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**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2022**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2021	BALANCE JUNE 30, 2022
			DATE	AMOUNT			
Refunding Bonds Series 2009	12/10/09	\$ 2,950,000	2/1/23	\$ 195,000	4.000%	\$ 800,000	\$ 195,000
			2/1/24	200,000	4.000%		\$ 605,000
			2/1/25	210,000	4.000%		
Total						\$ 800,000	\$ 195,000
						\$ 605,000	

**NATIONAL PARK BOROUGH SCHOOL DISTRICT**  
**LONG-TERM DEBT**  
**SCHEDULE OF LOANS PAYABLE**  
**JUNE 30, 2022**

DESCRIPTION	DATE OF LOAN	TERM OF LOAN	AMOUNT OF ORIGINAL ISSUE PRINCIPAL	INTEREST RATE	BALANCE JULY 1, 2021	PAID	BALANCE JUNE 30, 2022
Copier Machines	2/26/2018	45 months	\$ 32,069	6.50%	\$ 6,931	\$ 6,931	\$ -
Total					\$ 6,931	\$ 6,931	\$ -



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 127,386	\$ -	\$ 127,386	\$ 127,386	\$ -
State Sources:					
Debt Service aid type II	99,614	-	99,614	99,614	-
Total Revenues	227,000	-	227,000	227,000	-
Expenditures:					
Regular Debt Service:					
Interest	32,000	-	32,000	32,000	-
Redemption of Principal	195,000	-	195,000	195,000	-
Total Regular Debt Service	227,000	-	227,000	227,000	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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**STATISTICAL SECTION (Unaudited)**

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 2,565,339	\$ 2,523,706	\$ 2,421,598	\$ 2,301,271	\$ 2,213,472	\$ 2,108,084	\$ 2,045,028	\$ 1,991,224	\$ 1,778,049	\$ 1,635,653
Restricted	2,080,473	1,514,174	882,573	966,899	1,073,587	1,163,357	1,233,323	1,054,248	1,006,954	1,086,419
Unrestricted	(935,376)	(1,027,397)	(1,064,587)	(1,115,295)	(14,823,317)	(1,019,572)	(937,298)	(943,164)	(34,371)	(34,768)
Total Governmental Activities	\$ 3,710,436	\$ 3,010,483	\$ 2,239,584	\$ 2,152,875	\$ (11,536,258)	\$ 2,251,869	\$ 2,341,053	\$ 2,102,308	\$ 2,750,632	\$ 2,687,304
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 2,565,339	\$ 2,523,706	\$ 2,421,598	\$ 2,301,271	\$ 2,213,472	\$ 2,108,084	\$ 2,045,028	\$ 1,991,224	\$ 1,778,049	\$ 1,635,653
Restricted	2,080,473	1,514,174	882,573	966,899	1,073,587	1,163,357	1,233,323	1,054,248	1,006,954	1,086,419
Unrestricted	(935,376)	(1,027,397)	(1,064,587)	(1,115,295)	(14,823,317)	(1,019,572)	(937,298)	(943,164)	(34,371)	(34,768)
Total District Net Position	\$ 3,710,436	\$ 3,010,483	\$ 2,239,584	\$ 2,152,875	\$ (11,536,258)	\$ 2,251,869	\$ 2,341,053	\$ 2,102,308	\$ 2,750,632	\$ 2,687,304

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,335,417	\$ 1,220,066	\$ 1,292,155	\$ 1,331,734	\$ 1,280,353	\$ 1,315,859	\$ 1,259,160	\$ 1,264,083	\$ 1,283,583	\$ 1,266,166
Special Education	1,293,747	1,076,223	717,234	683,501	710,388	598,768	590,687	634,332	591,396	565,202
Other Special Instruction	-	-	71,297	97,838	140,592	168,793	140,766	122,941	81,069	69,692
Other Instruction	8,698	1,500	7,850	6,869	6,539	8,616	8,731	8,909	8,806	8,034
Support Services:										
Tuition & Student & Instruction Related Services	980,095	876,132	929,827	911,867	787,535	875,156	766,275	814,942	927,259	743,739
School Administrative Services	196,328	196,663	192,882	184,928	183,694	179,315	173,162	166,925	161,505	162,666
General & business administrative service:	179,363	172,218	181,420	175,487	163,667	168,825	157,575	163,937	176,081	154,610
Plant Operations & Maintenance	281,982	322,052	310,490	354,388	313,107	322,844	309,437	306,398	328,120	291,098
Pupil Transportation	152,592	91,058	166,345	142,061	72,852	113,861	136,098	81,437	127,460	94,701
Employee Benefits	2,531,472	2,839,677	1,770,640	1,952,652	1,950,607	1,325,597	1,033,657	961,326	886,953	937,144
Interest & Other Charges	28,750	55,387	52,783	62,283	69,820	78,820	87,720	96,721	101,921	106,921
Capital Outlay	-	41,920	15,461	6,996	-	13,980	6,350	-	1,199	677
Unallocated Depreciation	163,217	163,261	168,255	170,567	176,556	172,344	168,840	174,272	167,541	162,619
Total Governmental Activities Expenses:	7,151,661	7,056,157	5,876,639	6,081,171	5,855,710	5,342,778	4,838,458	4,796,223	4,842,893	4,563,269
Program Revenues:										
Governmental Activities:										
Charges for Services	22,711	18,906	-	-	-	-	-	-	-	-
Operating Grants & Contributions	1,770,057	2,215,857	435,199	425,574	290,416	305,449	316,800	366,349	289,575	270,919
Total Governmental Activities Program Revenues	\$ 1,792,768	\$ 2,234,763	\$ 435,199	\$ 425,574	\$ 290,416	\$ 305,449	\$ 316,800	\$ 366,349	\$ 289,575	\$ 270,919
Net (Expense)/Revenue:										
Governmental Activities	\$ (5,358,893)	\$ (4,821,394)	\$ (5,441,440)	\$ (5,655,597)	\$ (5,565,294)	\$ (5,037,329)	\$ (4,521,658)	\$ (4,429,874)	\$ (4,553,318)	\$ (4,292,350)
Total District-Wide Net Expense	\$ (5,358,893)	\$ (4,821,394)	\$ (5,441,440)	\$ (5,655,597)	\$ (5,565,294)	\$ (5,037,329)	\$ (4,521,658)	\$ (4,429,874)	\$ (4,553,318)	\$ (4,292,350)

