

**SCHOOL DISTRICT  
OF  
HARRISON TOWNSHIP**



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

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive  
Financial Report**

**of the**

**Harrison Township Board of Education**

**Harrison, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

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

# HARRISON TOWNSHIP SCHOOL DISTRICT

## INTRODUCTORY SECTION

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

## FINANCIAL SECTION

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

**Required Supplementary Information - Part II**

C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule - General Fund	65
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	71
<b>Notes to the Required Supplementary Information</b>		
C-3	Budget-to-GAAP Reconciliation	72

**Required Supplementary Information - Part III**

L.	Schedules Related to Accounting and Reporting for Pensions (GASB-68)	
L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	74
L-2	Schedule of the District Contributions - Public Employees Retirement System	75
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Pension and Annuity Fund	76
M.	Schedule Related to Accounting and Reporting for OPEB (GASB-75)	
M-1	Schedule of Changes in the District's Total OPEB Liability Share of the Net OPEB Liability and Related Ratios	77
<b>Notes to the Required Supplementary Information - Part III</b>		
78		

**Other Supplementary Information**

D.	School Level Schedules :	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	81
E-2	Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F.	Capital Projects Fund	
F-1	Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	88
F-2	Summary Statement of Project Expenditures	89
G.	Proprietary Fund:	
Enterprise Fund:		
G-1	Combining Statement of Net Position	92
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	93
G-3	Combining Statement of Cash Flows	94
H.	Fiduciary Funds	N/A

	<u>Page</u>
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	96
I-2 Schedule of Obligations under Leases	97
I-3 Budgetary Comparison Schedule - Debt Service Fund	98
I-4 Schedule of Obligations under Subscription-Based IT Arrangements (SBITAs)	99

### STATISTICAL SECTION (Unaudited)

#### Financial Trends

J-1 Net Position by Component, Last Ten Fiscal Years	101
J-2 Changes in Net Position, Last Ten Fiscal Years	102
J-3 Fund Balances, Governmental Funds, Last Ten Fiscal Years	103
J-4 Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	104
J-5 General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	105

#### Revenue Capacity

J-6 Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	106
J-7 Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	107
J-8 Principal Property Tax Payers, Current Year and Nine Years Ago	108
J-9 Property Tax Levies and Collections, Last Ten Fiscal Years	109

#### Debt Capacity

J-10 Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	110
J-11 Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	111
J-12 Ratios of Overlapping Governmental Activities Debt, As of December 31, 2022	112
J-13 Legal Debt Margin Information, Last Ten Fiscal Years	113

#### Demographic and Economic Information

J-14 Demographic and Economic Statistics	114
J-15 Principal Employers, Current Year & Nine Years Ago (information not available)	115

#### Operating Information

J-16 Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years	116
J-17 Operating Statistics, Last Ten Fiscal Years	117
J-18 School Building Information, Last Ten Fiscal Years	118
J-19 Schedule of Required Maintenance, Last Ten Fiscal Years	119
J-20 Insurance Schedule	120

### SINGLE AUDIT SECTION

K-1 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	122
K-2 Report on Compliance for Each Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey Circular 15-08-OMB	124
K-3 Schedule of Expenditures of Federal Awards, Schedule A	127
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	128
K-5 Notes to the Schedules of Awards and Financial Assistance	129
K-6 Schedule of Findings and Questioned Costs	
Section 1 - Financial Statement Findings	131
Section 2 - Schedule of Financial Statement Findings	133
Section 3 - Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	134
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	135

## **Introductory Section**

**HARRISON TOWNSHIP BOARD OF EDUCATION**

**120 N. Main St.**

**Mullica Hill, New Jersey 08062**

**(856) 478-2016**

**fax (856) 478-0699**

**Dr. Missy Peretti**  
**Superintendent**

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

November 30, 2023

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

Dear Board Members and Constituents of Harrison Township:

The annual comprehensive financial report of the Harrison Township School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of federal regulations, cost principles, and audit requirements for federal awards (uniform guidance); and State of New Jersey Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Harrison Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Harrison Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 6. These include regular, as well as special education for gifted and handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 1,343 students, which is 41 more students than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

**ATTENDANCE DATA**  
**Last Ten Fiscal Years**  
*Unaudited*

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Attendance Percentage</u>
2022-23	1,328.6	1,257.9	2.20%	94.68%
2021-22	1,300.1	1,235.1	(0.26%)	95.00%
2020-21	1,303.6	1,256.1	(8.71%)	96.35%
2019-20	1,428.0	1,384.1	6.42%)	96.92%
2018-19	1,358.0	1,300.5	(2.71%)	95.77%
2017-18	1,395.8	1,336.8	(2.50%)	95.77%
2016-17	1,431.6	1,375.8	(1.95%)	96.10%
2015-16	1,460.2	1,398.7	(2.23%)	95.79%
2014-15	1,493.5	1,431.0	1.37%	95.82%
2013-14	1,473.3	1,417.5	2.18%	96.21%

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

**3) MAJOR INITIATIVES:** The Harrison Township School District continues to focus on the academic, social, and emotional development of our learners.

In the area of curriculum, our Mathematics and English Language Arts Curricula continue to be aligned with the New Jersey Student Learning Standards (NJSLs). We will continue to follow the anticipated updates during the 2023-2024 school year on the state level and will adjust our curriculum, as necessary, to ensure compliance. We have implemented a new math program, Envisions, in all grade levels and we adopted Wit and Wisdom, a comprehensive ELA resource crafted to help students build the knowledge and skills they need to be successful readers, exceptional writers, and effective communicators, for learners in grades 3 through 6. We continue to ensure that all students have access to the necessary working devices and wireless connection in order to access their education in the classroom. This one to one technology plan also allows us to meet the requirements of the NJ Department of Education communicated.



### **3) MAJOR INITIATIVES (Cont'd):**

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

1. NJSLs
2. Envisions
3. Wit and Wisdom
4. School Safety and Security
5. Social/Emotional Learning
6. Affirmative Action and overall safety in the workplace
7. FERPA laws and regulations
8. RTI
9. Dyslexia
10. Mandated Security Drill Procedures
11. Handle With Care

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board

(GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Financial Statements", Note 1.

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

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

**9) OTHER INFORMATION:**

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

**10) ACKNOWLEDGMENTS:**

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

Respectfully submitted,



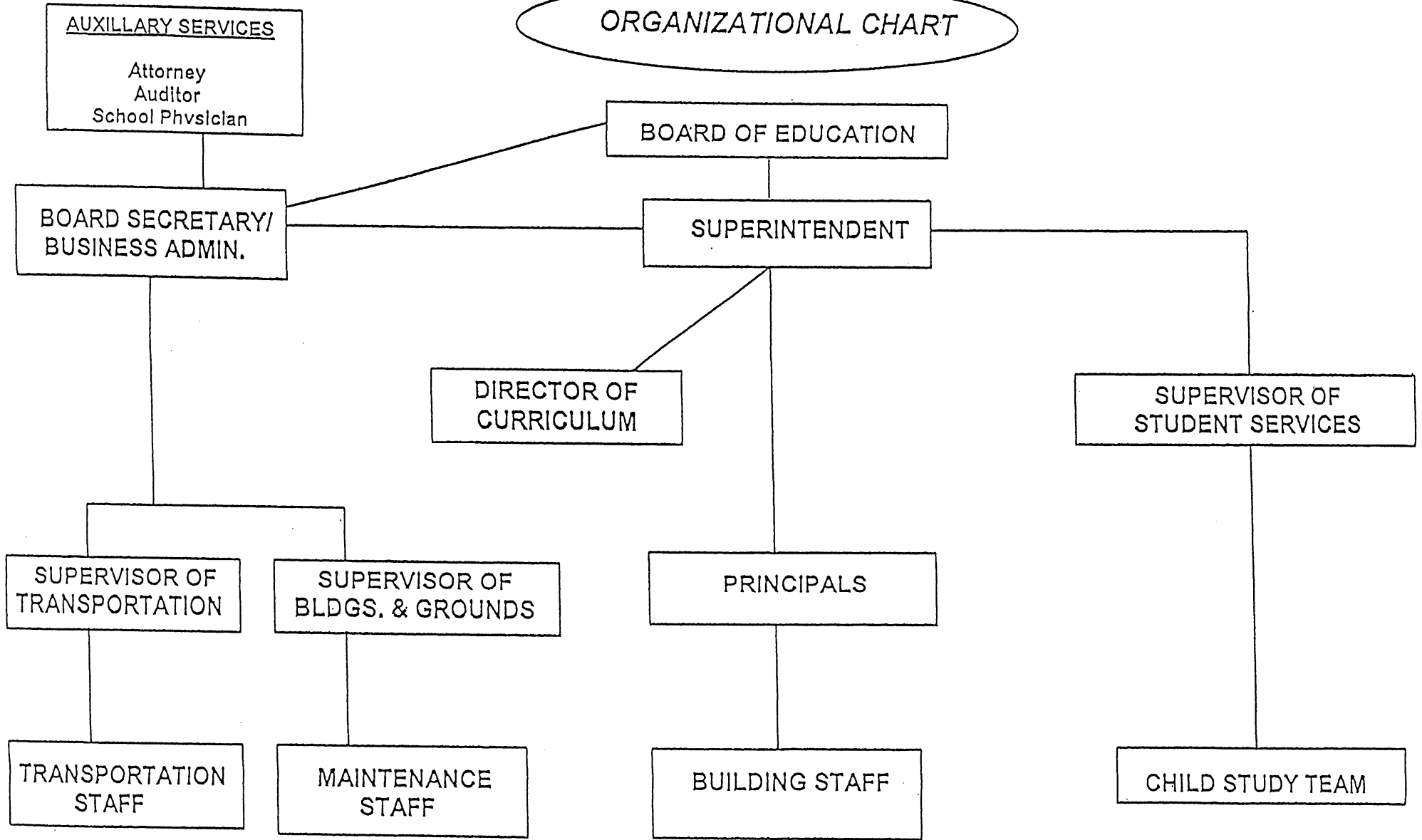
Dr. Missy Peretti  
Superintendent



Robert E. Scharlé  
School Business Administrator/Board Secretary

HARRISON TOWNSHIP SCHOOL DISTRICT  
MULLICA HILL, NEW JERSEY

ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS  
JUNE 30, 2023**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
<b>Stacey Muscarella, President</b>	<b>2024</b>
<b>Shannon Williams, Vice President</b>	<b>2023</b>
<b>Jennifer Bowen</b>	<b>2025</b>
<b>Walter Bright</b>	<b>2025</b>
<b>Cristie Clark</b>	<b>2023</b>
<b>Janette Coslop</b>	<b>2023</b>
<b>Lou DiBacco</b>	<b>2024</b>
<b>Sean Henderson</b>	<b>2025</b>
<b>Marissa Straccialini</b>	<b>2024</b>

**Other Officials**

**Dr. Missy Peretti, Superintendent**

**Robert E. Scharlé, School Business Administrator/Board Secretary**

**Robert Muccilli, Esq., Solicitor**

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

**Consultants and Advisors**

**AUDIT FIRM**

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

**ATTORNEY**

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

**FISCAL AGENT(S)**

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

**OFFICIAL DEPOSITORY**

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

**Financial Section**

**INVERSO & STEWART, LLC**  
Certified Public Accountants

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

***Opinions***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Harrison Township School District (the "District"), in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, 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***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Emphasis of Matter***

*Adoption of New Accounting Principle*

As discussed in Note 8 to the financial statements, during the fiscal year ended June 30, 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. My opinions are not modified with respect to this matter.

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

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

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

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

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

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

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***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 my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my 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, I am required to describe it in my report.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated November 30, 2023, on my consideration of the District's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

***INVERSO & STEWART, LLC***

Certified Public Accountants



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

Marlton, New Jersey  
November 30, 2023

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

**Township of Harrison School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

As management of the Board of Education of the Township of Harrison, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$9,432,919 (*net position*).
- Governmental activities have an unrestricted deficit net position of \$3,978,789. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the last two state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased \$545,340, or a 6.14% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds decreased \$107,439 resulting in an ending fund balance of \$3,835,108. This increase is due to the results of operations in the general fund.
- Business-type activities have unrestricted net position of \$154,912, which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$190,570 which is primarily due to the payment of bond principal.

**Overview of the Basic Financial Statements**

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

**District-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

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

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

### **Notes to the Basic Financial Statements**

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

### **Other Information**

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

## **District-wide Financial Analysis**

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2024. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2024.

The assets of the primary government activities exceeded liabilities by \$9,216,948 with an unrestricted deficit balance of \$3,978,789. The net position of the primary government does not include internal balances.

A net investment of \$10,279,116 in land, improvements, buildings, equipment and vehicles provides the services to the School District’s 1,300 public school students. Net position of \$261,814 has been restricted to provide resources for future capital expansion and renovation projects; and \$935,830 has been restricted for maintenance, while \$1,567,731 has been restricted for budget appropriation; \$121,474 has been restricted for unemployment compensation and \$29,771 has been restricted for student activities.

As mentioned earlier, the balance of unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, and the last two state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

**Township of Harrison School District  
Comparative Summary of Net Position  
As of June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current assets	\$ 4,098,704	\$ 4,505,521	\$ 169,127	\$ 168,255	\$ 4,267,831	\$ 4,673,776
Capital assets	14,775,071	15,876,541	61,059	53,248	14,836,130	15,929,789
Total assets	<u>18,873,775</u>	<u>20,382,062</u>	<u>230,186</u>	<u>221,503</u>	<u>19,103,961</u>	<u>20,603,565</u>
Deferred Outflows of Resources	<u>550,496</u>	<u>382,679</u>	<u>-</u>	<u>-</u>	<u>550,496</u>	<u>382,679</u>
<b>LIABILITIES</b>						
Current liabilities	1,567,582	1,978,406	14,215	23,821	1,581,797	2,002,227
Noncurrent liabilities	<u>7,718,574</u>	<u>7,797,694</u>	<u>-</u>	<u>-</u>	<u>7,718,574</u>	<u>7,797,694</u>
Total liabilities	<u>9,286,156</u>	<u>9,776,100</u>	<u>14,215</u>	<u>23,821</u>	<u>9,300,371</u>	<u>9,799,921</u>
Deferred Inflows of Resources	<u>921,168</u>	<u>2,298,745</u>	<u>-</u>	<u>-</u>	<u>921,168</u>	<u>2,298,745</u>
Net Position	<u>\$ 9,216,947</u>	<u>\$ 8,689,896</u>	<u>\$ 215,971</u>	<u>\$ 197,682</u>	<u>\$ 9,432,918</u>	<u>\$ 8,887,578</u>
Net Position Consist of:						
Net investment in capital assets	\$ 10,279,116	\$ 10,397,901	\$ 61,059	\$ 53,248	\$ 10,340,175	\$ 10,451,149
Restricted Assets	2,916,620	2,262,341	-	-	2,916,620	2,262,341
Unrestricted Assets	<u>(3,978,789)</u>	<u>(3,970,346)</u>	<u>154,912</u>	<u>144,434</u>	<u>(3,823,877)</u>	<u>(3,825,912)</u>
Net Position	<u>\$ 9,216,947</u>	<u>\$ 8,689,896</u>	<u>\$ 215,971</u>	<u>\$ 197,682</u>	<u>\$ 9,432,918</u>	<u>\$ 8,887,578</u>

**Governmental Activities**

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

- The results of operations in the Governmental Funds.

**Business-type Activities**

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

- The Food Service Program had a net gain of \$18,288.