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 2,167,737	\$ 2,125,232	\$ 2,083,560	\$ 2,042,706	\$ 1,973,241	\$ 1,934,550	\$ 1,896,618	\$ 1,859,429	\$ 1,808,371	\$ 1,772,913
Taxes Levied for Debt Service	127,386	180,453	187,976	185,246	188,374	192,322	191,975	200,446	201,738	202,266
Federal & State Aid Not Restricted	3,724,291	3,178,827	3,192,959	3,383,072	2,784,149	2,724,807	2,635,330	2,590,632	2,521,587	2,540,506
Tuition	24,378	74,583	55,133	-	-	-	-	-	-	-
Interest on Capital Reserve	-	-	825	-	1	1	2	1	1	2
Miscellaneous Income	15,054	14,042	7,696	52,246	26,727	96,465	36,478	61,922	84,951	47,886
Prior year (receivable) payable canceled	-	-	-	-	-	-	-	-	(2)	(402)
Miscellaneous Restricted Income	-	2,497	-	-	-	-	-	-	-	-
Loss on retirement of assets	-	-	-	-	-	-	-	(650)	-	-
<b>Total Governmental Activities</b>	<b>6,058,846</b>	<b>5,575,634</b>	<b>5,528,149</b>	<b>5,663,270</b>	<b>4,972,492</b>	<b>4,948,145</b>	<b>4,760,403</b>	<b>4,711,780</b>	<b>4,616,646</b>	<b>4,563,171</b>
<b>Total District-Wide</b>	<b>\$ 6,058,846</b>	<b>\$ 5,575,634</b>	<b>\$ 5,528,149</b>	<b>\$ 5,663,270</b>	<b>\$ 4,972,492</b>	<b>\$ 4,948,145</b>	<b>\$ 4,760,403</b>	<b>\$ 4,711,780</b>	<b>\$ 4,616,646</b>	<b>\$ 4,563,171</b>
Change in Net Position:										
Governmental Activities	\$ 699,953	\$ 754,240	\$ 86,709	\$ 7,673	\$ (592,802)	\$ (89,184)	\$ 238,745	\$ 281,906	\$ 63,328	\$ 270,821
<b>Total District</b>	<b>\$ 699,953</b>	<b>\$ 754,240</b>	<b>\$ 86,709</b>	<b>\$ 7,673</b>	<b>\$ (592,802)</b>	<b>\$ (89,184)</b>	<b>\$ 238,745</b>	<b>\$ 281,906</b>	<b>\$ 63,328</b>	<b>\$ 270,821</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	\$ 1,956,884	\$ 1,494,455	\$ 809,822	\$ 897,526	\$ 985,155	\$ 1,075,152	\$ 1,157,319	\$ 983,441	\$ 921,342	\$ 903,982
Assigned	835	9,638	12,041	8,662	26,720	26,493	15,293	10,097	24,902	120,525
Unassigned	43,022	90,751	72,107	63,959	52,463	71,265	58,535	66,227	54,233	53,241
<b>Total General Fund</b>	<b>\$ 2,000,741</b>	<b>\$ 1,594,844</b>	<b>\$ 893,970</b>	<b>\$ 970,147</b>	<b>\$ 1,064,338</b>	<b>\$ 1,172,910</b>	<b>\$ 1,231,147</b>	<b>\$ 1,059,765</b>	<b>\$ 1,000,477</b>	<b>\$ 1,077,748</b>
All Other Governmental Funds										
Restricted:										
Capital projects	\$ 105,000	\$ -	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 60,710	\$ 61,910
Debt Service Fund	-	-	-	1	1,002	1,002	1	-	-	2
Special Revenue Fund	18,589	19,719	-	-	-	-	-	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	(67,600)	(70,389)	(33,143)	(11,027)	(11,766)	(15,387)	(12,671)	(14,482)	(9,051)	(8,819)
<b>Total All Other Governmental Funds</b>	<b>\$ 55,989</b>	<b>\$ (50,670)</b>	<b>\$ 27,567</b>	<b>\$ 49,684</b>	<b>\$ 49,946</b>	<b>\$ 46,325</b>	<b>\$ 48,040</b>	<b>\$ 46,228</b>	<b>\$ 51,659</b>	<b>\$ 53,093</b>



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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues:</b>										
Tax Levy	\$ 2,295,123	\$ 2,305,685	\$ 2,271,536	\$ 2,227,952	\$ 2,161,615	\$ 2,126,872	\$ 2,088,593	\$ 2,059,875	\$ 2,010,109	\$ 1,975,179
Tuition Charges	24,378	74,583	55,133	-	-	-	-	-	-	-
Interest Earnings	40	257	825	1,160	1,380	1,448	1,365	1,113	1,186	1,238
Miscellaneous	29,530	32,691	7,696	51,086	25,348	95,018	35,115	60,810	83,766	46,650
Other Restricted Miscellaneous Revenue	8,195	2,497	-	-	-	-	-	-	-	-
State Sources	4,282,952	3,736,136	3,286,316	3,041,876	2,905,433	2,851,095	2,763,855	2,730,017	2,612,022	2,630,374
Federal Sources	403,618	328,605	217,795	317,065	169,132	179,161	188,275	226,964	199,140	181,051
<b>Total Revenue</b>	<b>7,043,836</b>	<b>6,480,454</b>	<b>5,839,301</b>	<b>5,639,139</b>	<b>5,262,908</b>	<b>5,253,594</b>	<b>5,077,203</b>	<b>5,078,779</b>	<b>4,906,223</b>	<b>4,834,492</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,335,417	1,228,891	1,292,155	1,331,734	1,280,353	1,315,859	1,259,160	1,264,083	1,283,583	1,266,166
Special Education Instruction	1,293,747	1,076,223	717,234	683,501	710,388	598,768	590,687	634,332	591,396	565,202
Other Special Instruction	-	-	71,297	97,838	140,592	168,793	140,766	122,941	81,069	69,692
Other Instruction	8,698	1,500	7,850	6,869	6,539	8,616	8,731	8,909	8,806	8,034
<b>Support Services:</b>										
Tuition, Student & Instruction Related	980,095	918,052	933,443	924,475	782,360	875,075	767,022	819,382	926,896	722,182
General & Administrative Services	186,294	172,218	181,420	175,487	163,667	168,825	157,575	163,937	176,081	154,610
School Administrative Services	196,328	196,663	192,882	184,928	183,694	179,315	173,162	166,925	161,505	162,666
Plant Operations & Maintenance	281,982	328,007	310,490	354,388	313,107	322,844	309,437	306,398	328,120	291,098
Pupil Transportation	152,592	91,058	166,345	142,061	72,852	113,861	136,098	81,437	127,460	94,701
Unallocated Benefits	1,866,208	1,569,221	1,687,653	1,504,666	1,362,543	1,233,390	1,047,301	971,760	886,953	937,144
Capital Outlay	2,919	61,815	59,043	30,362	51,944	24,380	6,350	163,097	86,136	102,916
<b>Debt Service:</b>										
Principal	195,000	246,450	245,000	235,000	230,000	225,000	220,000	225,000	225,000	220,000
Interest & Other Charges	32,000	42,054	52,783	62,283	69,820	78,820	87,720	96,721	101,921	106,921
<b>Total Expenditures</b>	<b>6,531,280</b>	<b>5,932,152</b>	<b>5,937,595</b>	<b>5,733,592</b>	<b>5,367,859</b>	<b>5,313,546</b>	<b>4,904,009</b>	<b>5,024,922</b>	<b>4,984,926</b>	<b>4,701,332</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>512,556</b>	<b>548,302</b>	<b>(98,294)</b>	<b>(94,453)</b>	<b>(104,951)</b>	<b>(59,952)</b>	<b>173,194</b>	<b>53,857</b>	<b>(78,703)</b>	<b>133,160</b>
<b>Other Financing Sources/(Uses):</b>										
Prior year (receivable)/payable	-	-	-	-	-	-	-	-	(2)	(402)
Loan Proceeds (non-budgeted)	-	41,920	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>41,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(402)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 512,556</b>	<b>\$ 590,222</b>	<b>\$ (98,294)</b>	<b>\$ (94,453)</b>	<b>\$ (104,951)</b>	<b>\$ (59,952)</b>	<b>\$ 173,194</b>	<b>\$ 53,857</b>	<b>\$ (78,705)</b>	<b>\$ 132,758</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.60%</b>	<b>5.17%</b>	<b>5.34%</b>	<b>5.50%</b>	<b>5.98%</b>	<b>6.09%</b>	<b>6.70%</b>	<b>7.09%</b>	<b>7.15%</b>	<b>7.65%</b>