**Township of Harrison School District  
Comparative Schedule of Changes in Net Position  
As of and for the Fiscal Year Ended June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Charges for services	\$ 183,227	\$ -	\$ 239,230	\$ 210	\$ 422,457	\$ 210
Operating grants and contributions	8,206,357	9,592,768	225,143	470,010	8,431,500	10,062,778
<b>General Revenues</b>						
Property taxes	14,399,841	14,226,765	-	-	14,399,841	14,226,765
State aid - unrestricted	5,997,488	6,134,698	-	-	5,997,488	6,134,698
Tuition	-	-	-	-	-	-
Other revenues	185,266	298,371	-	-	185,266	298,371
<b>Total Revenues</b>	<b>28,972,179</b>	<b>30,252,602</b>	<b>464,373</b>	<b>470,220</b>	<b>29,436,552</b>	<b>30,722,822</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	10,619,517	10,639,254	-	-	10,619,517	10,639,254
Tuition	18,653	65,298	-	-	18,653	65,298
Related services	2,200,354	2,065,349	-	-	2,200,354	2,065,349
Administrative services	1,116,841	1,187,895	-	-	1,116,841	1,187,895
<b>Operations and</b>						
Maintenance	1,872,158	2,197,430	-	-	1,872,158	2,197,430
Transportation	1,074,818	1,057,589	-	-	1,074,818	1,057,589
Central Services	765,369	701,074	-	-	765,369	701,074
Employee benefits	10,205,532	10,892,563	-	-	10,205,532	10,892,563
Interest on debt	139,317	169,650	-	-	139,317	169,650
Other	70,137	69,486	-	-	70,137	69,486
Loss on disposal of capital assets	362,431	-	-	-	362,431	-
<b>Business-Type Activities:</b>						
Food Service	-	-	446,084	346,830	446,084	346,830
<b>Total Expenses</b>	<b>28,445,127</b>	<b>29,045,588</b>	<b>446,084</b>	<b>346,830</b>	<b>28,891,211</b>	<b>29,392,418</b>
Increase (Decrease) in Net Position before transfers	527,052	1,207,014	18,289	123,390	545,341	1,330,404
Transfers	-	-	-	-	-	-
Change in Net Position	527,052	1,207,014	18,289	123,390	545,341	1,330,404
Net Position, July 1	8,689,896	7,482,882	197,682	74,292	8,887,578	7,557,174
<b>Net Position, June 30</b>	<b>\$ 9,216,948</b>	<b>\$ 8,689,896</b>	<b>\$ 215,971</b>	<b>\$ 197,682</b>	<b>\$ 9,432,919</b>	<b>\$ 8,887,578</b>

**Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,835,108, a decrease of \$107,439 in comparison with the prior year. The unreserved fund balance for the School District at the end of the fiscal year includes an unreserved fund balance of (\$50,663) in the General Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures \$206,679, 2) restricted for unemployment compensation \$121,474, 3) reserve for student activities \$29,771, 4) reserve for encumbrances \$479,183, 5) reserved for maintenance \$935,830, 6) reserved for capital projects \$55,135, 7) reserved for future budget appropriation in accordance with state statutes \$489,967, 8) reserve for excess surplus – current year \$999,288, 9) reserve for excess surplus generated during the 2021-2022 fiscal year and restricted and designated for utilization in the 2023-2024 budget \$568,443.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the last two state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

### General Fund Budgetary Highlights

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

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$470,409, while total fund balance (budgetary basis) was \$4,271,274. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$24,833,952. Unreserved fund balance (budgetary basis) represents 1.89% of expenditures while total fund balance (budgetary basis) represents 17.20% of that same amount.

### Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$14,499,627 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$1,293,377, or a 8.19% decrease. The decrease is due to asset depreciation.

#### Capital Assets/Leases (net of accumulated depreciation/amortization) June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
Land	\$ 430,000	\$ 430,000	\$ -	\$ -	\$ 430,000	\$ 430,000
Building and Building Improvements	13,795,792	14,598,787	-	-	13,795,792	14,598,787
Equipment	273,835	710,969	61,059	53,248	334,894	764,217
Leases/SBITA Assets	275,445	136,785	-	-	275,445	136,785
Total	<u>\$ 14,775,072</u>	<u>\$ 15,876,541</u>	<u>\$ 61,059</u>	<u>\$ 53,248</u>	<u>\$ 14,836,131</u>	<u>\$ 15,929,789</u>

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

*Long-term debt* – During the fiscal year ended June 30, 2023, the School District had \$4,385,000 in serial bonds payable and \$636,723 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$44,021,833. The available amount as of June 30, 2023 was \$39,636,833.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) of this report.



### **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered and incorporated into the preparation of the School District's budget for the 2023-24 fiscal year.

- For the 2023-24 fiscal year the School District will be receiving no increase in state aid. The local tax levy in the General Fund increased by \$666,739 or 4.80%. The 2023-24 General Fund Budget increased by \$137,944 over the previous year. The tax rate for 2023 is \$.972, which is a slight increase from the previous year.

### **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township of Harrison School District Business Administrator, 120 N. Main St., Mullica Hill, New Jersey 08062.

Basic Financial Statements

District-Wide Financial Statements

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 3,846,477.71	\$ 133,174.29	\$ 3,979,652.00
Accounts receivables, net	252,226.62	4,314.59	256,541.21
Inventory		31,638.28	31,638.28
Restricted assets:			
Cash and cash equivalents			-
Capital assets, net	14,499,627.00	61,059.00	14,560,686.00
Right-to-use lease assets, net	84,578.51		84,578.51
Right-to-use subscription assets, net	190,865.49		190,865.49
Total Assets	<u>18,873,775.33</u>	<u>230,186.16</u>	<u>19,103,961.49</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	550,496.00	-	550,496.00
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>19,424,271.33</u>	<u>230,186.16</u>	<u>19,654,457.49</u>
<b>LIABILITIES:</b>			
Accounts payable:			
Other	247,252.16		247,252.16
Related to pensions	306,414.00		306,414.00
Intergovernmental accounts payable:			
State	6,685.34		6,685.34
Accrued liabilities:			
Interest payable	40,216.67		40,216.67
Unearned revenue	9,659.00	14,215.30	23,874.30
Noncurrent liabilities:			
Due within one year	957,354.00		957,354.00
Due beyond one year	7,718,574.43		7,718,574.43
Total Liabilities	<u>9,286,155.60</u>	<u>14,215.30</u>	<u>9,300,370.90</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of resources from pensions	921,168.00	-	921,168.00
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>10,207,323.60</u>	<u>14,215.30</u>	<u>10,221,538.90</u>
<b>NET POSITION:</b>			
Net investment in capital assets	10,279,116.28	61,059.00	10,340,175.28
Restricted for:			
Capital projects	261,814.21		261,814.21
Maintenance	935,830.10		935,830.10
Excess Surplus	1,567,730.72		1,567,730.72
Unemployment compensation	121,473.62		121,473.62
Debt service	0.09		0.09
Student activities	29,771.28		29,771.28
Unrestricted (Deficit)	<u>(3,978,788.57)</u>	<u>154,911.86</u>	<u>(3,823,876.71)</u>
Total Net Position	<u>\$ 9,216,947.73</u>	<u>\$ 215,970.86</u>	<u>\$ 9,432,918.59</u>

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 7,490,271.17	\$ 183,227.27	\$ 156,732.29	\$ -	\$ (7,150,311.61)	\$ -	\$ (7,150,311.61)
Special Education	2,055,465.42		354,637.97		(1,700,827.45)		(1,700,827.45)
Other instruction	1,073,780.18				(1,073,780.18)		(1,073,780.18)
Support Services:							
Tuition	18,652.40				(18,652.40)		(18,652.40)
Student & instruction related services	2,200,354.00		339,754.53		(1,860,599.47)		(1,860,599.47)
General administrative services	467,337.80				(467,337.80)		(467,337.80)
School administrative services	649,503.11				(649,503.11)		(649,503.11)
Central administrative services	765,369.08				(765,369.08)		(765,369.08)
Plant operations and maintenance	1,872,157.77				(1,872,157.77)		(1,872,157.77)
Pupil transportation	1,074,818.27				(1,074,818.27)		(1,074,818.27)
Unallocated employee benefits	10,205,532.16		7,355,231.79		(2,850,300.37)		(2,850,300.37)
Transfer of funds to Charter Schools	21,491.00				(21,491.00)		(21,491.00)
Interest on long-term debt	139,317.07				(139,317.07)		(139,317.07)
Unallocated depreciation and amortization	48,646.00				(48,646.00)		(48,646.00)
Total Governmental Activities	<u>28,082,695.43</u>	<u>183,227.27</u>	<u>8,206,356.58</u>	<u>-</u>	<u>(19,693,111.58)</u>	<u>-</u>	<u>(19,693,111.58)</u>
Business-Type Activities:							
Food service	446,084.08	239,229.70	225,142.80	-	-	18,288.42	18,288.42
Total Business-Type Activities	<u>446,084.08</u>	<u>239,229.70</u>	<u>225,142.80</u>	<u>-</u>	<u>-</u>	<u>18,288.42</u>	<u>18,288.42</u>
Total Primary Government	<u>\$ 28,528,779.51</u>	<u>\$ 422,456.97</u>	<u>\$ 8,431,499.38</u>	<u>\$ -</u>	<u>(19,693,111.58)</u>	<u>18,288.42</u>	<u>(19,674,823.16)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					13,886,503.00		13,886,503.00
Taxes levied for debt service					513,338.00		513,338.00
Federal and State aid unrestricted					5,997,488.00		5,997,488.00
Investment and Interest earnings - restricted					14,169.50		14,169.50
Miscellaneous					171,096.02		171,096.02
Special Items:							
Loss on Disposal of Assets					(362,431.00)		(362,431.00)
Total general revenues, special items, extraordinary items and transfers					<u>20,220,163.52</u>	<u>-</u>	<u>20,220,163.52</u>
Change in Net Position					527,051.94	18,288.42	545,340.36
Net Position - July 1,					<u>8,689,895.79</u>	<u>197,682.44</u>	<u>8,887,578.23</u>
Net Position - June 30					<u>\$ 9,216,947.73</u>	<u>\$ 215,970.86</u>	<u>\$ 9,432,918.59</u>

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

Fund Financial Statements

TOWNSHIP OF HARRISON SCHOOL DISTRICT  
 Balance Sheet  
 Governmental Funds  
 June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,761,571.42	\$ 29,771.28	\$ 55,134.92	\$ 0.09	\$ 3,846,477.71
Interfund Accounts Receivable					
Special Revenue Fund	14,827.89				14,827.89
Intergovernmental Accounts Receivables:					
State	168,824.68				168,824.68
Federal		83,231.44			83,231.44
Other Accounts Receivable	170.50				170.50
<b>Total Assets</b>	<u>3,945,394.49</u>	<u>113,002.72</u>	<u>55,134.92</u>	<u>0.09</u>	<u>4,113,532.22</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interfund Accounts Payable					
General Fund		14,827.89			14,827.89
Intergovernmental Accounts Payable:					
State		6,685.34			6,685.34
Accounts Payable:					
Payroll Deductions and Withholdings Payable	132,370.05				132,370.05
Unemployment Claims Payable	48,161.16				48,161.16
Other	5,002.74	61,718.21			66,720.95
Unearned Revenue	9,659.00				9,659.00
<b>Total Liabilities</b>	<u>195,192.95</u>	<u>83,231.44</u>			<u>278,424.39</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	206,679.29				206,679.29
Maintenance Reserve	935,830.10				935,830.10
Excess Surplus	1,567,730.72				1,567,730.72
Unemployment Compensation	121,473.62				121,473.62
Capital Projects			55,134.92		55,134.92
Debt Service				0.09	0.09
Student Activities		29,771.28			29,771.28
<b>Assigned to:</b>					
Other Purposes	479,183.03				479,183.03
Designated for Subsequent Year's Expenditures	489,967.48				489,967.48
Unassigned	(50,662.70)				(50,662.70)
<b>Total Fund Balances</b>	<u>3,750,201.54</u>	<u>29,771.28</u>	<u>55,134.92</u>	<u>0.09</u>	<u>3,835,107.83</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,945,394.49</u>	<u>\$ 113,002.72</u>	<u>\$ 55,134.92</u>	<u>\$ 0.09</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$35,351,903 and the accumulated depreciation is \$20,852,276. 14,499,627.00

Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$187,160.76 and the accumulated amortization is \$102,582.25. 84,578.51

Subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$226,128.63 and the accumulated amortization is \$35,263.14. 190,865.49

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (40,216.67)

Accounts payable related to the April 1, 2024 required PERS contribution that is not to be liquidated with current financial resources. (306,414.00)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	\$ 550,496.00	
Net Pension Liability	(3,543,251.00)	
Deferred Inflows of resources from Pensions	(921,168.00)	(3,913,923.00)

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

Serial bonds payable	(4,408,414.00)
Leases payable	(87,540.72)
Compensated absences	(636,722.71)
	<u>(5,132,677.43)</u>

Net position of governmental activities \$ 9,216,947.73

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**for the Fiscal Year Ended June 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local property tax levy	\$ 13,886,503.00	\$ -	\$ -	\$ 513,338.00	\$ 14,399,841.00
Tuition charges	183,227.27				183,227.27
Transportation fees	4,922.01				4,922.01
Capital Reserve - Interest earned	31.00				31.00
Maintenance Reserve - Interest earned	12,870.33				12,870.33
Other Resticted Miscellaneous Revenues	1,268.17				1,268.17
Unrestricted Miscellaneous Revenues	166,174.01				166,174.01
Federal sources		725,344.85			725,344.85
State sources	10,565,262.93	128,118.89		415,312.00	11,108,693.82
Local sources		73,073.91			73,073.91
<b>Total revenues</b>	<b>24,820,258.72</b>	<b>926,537.65</b>	<b>-</b>	<b>928,650.00</b>	<b>26,675,446.37</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	6,580,569.17	156,732.29			6,737,301.46
Special education instruction	1,700,827.45	354,637.97			2,055,465.42
Other instruction	1,073,780.18				1,073,780.18
Support services and undistributed costs:					
Tuition	18,652.40				18,652.40
Student & instruction related services	1,862,853.75	337,500.25			2,200,354.00
General administrative services	361,029.80				361,029.80
School administrative services	649,503.11				649,503.11
Central services	361,546.85				361,546.85
Administrative Information Technology	399,314.23				399,314.23
Plant operations and maintenance	2,027,754.45				2,027,754.45
Pupil transportation	1,074,818.27				1,074,818.27
Unallocated employee benefits	8,571,619.30	75,412.86			8,647,032.16
Capital outlay	130,192.00				130,192.00
Transfer to Charter School	21,491.00				21,491.00
Debt service:					
Principal				875,000.00	875,000.00
Interest and other charges				149,650.00	149,650.00
<b>Total expenditures</b>	<b>24,833,951.96</b>	<b>924,283.37</b>	<b>-</b>	<b>1,024,650.00</b>	<b>26,782,885.33</b>
Excess (deficiency) of revenues over (under) expenditures	(13,693.24)	2,254.28	-	(96,000.00)	(107,438.96)
Other Financing Sources (Uses):					
Transfers in				96,000.00	96,000.00
Transfers out			(96,000.00)		(96,000.00)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(96,000.00)</b>	<b>96,000.00</b>	<b>-</b>
Net change in fund balance	(13,693.24)	2,254.28	(96,000.00)	-	(107,438.96)
Fund balances, July 1	3,763,894.78	27,517.00	151,134.92	0.09	3,942,546.79
<b>Fund balances, June 30</b>	<b>\$ 3,750,201.54</b>	<b>\$ 29,771.28</b>	<b>\$ 55,134.92</b>	<b>\$ 0.09</b>	<b>\$ 3,835,107.83</b>

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



**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**for the Fiscal Year Ended June 30, 2023**

Total net change in fund balances - governmental funds (from B-2) \$ (107,438.96)

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

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

Depreciation expense	\$ (972,918.00)	
Loss on Disposal of Assets	(362,431.00)	
Capital outlay	<u>95,220.00</u>	(1,240,129.00)

Capital outlays related and to leases and subscriptions are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This the amount by which capital outlays exceeded amortization in the current fiscal year.