Source: District records

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

FISCAL YEAR ENDING JUNE 30,	Local Grant	Unemployment	Refunds	Tuition	Miscellaneous	TOTAL
2022	\$ 1,000	\$ 8,195	\$ -	\$ -	\$ 5,859	\$ 15,054
2021	-	-	-	-	13,785	13,785
2020	-	-	-	55,133	7,696	62,829
2019	-	-	-	48,968	2,118	51,086
2018	-	-	164	17,509	7,675	25,348
2017	4,715	-	363	87,580	2,360	95,018
2016	-	-	-	30,790	4,325	35,115
2015	-	-	-	49,979	10,831	60,810
2014	-	-	17,967	44,214	21,585	83,766
2013	-	-	-	39,303	7,347	46,650

Source: District records

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

FISCAL YEAR ENDED JUN 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2022	\$ 2,370,200	\$ 150,389,400	\$ 6,780,800	\$ 166,300	\$ 709,100	\$ 160,415,800	\$ 325,351	\$ 160,741,151	1.452	\$ 160,415,600
2021	2,219,600	148,806,100	6,800,100	166,300	709,100	158,701,200	342,774	159,043,974	1.449	159,174,774
2020	2,263,500	148,945,300	6,043,100	166,300	709,100	158,127,300	354,579	158,481,879	1.434	159,128,593
2019	2,194,300	148,823,300	5,993,100	166,300	709,100	157,886,100	355,082	158,241,182	1.408	158,666,764
2018	2,194,800	148,996,700	6,060,700	166,300	709,100	158,127,600	366,124	158,493,724	1.363	155,870,012
2017	2,195,500	149,215,800	6,169,400	166,300	745,600	158,492,600	361,232	158,853,832	1.339	150,388,319
2016	2,195,500	149,475,000	6,232,100	166,300	745,600	158,814,500	359,196	159,173,696	1.312	158,100,720
2015	2,238,000	149,817,400	5,876,700	166,300	579,800	158,678,200	356,578	159,034,778	1.295	162,601,818
2014	3,301,600	165,387,600	7,532,000	209,400	607,300	177,037,900	393,301	177,431,201	1.132	174,814,958
2013	3,262,900	165,757,700	7,676,900	209,400	607,300	177,514,200	337,422	177,851,622	1.11	182,564,425

Source: County Board of Taxation - Abstract of Ratables

N/A - Not Available

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

FISCAL YEAR ENDED JUN 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	Basic Rate	TOTAL	BOROUGH OF NATIONAL PARK	GATEWAY REGIONAL HIGH SCHOOL	ALL GLOUCESTER COUNTY	
		DIRECT				
2022	1.452	1.452	0.974	1.459	0.745	4.630
2021	1.449	1.449	0.932	1.346	0.773	4.500
2020	1.434	1.434	0.916	1.294	0.735	4.379
2019	1.408	1.408	0.905	1.316	0.732	4.361
2018	1.363	1.363	0.893	1.264	0.710	4.230
2017	1.339	1.339	0.883	1.159	0.683	4.064
2016	1.312	1.312	0.873	1.138	0.699	4.022
2015	1.295	1.295	0.901	1.139	0.676	4.011
2014	1.132	1.132	0.844	1.077	0.639	3.692
2013	1.110	1.110	0.844	1.101	0.608	3.663

Source: Municipal Tax Collector

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

TAXPAYER	2022		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
618 Hessian LLC	\$ 937,000	1	0.58%
Fulton Bank, NA	493,800	2	0.31%
Taxpayer #1	463,400	3	0.29%
VRH NP, LLC	380,600	4	0.24%
J&B LP, LLC	346,000	5	0.22%
Taxpayer #2	342,800	6	0.21%
Taxpayer #3	328,500	7	0.20%
Taxpayer #4	325,900	8	0.20%
Verizon New Jersey C/O Duff & Phelp	325,351	9	0.20%
Taxpayer #5	319,700	10	0.20%
Total	<u>\$ 4,263,051</u>		<u>2.65%</u>

TAXPAYER	2013		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1	\$ 599,500	1	0.34%
The Bank of Gloucester County	493,800	2	0.28%
Taxpayer #2	464,000	3	0.26%
Taxpayer #3	454,100	4	0.26%
Federal National Mtg. Assn.	423,500	5	0.24%
Taxpayer #4	421,500	6	0.24%
Taxpayer #5	383,400	7	0.22%
Taxpayer #6	380,600	8	0.21%
PSE&G Power, LLC	373,800	9	0.21%
Verizon New Jersey	356,578	10	0.20%
Total	<u>\$ 4,350,778</u>		<u>2.45%</u>