Amortization expense	(90,162.00)	
Subscription Asset Additions	226,128.63	
Lease Asset Additions	<u>2,692.45</u>	138,659.08

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 875,000.00

The proceeds of a lease is an other financing source of revenue in the governmental funds but is not reported in the statement of activities. (2,692.45)

The proceeds of a subscription is an other financing source of revenue in the governmental funds but is not reported in the statement of activities. (226,128.63)

Repayment of leases 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. 54,178.05

Repayment of subscriptions 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. 226,128.63

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences. 56,200.00

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. 10,332.93

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. 738,232.00

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 4,710.29

Change in net position of governmental activities \$ 527,051.94

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<u>Business-type Activities Enterprise Funds</u>
	<u>2023</u>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$ 133,174.29
Accounts receivable	4,314.59
Inventories	<u>31,638.28</u>
Total current assets	<u>169,127.16</u>
Noncurrent assets:	
Equipment	366,550.00
Less accumulated depreciation	<u>(305,491.00)</u>
Total noncurrent assets	<u>61,059.00</u>
Total assets	<u><u>\$ 230,186.16</u></u>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	\$ -
Unearned revenue	<u>14,215.30</u>
Total liabilities	<u>14,215.30</u>
<b>NET ASSETS:</b>	
Invested in capital assets net of related debt	61,059.00
Unrestricted	<u>154,911.86</u>
Total net position	<u><u>\$ 215,970.86</u></u>

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**for the Fiscal Year Ended June 30, 2023**

	<b>Business-type Activities Enterprise Funds</b>
	2023
<b>Operating revenues:</b>	
Charges for services:	
Daily sales-reimbursable programs	\$ 116,312.78
Daily sales-non-reimbursable programs	122,916.92
	239,229.70
<b>Operating expenses:</b>	
Salaries	145,057.87
Benefits	39,730.06
Supplies and materials	13,702.62
Depreciation	5,732.00
Management fee	24,510.00
Direct expenses	12,078.47
Repairs and maintenance	40,571.68
Miscellaneous	-
Cost of sales - reimbursable programs	114,674.03
Cost of sales - non-reimbursable programs	50,027.35
	446,084.08
Total operating expenses	446,084.08
Operating income (loss)	(206,854.38)
<b>Nonoperating revenues (expenses):</b>	
State sources:	
State school lunch program	4,055.75
Federal sources:	
National school lunch program	90,806.92
Supply chain assistance	70,578.19
U.S.D.A. commodities	59,701.94
	225,142.80
Total nonoperating revenues (expenses)	225,142.80
Change in net position	18,288.42
Total net position - July 1	197,682.44
Total net position - June 30	\$ 215,970.86

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**for the Fiscal Year Ended June 30, 2023**

	<b>Business-type Activities Enterprise Funds</b>
	2023
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 241,069.13
Payments to employees	(184,787.93)
Payments to suppliers	(227,976.96)
Net cash used for operating activities	(171,695.76)
<b>Cash flows from noncapital financing activities:</b>	
State sources	4,424.55
Federal sources	181,360.13
Net cash provided by non-capital financing activities	185,784.68
<b>Cash flows used by capital and related financing activities:</b>	
Purchase of equipment	(13,543.00)
Net increase in cash and cash equivalents	545.92
Balances - July 1	132,628.37
Balances - June 30	\$ 133,174.29
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (206,854.38)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	5,732.00
Federal commodities	59,701.94
(Increase) decrease in inventories	(20,670.11)
Increase (decrease) in accounts payable	(11,444.64)
Increase (decrease) in deferred revenue	1,839.43
Total adjustments	35,158.62
Net cash provided by (used for) operating activities	\$ (171,695.76)

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

**Township of Harrison School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity - The Township of Harrison School District (District) is a Type II school district located in Gloucester County, New Jersey and covers an area of approximately 20 miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the District is to provide educational services for all of the Township of Harrison's students in grades K through 6. The Township of Harrison School District has an approximate enrollment at June 30, 2023 of 1,329 students.

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

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

**Basis of Presentation**

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

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

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

**Township of Harrison School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

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

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

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

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

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

**Capital Projects Fund** - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

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

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

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

The School District’s enterprise fund is:

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

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

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

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

**Measurement Focus**

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

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

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

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

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

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

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

**Basis of Accounting**

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

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

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

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.



**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

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

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

**Encumbrances** - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year-end.

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or Federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

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

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

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

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

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

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

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

**Lease Assets** - Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

**Township of Harrison School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

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

**Subscription Assets** - Intangible right-to-use subscription assets are assets which the District recognizes at the commencement of a Subscription-Based Information Technology Arrangement (SBITA) that has a term of more than one year. The value of subscription assets is determined by the net present value of the agreements at the District's incremental borrowing rate at the time of the agreement, amortized over the term of the agreement.

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

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

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

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

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

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

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

**Restricted** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

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

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

**Fund Balance** - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2023.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

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

**Fund Balance (Continued)**

**Restricted** – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

**Assigned** – This fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

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

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

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

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

**Recently Issued Accounting Pronouncements** – In June 2022, the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

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

**Recently Issued Accounting Pronouncements (Continued)** – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The District implemented GASB Statement No. 96 for the fiscal year ending June 30, 2023.

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$4,475,679 as of June 30, 2023, \$250,000 was insured under FDIC and the remaining balance of \$4,225,679 was collateralized under GUDPA.

**3. CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance – July 1, 2022	\$	6,648
Increased by:		
Transfer by Budget Resolution		200,000
Interest Earned		31
		200,031
Decreased by:		
None		-
		-
Balance – June 30, 2023	\$	206,679

The June 30, 2023 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted capital projects.

**Township of Harrison School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**4. ACCOUNTS RECEIVABLE**

Receivables at June 30, 2023 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectible in full due to the stable condition of the other governmental units, state programs and the current fiscal year guarantee of federal funds.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
State Aid	\$ 168,825	\$ -	\$ 186	\$ 169,011
Federal Aid	-	83,231	4,129	87,360
Other	<u>171</u>	<u>-</u>	<u>-</u>	<u>171</u>
Total	<u>\$ 168,996</u>	<u>\$ 83,231</u>	<u>\$ 4,315</u>	<u>\$ 256,542</u>

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance June 30, 2022</u>	<u>Additions / Adjustments</u>	<u>Disposals / Adjustments</u>	<u>Balance June 30, 2023</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 430,000	\$ -	\$ -	\$ 430,000
Construction in progress	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital assets, not being Depreciated	<u>430,000</u>	<u>                    </u>	<u>                    </u>	<u>430,000</u>
<i>Capital Assets, being depreciated:</i>				
Site and Site Improvements	1,776,872			1,776,872
Building and Building Improvements	29,877,823			29,877,823
Equipment	<u>3,623,543</u>	<u>95,220</u>	<u>(451,555)</u>	<u>3,267,208</u>
Totals at historical cost	<u>35,278,238</u>	<u>95,220</u>	<u>(451,555)</u>	<u>34,921,903</u>
<i>Less Accumulated Depreciation:</i>				
Site and Site Improvements	(1,281,910)	(33,211)	733	(1,314,388)
Building and Building Improvements	(15,773,998)	(770,517)		(16,445,515)
Equipment	<u>(2,912,574)</u>	<u>(169,190)</u>	<u>88,391</u>	<u>(2,993,373)</u>
Totals accumulated depreciation	<u>(19,968,482)</u>	<u>(972,918)</u>	<u>89,124</u>	<u>(20,852,276)</u>
Total Capital Assets, being depreciated, net	<u>15,309,756</u>	<u>(877,698)</u>	<u>(362,431)</u>	<u>14,069,627</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,739,756</u>	<u>\$ (877,698)</u>	<u>\$ (362,431)</u>	<u>\$ 14,499,627</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 353,007	\$ 13,733	\$ (190)	\$ 366,550
Less accumulated depreciation	<u>(299,759)</u>	<u>(5,732)</u>	<u>-</u>	<u>(305,491)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 53,248</u>	<u>\$ 8,001</u>	<u>\$ (190)</u>	<u>\$ 61,059</u>

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$972,918 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 681,042
General Administration	97,292
Plant Operations and Maintenance	145,938
Unallocated	48,646
Total	\$ 972,918

**6. LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<b>Governmental Activities:</b>				
Lease Assets, being Amortized:				
Machinery and Equipment	\$ 184,468	\$ 2,693	\$ -	\$ 187,161
Subscription Assets, being Amortized:				
Subscription-Based IT Arrangements	-	226,129	-	226,129
Total Lease & Subscription Assets Being Amortized	184,468	228,822	-	413,290
 Governmental Activities				
Lease & Subscription Assets	184,468	228,822	-	413,290
 Less Accumulated Amortization for:				
Machinery and Equipment	(47,683)	(54,899)	-	(102,582)
Subscription-Based IT Arrangements	-	(35,263)	-	(35,263)
Total Accumulated Amortization	(47,683)	(90,162)	-	(137,845)
 Governmental Activities Lease & Subscription Assets, Net				
	\$ 136,785	\$ 138,660	\$ -	\$ 275,445

Amortization expense in the amount of \$90,162 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 76,638
Administration	9,016
Central Services	4,508
	\$ 90,162

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**7. INVENTORY**

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$ 23,341
Supplies	<u>8,297</u>
	<u>\$ 31,638</u>

**8. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations:

<u>Governmental Activities:</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Serial Bonds Payable	\$ 5,260,000	\$ -	\$ 875,000	\$ 4,385,000	\$ 860,000
Unamortized Premiums	79,614		56,200	23,414	23,414
Leases Payable	139,026	2,693	54,178	87,541	43,470
Subscription-Based IT Arrangements (SBITAs)	-	226,129	226,129	-	-
Compensated Absences	641,433	36,872	41,582	636,723	30,470
Net Pension Liability	<u>2,746,426</u>	<u>796,825</u>	<u>-</u>	<u>3,543,251</u>	<u>-</u>
Total Governmental Activity	<u>\$ 8,866,499</u>	<u>\$ 1,062,519</u>	<u>\$ 1,253,089</u>	<u>\$ 8,675,929</u>	<u>\$ 957,354</u>

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

2015 Refunding Bonds dated December 3, 2015 in the amount of \$1,335,000, with \$660,000 outstanding, due in annual installments through March 1, 2024, bearing an interest rate of 4.00%.

2017 School Bonds dated November 29, 2017 in the amount of \$3,925,000, with \$3,725,000 outstanding, due in annual installments through September 1, 2032 bearing interest rates ranging from 2.00% to 3.00%.

**Debt Service Requirements**

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 860,000	\$ 118,650	\$ 978,650
2025	400,000	86,250	486,250
2026	400,000	78,000	478,000
2027	400,000	69,250	469,250
2028	400,000	60,000	460,000
2029-2033	<u>1,925,000</u>	<u>138,625</u>	<u>2,063,625</u>
	<u>\$ 4,385,000</u>	<u>\$ 550,775</u>	<u>\$ 4,935,775</u>

As of June 30, 2023 the District had no authorized but not issued bonds.

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



**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**8. LONG-TERM OBLIGATIONS (Continued)**

**Leases Payable** - The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On November 1, 2019, the School District entered a 48-month lease as lessee for the use of copiers. As of July 1, 2021, an initial lease liability was recorded in the amount of \$42,924. The lease liability was \$6,380 as of June 30, 2023. The School District is required to make monthly payments of \$1,608. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$6,132 with accumulated amortization of \$36,792.

On August 15, 2020, the School District entered a 60-month lease as lessee for the use of a postage meter. As of July 1, 2021, an initial lease liability was recorded in the amount of \$3,117. The lease liability was \$1,605 as of June 30, 2023. The School District is required to make quarterly payments of \$207. The lease has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2023, was \$1,590 with accumulated amortization of \$1,527.

On April 1, 2021, the School District entered a 48-month lease as lessee for the use of copiers. As of July 1, 2021, an initial lease liability was recorded in the amount of \$34,290. The lease liability was \$16,642 as of June 30, 2023. The School District is required to make monthly payments of \$822. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$16,002 with accumulated amortization of \$18,288.

On October 1, 2021, the School District entered a 48-month lease as lessee for the use of copiers. An initial lease liability was recorded in the amount of \$100,636. As of June 30, 2023, the lease liability was \$58,578. The School District is required to make monthly payments of \$2,272. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$56,608 with accumulated amortization of \$44,028.

On December 1, 2021, the School District entered a 48-month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$3,501. As of June 30, 2023, the lease liability was \$2,182. The School District is required to make monthly payments of \$79. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$2,115 with accumulated amortization of \$1,386.

On September 1, 2022, the School District entered a 48-month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$2,692. As of June 30, 2023, the lease liability was \$2,154. The School District is required to make monthly payments of \$62. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$2,132 with accumulated amortization of \$561.

As of June 30, 2023, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Copiers	November 1, 2019	October 1, 2023	4.00%	\$ 6,380
Postage Meter	August 15, 2020	July 15, 2025	3.00%	1,605
Copiers	April 1, 2021	March 1, 2025	4.00%	16,642
Copiers	October 1, 2021	September 1, 2025	4.00%	58,578
Copier	December 1, 2021	November 1, 2025	4.00%	2,182
Copier	September 1, 2022	August 1, 2026	4.00%	2,154
Total				\$ 87,541

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**8. LONG-TERM OBLIGATIONS (Continued)**

The future annual lease obligations as of June 30, 2023, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 43,470	\$ 2,610	\$ 46,080
2025	36,120	1,062	37,182
2026	7,889	65	7,954
2027	62	-	62
Total	<u>\$ 87,541</u>	<u>\$ 3,737</u>	<u>\$ 91,278</u>

**Subscription-Based IT Arrangements (SBITAs) Payable** – For the fiscal year ended June 30, 2023, the School District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. These arrangements qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum SBITA payments as of the date of their inception.

On July 1, 2022, the School District entered a 24-month Subscription-Based IT Arrangement for the use of VMware software. An initial liability was recorded in the amount of \$8,285. The District prepaid the arrangement in full on October 24, 2022, and the liability was \$-0- as of June 30, 2023. The arrangement has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2023, was \$4,143 with accumulated amortization of \$4,142.

On September 1, 2022, the School District entered a 70-month Subscription-Based IT Arrangement for the use of Saavas Learning math curriculum software. An initial liability was recorded in the amount of \$217,843. The District prepaid the arrangement in full on the commencement date, and the liability was \$-0- as of June 30, 2023. The arrangement has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2023, was \$186,723 with accumulated amortization of \$31,120.

As of June 30, 2023, the District had Subscription-Based IT Arrangements outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
VMWare Software	July 1, 2022	June 30, 2026	3.00%	\$ -
Saavas Learning Math Curriculum	September 1, 2022	June 30, 2028	3.00%	-
Total				<u>\$ -</u>

**9. PENSION PLANS**

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

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

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

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

The following represents the membership tiers for TPAF:

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

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

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2022. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$3,411,994 and was paid by April 1, 2023. School District employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$731,823.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

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

At June 30, 2023, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2023, the School District recognized pension expense of \$1,132,004 and revenue of \$1,132,004 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

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

	<u>06/30/22</u>	<u>06/30/21</u>
Collective deferred outflows of resources	\$ 4,885,289,911	\$ 6,230,825,389
Collective deferred inflows of resources	19,563,805,393	27,221,092,460
Collective net pension liability (Non-Employer – State of New Jersey)	51,676,587,303	48,165,991,182
State's portion of the net pension liability that was associated with the School District	42,061,946	40,443,688
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0815242228%	.0841259053%

*Actuarial assumptions* – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	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 tables with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be based on 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. Therefore, the long-term expected rate of return on plan investments was applied rate was applied to projected benefit payments after that date in determining the total pension liability.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2022, the pension plan's measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	49,318,526	42,061,946	35,949,190
	\$ 49,318,526	\$ 42,061,946	\$ 35,949,190

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

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

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

The following represents the membership tiers for PERS:

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

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

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

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

Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$296,077 and was paid by April 1, 2023. School District employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$127,844.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2023	\$ 45,096	\$ 238,161	\$ 12,820	\$ -	\$ 296,077
2022	32,875	226,115	12,515	-	271,505
2021	31,076	227,972	13,157	-	272,205

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

At June 30, 2023, the School District reported a liability of \$3,543,251 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

For the year ended June 30, 2023, the School District recognized pension expense of (\$442,155). At June 30, 2023, the School District reported a liability of \$3,543,251 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,574	\$ 22,552
Changes of assumptions	10,978	530,565
Net Difference between projected and actual earnings on pension plan investments	146,652	-
Changes in proportion	60,878	368,051
District contributions subsequent to the measurement date	306,414	
<b>Total</b>	<b>\$ 550,496</b>	<b>\$ 921,168</b>