Source: County Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2022	\$ 2,295,123	\$ 2,295,123	100.00%	-
2021	2,305,685	2,305,685	100.00%	-
2020	2,271,536	2,271,536	100.00%	-
2019	2,227,952	2,227,952	100.00%	-
2018	2,161,615	2,161,615	100.00%	-
2017	2,126,782	2,126,782	100.00%	-
2016	2,088,593	2,088,593	100.00%	-
2015	2,059,875	2,059,875	100.00%	-
2014	2,010,109	2,010,109	100.00%	-
2013	1,975,179	1,975,179	100.00%	-

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)			
2022	\$ 605,000	-	\$ 605,000	Unavailable	Unavailable
2021	800,000	-	800,000	Unavailable	260
2020	1,046,450	-	1,046,450	0.59%	355
2019	1,291,450	-	1,291,450	0.77%	439
2018	1,526,450	-	1,526,450	0.94%	516
2017	1,756,450	-	1,756,450	1.12%	593
2016	1,981,450	-	1,981,450	1.31%	666
2015	2,201,450	-	2,201,450	1.48%	737
2014	2,426,450	-	2,426,450	1.71%	810
2013	2,651,450	-	2,651,450	1.92%	884

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

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2022	\$ 605,000	\$ 605,000	0.38%	Unavailable
2021	800,000	800,000	0.50%	260
2020	1,046,450	1,046,450	0.66%	355
2019	1,291,450	1,291,450	0.82%	439
2018	1,526,450	1,526,450	0.96%	516
2017	1,756,450	1,756,450	1.11%	593
2016	1,981,450	1,981,450	1.24%	666
2015	2,201,450	2,201,450	1.38%	737
2014	2,426,450	2,426,450	1.37%	810
2013	2,651,450	2,651,450	1.49%	884

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2022**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
National Park Borough	\$ 350,000	100.00%	\$ 350,000
Gateway Regional School District	3,480,000	18.31%	637,179
Gloucester County	239,426,468	0.59%	1,409,003
Subtotal, overlapping debt			<u>2,396,182</u>
National Park Borough School District Direct Debt			605,000
Total Overlapping Debt			<u><u>\$ 2,396,182</u></u>

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



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

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$4,158,482	\$ 4,025,745	\$ 4,007,146	\$ 3,937,328	\$ 3,868,895	\$ 3,860,874	\$ 3,916,457	\$ 4,120,928	\$ 4,333,681	\$ 4,483,106
Total Net Debt Applicable to Limit	605,000	800,000	1,046,450	1,291,450	1,526,450	1,756,450	1,981,450	2,201,450	2,426,450	2,426,450
Legal Debt Margin	<u>\$3,553,482</u>	<u>\$ 3,225,745</u>	<u>\$ 2,960,696</u>	<u>\$ 2,645,878</u>	<u>\$ 2,342,445</u>	<u>\$ 2,104,424</u>	<u>\$ 1,935,007</u>	<u>\$ 1,919,478</u>	<u>\$ 1,907,231</u>	<u>\$ 2,056,656</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.55%	19.87%	26.11%	32.80%	39.45%	45.49%	50.59%	53.42%	55.99%	54.12%

**Legal Debt Margin Calculation**

	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	2021 \$ 174,305,531
	2020 160,628,745
	2019 164,083,532
	<u>\$ 499,017,808</u>
Debt Limit (2.5% of Average Equalization Value)	\$ 166,339,269
Net Bonded School Debt	4,158,482
	<u>605,000</u>
Legal Debt Margin	<u>\$ 3,553,482</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2021	3,074	Unavailable	Unavailable	7.3%
2020	2,949	178,078,314	60,386	11.5%
2019	2,945	167,432,085	56,853	4.7%
2018	2,957	161,588,222	54,646	5.7%
2017	2,964	156,288,756	52,729	7.0%
2016	2,973	150,992,724	50,788	7.0%
2015	2,989	148,320,158	49,622	8.0%
2014	2,994	141,933,564	47,406	9.3%
2013	3,001	137,880,945	45,945	12.6%
2012	3,014	135,853,036	45,074	11.8%

Source:

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

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

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

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

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

EMPLOYER	2022		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	3,500	1	N/A
Inspira Medical Center, Woodbury	1,222	2	N/A
Walmart Supercenter	800	3	N/A
Jefferson Health, Washington Township	670	4	N/A
Aryzta LA Brea Bakery, Inc.	500	5	N/A
Keller Williams Realty	500	6	N/A
Honda of Turnersville	499	7	N/A
Paulsboro Refinery, LLC Ap	402	8	N/A
Washington Township High School	400	9	N/A
Johnson Matthey, Inc.	379	10	N/A
	<u>8,872</u>		