\$306,414 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended June 30, 2024.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (466,756)
2025	(270,856)
2026	(126,371)
2027	185,239
2028	1,658
<b>Total</b>	<b>\$ (677,086)</b>



**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**Additional Information**

Collective balances at June 30, 2022 and 2021 are as follows:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$ 1,715,543,211	\$ 818,359,815
Collective deferred inflows of resources	\$ 4,112,583,758	\$ 11,243,411,487
Collective net pension liability	\$ 15,219,184,920	\$ 11,972,782,878
School District's Proportion	.0234786459%	.0231834377%

*Actuarial assumptions* - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

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

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55%
	based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

*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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**9. PENSION PLANS (Continued)**

**Defined Contribution Retirement Program (DCRP)**

*Discount rate.* The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and nonemployer contributing entity 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied all projected benefit payments to 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 measured as of June 30, 2022, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
School District's proportionate share of the net pension liability	\$ 4,552,040	\$ 3,543,251	\$ 2,684,731

*Pension Plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Empower (formerly Prudential Financial). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Empower not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Employer Liability</u>	<u>Paid by School District</u>
2023	\$ 41,196	\$ 41,196
2022	39,460	39,460
2021	34,698	34,698

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Benefits Provided**

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

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

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

**Contributions**

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the “State”) in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32F, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

**Plan Membership**

As of June 30, 2022, the program membership consisted of the following:

Active Plan Members	213,148
Retirees	151,669
	364,817
	364,817

**Total Non-Employer OPEB Liability**

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: [nj.gov/treasury/omb/fr.shtml](http://nj.gov/treasury/omb/fr.shtml). The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

*Actuarial assumptions and other imputes* - The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State’s most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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

Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75 – 4.25%	2.75 – 6.55%	3.25 – 16.25%
	based on service years	based on service years	based on service years

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS, and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

*Health Care Trend Assumptions* - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

*Discount Rate* - The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Changes in the Total Nonemployer OPEB Liability**

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

	Total OPEB Liability
Balance as of June 30, 2021	\$ 50,080,467
Changes for the Year	
Service Cost	2,507,995
Interest	1,091,836
Changes of benefit terms	-
Differences between expected and actual experience	(381,659)
Changes in assumptions	(11,052,178)
Gross Benefit Payments	(1,081,496)
Contributions from the Non-employer	N/A
Contributions from the Member	34,695
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	(8,880,807)
Balance at 06/30/2022	\$ 41,199,660

**Sensitivity of the total nonemployer OPEB liability to changes in the discount rate** - The following presents the total nonemployer OPEB liability as of June 30, 2022, 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:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 48,425,867	\$ 41,199,660	\$ 35,408,217

**Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate** - The following presents the total nonemployer OPEB liability as of June 30, 2022 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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 34,054,037	\$ 41,199,660	\$ 50,585,869

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

For the year ended June 30, 2023, the School District recognized \$1,606,883 in OPEB expense and revenue, in the government-wide financial statements, for the State’s proportionate share of the OPEB Plan’s OPEB Expense, associated with the School District. This expense and revenue were based on the OPEB Plan’s June 30, 2022 measurement date.

In accordance with GASBS No. 75, the School District’s proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2022, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 1,493,053	\$ (1,379,032)
Differences between expected and actual experience	7,355,774	(12,578,733)
Changes of assumptions	7,130,618	(14,022,114)
<b>Total</b>	<b>\$ 15,979,445</b>	<b>\$ (27,979,879)</b>

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

For the year ended:	
2024	\$ (2,028,369)
2025	(2,028,369)
2026	(2,028,369)
2027	(1,753,019)
2028	(1,002,400)
Thereafter	(3,159,908)
<b>Total</b>	<b>\$ (12,000,434)</b>

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

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$3,379,136, \$887,691, and \$935, respectively. In addition, \$715,325 in on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**12. RISK MANAGEMENT**

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

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ -	\$ 25,516	\$ 1,269	\$ 36,435	\$ 169,635
2021-2022	-	24,576	282	-	179,285
2020-2021	-	22,557	280	9,942	154,427

**13. DEFERRED COMPENSATION**

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

**14. COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2023, the liability for compensated absences in the governmental fund was \$636,723.



**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**15. INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2024. The following interfund balances were recorded on the various balance sheets as of June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 14,828	\$ -
Special Revenue	-	14,828
	<u>\$ 14,828</u>	<u>\$ 14,828</u>

**16. CONTINGENCIES**

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

At June 30, 2023, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**17. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

As of December 31, 2022, the Township of Harrison had no tax abatements.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**18. DEFICIT UNASSIGNED FUND BALANCE**

The School District has a deficit unassigned fund balance of \$50,663 in the General Fund as of June 30, 2023 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, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute 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 payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment 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, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment 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 GAAP funds statements of \$50,663 in the General Fund is equal to or less than the June state aid payment.

**19. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2023, a deficit of \$3,978,789 existed in the Unrestricted Net position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net position reported on Exhibited A-1 is as follows:

Balances June 30, 2023	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ (50,663)
Fund Balance – Assigned	969,151
Liabilities:	
Accrued Interest Payable	(40,217)
Net Pension Differences	(4,220,337)
Compensated Absences	<u>(636,723)</u>
Unrestricted Net position (Deficit)	<u>\$ (3,978,789)</u>

**20. FUND BALANCES**

*RESTRICTED*

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

**General Fund:**

**Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$999,288 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$568,443 of excess fund balance generated during the 2021-2022 fiscal year has been restricted and designated for utilization in the 2023-2024 budget.

**Township of Harrison School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**20. FUND BALANCES (Continued)**

**General Fund (Continued):**

**Capital Reserve** – As of June 30, 2023, the balance in the capital reserve account is \$206,679 and is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long-Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2023, the balance in the maintenance reserve account is \$935,830. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Unemployment Compensation** – As of June 30, 2023, the balance in unemployment compensation is \$121,474. These funds are restricted for the purpose of financing unemployment claims.

**Special Revenue Fund:**

**Student Activities** – As of June 30, 2023, the balance in student activities is \$29,771.

**Capital Projects Fund:**

**Capital Projects** – As of June 30, 2023, the balance in capital projects is \$55,135.

*ASSIGNED*

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District’s fund balance are summarized as follows:

**General Fund:**

**Other Purposes** – At June 30, 2023 the School District has \$479,183 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Designated for Subsequent Year’s Expenditures** – The School District has appropriated \$489,967 as anticipated revenue for the fiscal year ending June 30, 2024.

*UNASSIGNED*

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

**General Fund** – As of June 30, 2023, the unassigned fund balance of the general fund is a deficit of \$50,663. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 18).