EMPLOYER	2013		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health	1,825	1	Unavailable
Kennedy Memorial Hospital	1,675	2	Unavailable
Washington Township School District	1,598	3	Unavailable
Rowan University	1,483	4	Unavailable
County of Gloucester	1,425	5	Unavailable
Missa Bay, LLC	950	6	Unavailable
Monroe Township School District	792	7	Unavailable
U.S Foodservices	725	8	Unavailable
ExxonMobil Research & Engineering	540	9	Unavailable
LaBrea Bakery	525	10	Unavailable
	<u>11,538</u>		

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

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	24.0	23.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	19.0
Special Education	9.0	8.0	10.0	9.0	9.0	10.0	8.0	8.0	6.0	6.0
Support Services:										
Student & Instruction Related Services	23.0	20.0	23.0	23.0	24.0	22.0	19.0	17.0	16.0	11.0
General & Business Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>57.0</b>	<b>52.0</b>	<b>54.0</b>	<b>53.0</b>	<b>54.0</b>	<b>53.0</b>	<b>48.0</b>	<b>46.0</b>	<b>43.0</b>	<b>37.0</b>

**Source:** District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2022	283	\$ 6,301,361	\$ 22,266	20.07%	33	8.6	291.1	272.5	-1.17%	93.63%
2021	301	5,581,833	18,544	-2.31%	31	9.7	294.6	281.2	1.92%	95.48%
2020	294	5,580,769	18,982	-0.63%	30	9.8	289.0	279.0	7.04%	96.54%
2019	283	5,405,947	19,102	6.63%	29	9.8	270.0	257.0	-0.74%	95.19%
2018	280	5,016,095	17,915	-2.62%	29	9.7	272.0	256.0	4.21%	94.12%
2017	271	4,985,346	18,396	15.03%	30	9.0	261.0	244.0	-4.04%	93.49%
2016	287	4,589,939	15,993	-0.31%	28	10.3	272.0	254.0	0.37%	93.38%
2015	283	4,540,104	16,043	1.76%	28	10.1	271.0	254.0	-0.37%	93.73%
2014	290	4,571,869	15,765	-1.83%	26	11.2	272.0	255.0	6.67%	93.75%
2013	266	4,271,495	16,058	8.65%	25	10.6	255.0	241.0	-3.04%	94.51%

**Sources:** District records

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

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

DISTRICT BUILDINGS	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Elementary Schools:										
Elementary School:										
Square Feet	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073
Capacity (Students)	394	394	394	394	394	394	394	394	394	394
Enrollment	283	301	294	283	280	271	287	283	290	266

Number of Schools at June 30, 2022:

Elementary = 1

Source: District Facilities Office

Enrollment is based on the June district count.

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

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

ELEMENTARY  
SCHOOL

2022	\$ 68,358
2021	136,534
2020	89,597
2019	126,581
2018	115,474
2017	102,822
2016	100,958
2015	88,767
2014	94,787
2013	90,877

Source: District records

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
INSURANCE SCHEDULE**

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

Source: District records.



**SINGLE AUDIT SECTION**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the National Park Borough School District (the "School District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 26, 2023.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify one deficiency in internal control that we consider to be a material weakness, described in the accompanying schedule of findings and questioned costs as finding no. 2022-001.

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

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance 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 as finding no. 2022-001.

## **The National Park Borough School District's Response to Findings**

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

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

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

Medford, New Jersey  
January 26, 2023



**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

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

**Opinion on Each Major State Program**

We have audited the National Park Borough School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2022. The School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards 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 School District and to meet our 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 state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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## **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, regulations, rules, and provisions of contracts or grant agreements applicable to the School District'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 School District'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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment 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 School District'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 School District'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's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District'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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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

Respectfully Submitted,

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

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

Medford, New Jersey  
January 26, 2023

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NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	BALANCE AT JUNE 30, 2022
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Title I, Part A	84.010	S010A210030	100-034-5064-194	\$ 63,913	7/1/21-9/30/22	\$ -	\$ -	\$ (63,913)	\$ -	\$ (63,913)
Title I, Part A	84.010	S010A200030	100-034-5064-194	75,362	7/1/20-9/30/21	(75,362)	75,362	-	-	-
Title I, Part A Reallocated	84.010	S010A200030	100-034-5064-194	7,995	7/1/20-9/30/21	(7,268)	7,268	-	-	-
Title I, SIA	84.010	S010A210030	100-034-5064-194	39,028	7/1/21-9/30/22	-	-	(39,028)	-	(39,028)
Title I, SIA	84.010	S010A200030	100-034-5064-194	38,800	7/1/20-9/30/21	(34,472)	34,472	-	-	-
						<u>(117,102)</u>	<u>117,102</u>	<u>(102,941)</u>	<u>-</u>	<u>(102,941)</u>
Title II - Part A, Supporting Effective Instruction	84.367	S367A210029	100-034-5063-290	9,893	7/1/21-9/30/22	-	-	(4,279)	-	(4,279)
Title II - Part A, Supporting Effective Instruction	84.367	S367A200029	100-034-5063-290	7,245	7/1/20-9/30/21	(3,551)	3,551	-	-	-
						<u>(3,551)</u>	<u>3,551</u>	<u>(4,279)</u>	<u>-</u>	<u>(4,279)</u>
Title IV - Part A	84.424	S424A210031	100-034-5064-348	10,456	7/1/21-9/30/22	-	-	(10,456)	-	(10,456)
Title IV - Part A	84.424	S424A200031	100-034-5064-348	10,456	7/1/20-9/30/21	(10,000)	10,000	-	-	-
						<u>(10,000)</u>	<u>10,000</u>	<u>(10,456)</u>	<u>-</u>	<u>(10,456)</u>
Education Stabilization Fund:										
COVID-19 CARES Emergency Relief	84.425D	S425D200027	100-034-5120-513	62,958	3/13/20-9/30/22	(29,963)	-	(8,592)	-	(38,555)
COVID-19 CRRSA - ESSER II	84.425D	S425D210027	100-034-5120-518	247,032	3/13/20-9/30/23	(9,175)	-	(133,396)	-	(142,571)
COVID-19 CRRSA - Learning Acceleration	84.425D	S425D210027	100-034-5120-518	25,000	3/13/20-9/30/23	(11,083)	-	(4,384)	-	(15,467)
COVID-19 CRRSA - Mental Health	84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	-	-	(6,559)	-	(6,559)
COVID-19 ARP - ESSER III	84.425U	S425U210027	100-034-5120-523	555,189	3/13/20-9/30/24	-	-	(42,719)	-	(42,719)
COVID-19 ARP - Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(50,221)	-	(197,281)	-	(247,502)
						<u>(50,221)</u>	<u>-</u>	<u>(197,281)</u>	<u>-</u>	<u>(247,502)</u>
Special Education Cluster:										
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	100-034-5065-016	102,243	7/1/21-9/30/22	-	54,326	(65,394)	-	(11,068)
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	100-034-5065-016	119,534	7/1/20-9/30/21	(42,211)	42,211	-	-	-
COVID-19 ARP - I.D.E.A. Basic	84.027X	H027X210100	100-034-5065-094	15,209	7/1/21-9/30/22	-	6,900	(9,209)	-	(2,309)
						<u>(42,211)</u>	<u>103,437</u>	<u>(74,603)</u>	<u>-</u>	<u>(13,377)</u>
I.D.E.A. Preschool	84.173A	H173A210114	100-034-5065-020	4,335	7/1/21-9/30/22	-	1,400	(4,176)	-	(2,776)
COVID-19 ARP - I.D.E.A. Preschool	84.173X	H173X210114	100-034-5065-094	1,292	7/1/21-9/30/22	-	-	(1,292)	-	(1,292)
						<u>(42,211)</u>	<u>1,400</u>	<u>(5,468)</u>	<u>-</u>	<u>(4,068)</u>
Total Special Education Cluster:						<u>(223,085)</u>	<u>235,490</u>	<u>(395,028)</u>	<u>-</u>	<u>(382,623)</u>
Total Special Revenue Fund						<u>(223,085)</u>	<u>235,490</u>	<u>(395,028)</u>	<u>-</u>	<u>(382,623)</u>
Total Federal Financial Assistance						<u>\$ (223,085)</u>	<u>\$ 235,490</u>	<u>\$ (395,028)</u>	<u>\$ -</u>	<u>\$ (382,623)</u>

NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	BALANCE JUNE 30, 2022 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	MEMO	
				JUNE 30, 2021	2021						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$2,431,148	7/1/21-6/30/22	\$ -	\$ 2,431,148	\$ (2,431,148)	\$ -	\$ -	\$ -	\$ -	\$ 239,152	\$ 2,431,148
Security Aid	495-034-5120-084	63,683	7/1/21-6/30/22	-	63,683	(63,683)	-	-	-	-	62,665	63,683
Special Education Categorical Aid	495-034-5120-089	152,723	7/1/21-6/30/22	-	152,723	(152,723)	-	-	-	-	15,023	152,723
Total State Aid Public				-	2,647,554	(2,647,554)	-	-	-	-	260,440	2,647,554
Transportation Aid	495-034-5120-014	15,950	7/1/21-6/30/22	-	15,950	(15,950)	-	-	-	-	1,569	15,950
Additional Nonpublic School Transportation Aid	495-034-5120-014	3,190	7/1/21-6/30/22	-	-	(3,190)	-	(3,190)	-	-	-	3,190
Additional Nonpublic School Transportation Aid	495-034-5120-014	2,900	7/1/20-6/30/21	(2,900)	2,900	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	51,841	7/1/21-6/30/22	-	-	(51,841)	-	(51,841)	-	-	-	51,841
Extraordinary Aid	495-034-5120-044	60,689	7/1/20-6/30/21	(60,689)	60,689	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5120-044	163,708	7/1/21-6/30/22	-	155,382	(163,708)	-	(8,326)	-	-	-	163,708
Reimbursed TPAF Social Security Contributions	495-034-5094-003	206,181	7/1/20-6/30/21	(7,660)	7,660	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions (Noncash Assistance)	495-034-5094-002	766,279	7/1/21-6/30/22	-	766,279	(766,279)	-	-	-	-	-	766,279
On-Behalf TPAF Post-Retirement Medical Contributions (Noncash Assistance)	495-034-5094-001	179,034	7/1/21-6/30/22	-	179,034	(179,034)	-	-	-	-	-	179,034
On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5094-004	385	7/1/21-6/30/22	-	385	(385)	-	-	-	-	-	385
Total General Fund				(71,249)	3,835,833	(3,827,941)	-	(63,357)	-	-	262,009	3,827,941
Special Revenue Fund												
Preschool Education Aid	100-010-3350-023	676,005	7/1/21-6/30/22	-	676,005	(42,728)	-	-	633,277	-	67,600	42,728
Preschool Education Aid	100-010-3350-023	703,890	7/1/20-6/30/21	354,230	-	(354,230)	-	-	-	-	-	354,230
Preschool Education Aid	100-010-3350-023	334,957	7/1/19-6/30/20	437	-	(437)	-	-	-	-	-	437
Total Preschool Education Aid				354,667	676,005	(397,395)	-	-	633,277	-	67,600	397,395
Department of Community Affairs												
Passed through County of Gloucester												
Municipal Alliance	Unavailable	750	7/1/11-6/30/12	53	-	-	-	-	-	53	-	-
Municipal Alliance	Unavailable	600	7/1/10-6/30/11	600	-	-	-	-	-	600	-	-
Municipal Alliance	Unavailable	2,400	7/1/09-6/30/10	132	-	-	-	-	-	132	-	-
Total Municipal Alliance				785	-	-	-	-	-	785	-	-
Total Special Revenue Fund				355,452	676,005	(397,395)	-	-	634,062	-	67,600	397,395
NJ School Development Authority												
Capital Projects Fund												
SDA Grant	3490-050-10-1001		12/14/10-end	(561,674)	-	-	-	(561,674)	-	-	-	-
Total Capital Projects Fund				(561,674)	-	-	-	(561,674)	-	-	-	-
Debt Service Fund												
Debt Service Aid Type II	100-034-5120-125	99,614	7/1/21-6/30/22	-	99,614	(99,614)	-	-	-	-	-	99,614
Total Debt Service Fund				-	99,614	(99,614)	-	-	-	-	-	99,614
Total State Financial Assistance				\$ (277,471)	\$ 4,611,452	\$ (4,324,950)	\$ -	\$ (625,031)	\$ 634,062	\$ -	\$ 329,609	\$ 4,324,950
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
On-Behalf TPAF Pension Contributions	495-034-5094-001	\$	7/1/21-6/30/22		\$	766,279						
On-Behalf TPAF Post-Retirement Medical Contributions	495-034-5094-002		7/1/21-6/30/22			179,034						
On-Behalf TPAF Long-Term Disability Insurance Contributions	495-034-5120-004		7/1/21-6/30/22			385						
Total State Financial Assistance Subject to Major Program Determination						\$ (3,379,252)						

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Note 1. Basis of Presentation**

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

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

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

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$39,171) for the general fund and \$5,763 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 3,788,770	\$ 3,788,770
Special Revenue Fund	403,618	394,568	798,186
Debt Service Fund	-	99,614	99,614
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 403,618</u>	<u>\$ 4,282,952</u>	<u>\$ 4,686,570</u>

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

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

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

The National Park Borough School District had no loan balances outstanding as of June 30, 2022.

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

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





**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section II – Financial Statement Findings**

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

**Finding No. 2022-001**

**Criteria or Specific Requirement:**

Good internal control requires school districts to implement procedures to analyze and subsequently collect all outstanding receivables on a timely basis.

**Condition:**

The school district has an accounts receivable balance of \$599,550 in the Capital Projects Fund that has been outstanding for over 5 years.

**Context:**

A review of accounts receivable has revealed a material outstanding balance of over 5 years.

**Effect:**

The school district has experienced cash flow issues and currently maintains a deficit of cash balance in the amount of \$599,550.

**Cause:**

The school district has not completed the necessary steps in order to collect its receivable from the New Jersey School Development Authority.

**Recommendation:**

That the District take all appropriate action to collect outstanding accounts receivable on a timely basis.

**View of Responsible Officials and Planned Corrective Action:**

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

**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS – N/A**

**STATE FINANCIAL ASSISTANCE**

None.



**NATIONAL PARK BOROUGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Financial Statement Findings – None

Federal Awards – Not applicable

State Financial Assistance – None