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 13,886,503.00	\$ -	\$ 13,886,503.00	\$ 13,886,503.00	\$ -
Tuition - Individuals				90,459.50	90,459.50
Tuition - Other LEA's	50,000.00		50,000.00	92,767.77	42,767.77
Transportation Fees				4,922.01	4,922.01
Interest Earned on Capital Reserve Funds				31.00	31.00
Interest Earned on Maintenance Reserve Funds	10.00		10.00	12,870.33	12,860.33
Other Restricted Miscellaneous Revenue				1,268.17	1,268.17
Miscellaneous	50,000.00		50,000.00	166,174.01	116,174.01
<b>Total - Local Sources</b>	<b>13,986,513.00</b>		<b>13,986,513.00</b>	<b>14,254,995.79</b>	<b>268,482.79</b>
State Sources:					
Equalization Aid	4,370,012.00		4,370,012.00	4,370,012.00	
Transportation Aid	153,456.00		153,456.00	153,456.00	
Special Education Aid	800,303.00		800,303.00	800,303.00	
Security Aid	107,201.00		107,201.00	107,201.00	
Extraordinary Aid	60,000.00		60,000.00	98,674.00	38,674.00
Nonpublic School Transportation Costs - Other State Aid				34,718.00	34,718.00
On-Behalf TPAF Pension Contributions (non-budgeted)				3,379,136.00	3,379,136.00
On-Behalf TPAF Post Retirement Medical (non-budgeted)				887,691.00	887,691.00
On-Behalf TPAF LTDI (non-budgeted)				935.00	935.00
Reimbursed TPAF Social Security Contrib.(non-budgeted)				715,324.93	715,324.93
<b>Total - State Sources</b>	<b>5,490,972.00</b>		<b>5,490,972.00</b>	<b>10,547,450.93</b>	<b>5,056,478.93</b>
<b>Total Revenues</b>	<b>19,477,485.00</b>		<b>19,477,485.00</b>	<b>24,802,446.72</b>	<b>5,324,961.72</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Preschool:					
Salaries of Teachers	117,400.00	2,000	119,400.00	118,579.80	820.20
Other Salaries for Instruction					
Salaries of Teachers:					
Kindergarten	817,001.00	(2,000)	815,001.00	774,678.79	40,322.21
Grades 1-5	4,611,373.00	(187,000)	4,424,373.00	4,321,822.71	102,550.29
Grades 6-8	750,500.00		750,500.00	731,901.50	18,598.50
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000.00		3,000.00	1,667.50	1,332.50
Regular Programs - Undistributed Instruction:					
Other Purchased Services	500.00	260	760.00	754.06	5.94
Rentals	38,000.00	(260)	37,740.00	34,908.12	2,831.88
General Supplies	618,457.53	204,000	822,457.53	486,548.38	335,909.15
Textbooks	450,676.76	(234,000)	216,676.76	109,708.31	106,968.45
Other Objects					
<b>Total Regular Programs</b>	<b>7,406,908.29</b>	<b>(217,000)</b>	<b>7,189,908.29</b>	<b>6,580,569.17</b>	<b>609,339.12</b>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	994,119.00	(22,000)	972,119.00	893,375.62	78,743.38
Other Salaries for Instruction	184,000.00	(8,000)	176,000.00	164,498.65	11,501.35
Purchased Educational Services	1,000.00		1,000.00		1,000.00
General Supplies	5,236.50		5,236.50	151.70	5,084.80
Textbooks	3,950.00		3,950.00	1,413.24	2,536.76
Other Objects	6,400.00		6,400.00	1,062.25	5,337.75
<b>Total Resource Room/Resource Center</b>	<b>1,194,705.50</b>	<b>(30,000)</b>	<b>1,164,705.50</b>	<b>1,060,501.46</b>	<b>104,204.04</b>

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
Autism:					
Salaries of Teachers	\$ 212,764.00	\$ 4,000	\$ 216,764.00	\$ 215,908.20	\$ 855.80
Other Salaries for Instruction	279,600.00	(5,635)	273,965.00	273,900.71	64.29
Purchased Educational Services	7,450.00	(4,365)	3,085.00	1,205.00	1,880.00
General Supplies	3,583.98		3,583.98	441.96	3,142.02
Textbooks	7,500.00		7,500.00	2,227.52	5,272.48
Other Objects	300.00		300.00		300.00
<b>Total Autism</b>	<u>511,197.98</u>	<u>(6,000)</u>	<u>505,197.98</u>	<u>493,683.39</u>	<u>11,514.59</u>
Preschool Disabilities:					
Salaries of Teachers	69,340.00	(500)	68,840.00	60,374.20	8,465.80
Other Salaries for Instruction	45,500.00	14,500	60,000.00	59,929.40	70.60
Purchased Educational Services					
General Supplies					
Textbooks					
Other Objects					
<b>Total Preschool Disabilities</b>	<u>114,840.00</u>	<u>14,000</u>	<u>128,840.00</u>	<u>120,303.60</u>	<u>8,536.40</u>
Home Instruction:					
Salaries of Teachers					
Other Salaries for Instruction	8,750.00		8,750.00		8,750.00
Purchased Educational Services	26,644.00		26,644.00	26,339.00	305.00
<b>Total Home Instruction</b>	<u>35,394.00</u>	<u>-</u>	<u>35,394.00</u>	<u>26,339.00</u>	<u>9,055.00</u>
<b>Total Special Education - Instruction</b>	<u>1,856,137.48</u>	<u>(22,000)</u>	<u>1,834,137.48</u>	<u>1,700,827.45</u>	<u>133,310.03</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	610,533.00	209,000	819,533.00	817,636.96	1,896.04
Other Salaries for Instruction	214,637.00	(600)	214,037.00	207,624.80	6,412.20
General Supplies	2,000.00		2,000.00	226.52	1,773.48
Textbooks	1,000.00		1,000.00		1,000.00
<b>Total Basic Skills/Remedial - Instruction</b>	<u>828,170.00</u>	<u>208,400</u>	<u>1,036,570.00</u>	<u>1,025,488.28</u>	<u>11,081.72</u>
Bilingual - Instruction:					
Salaries of Teachers					
General Supplies	150.00		150.00		150.00
Textbooks					
<b>Total Bilingual - Instruction</b>	<u>150.00</u>	<u>-</u>	<u>150.00</u>	<u>-</u>	<u>150.00</u>
Other Supplemental/At-Risk Program:					
Salaries of Reading Specialists	87,500.00	(6,400)	81,100.00	48,291.90	32,808.10
<b>Total Instruction</b>	<u>10,178,865.77</u>	<u>(37,000)</u>	<u>10,141,865.77</u>	<u>9,355,176.80</u>	<u>786,688.97</u>
Undistributed Expenditures - Instruction:					
Tuition - Other LEAs Within State - Regular	42,000.00		42,000.00	2,652.40	39,347.60
Tuition - Other LEAs Within State - Special					
Tuition to CSSD & Regional Day Schools					
Tuition to Private Schools for the Hand. - Within State	125,632.00		125,632.00	16,000.00	109,632.00
Tuition - Other					
<b>Total Undistributed Expenditures - Instruction</b>	<u>167,632.00</u>	<u>-</u>	<u>167,632.00</u>	<u>18,652.40</u>	<u>148,979.60</u>
Undistributed Expenditures - Attendance:					
Other Purchased Services	15,300.00		15,300.00	15,150.01	149.99

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
Undistributed Expenditures - Health Services:					
Salaries	\$ 193,300.00	\$ 7,738	\$ 201,038.00	\$ 200,997.60	\$ 40.40
Purchased Professional and Technical Services	13,015.00		13,015.00	7,587.78	5,427.22
Supplies and Materials	14,776.82		14,776.82	9,353.25	5,423.57
<b>Total Undistributed Expenditures - Health Services</b>	<b>221,091.82</b>	<b>7,738</b>	<b>228,829.82</b>	<b>217,938.63</b>	<b>10,891.19</b>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	466,592.00	4,300	470,892.00	469,285.67	1,606.33
Purchased Professional - Educational Services	278,720.00	(1,000)	277,720.00	226,029.50	51,690.50
Supplies and Materials	10,910.04		10,910.04	7,837.43	3,072.61
<b>Total Undistributed Expenditures - Other Support Services - Students - Related Services</b>	<b>756,222.04</b>	<b>3,300</b>	<b>759,522.04</b>	<b>703,152.60</b>	<b>56,369.44</b>
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	232,500.00		232,500.00	230,026.07	2,473.93
Purchased Professional - Educational Services	750.00		750.00		750.00
Supplies and Materials	1,725.00		1,725.00	1,488.67	236.33
Other Objects					
<b>Total Undistributed Expenditures - Other Support Services - Students - Regular</b>	<b>234,975.00</b>	<b>-</b>	<b>234,975.00</b>	<b>231,514.74</b>	<b>3,460.26</b>
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	261,000.00	8,820	269,820.00	269,812.04	7.96
Salaries of Secretarial and Clerical Assistants	49,400.00	370	49,770.00	49,769.04	0.96
Other Salaries	18,967.00	(13,258)	5,709.00		5,709.00
Purchased Professional - Educational Services	42,575.00	(5,300)	37,275.00	18,031.41	19,243.59
Miscellaneous Purchased Services	12,020.00		12,020.00	5,779.11	6,240.89
Supplies and Materials	3,600.00	2,000	5,600.00	4,011.81	1,588.19
Other Objects	1,800.00		1,800.00	329.00	1,471.00
<b>Total Undistributed Expenditures - Other Support Services - Students - Special</b>	<b>389,362.00</b>	<b>(7,368)</b>	<b>381,994.00</b>	<b>347,732.41</b>	<b>34,261.59</b>
Undistributed Expend. - Imp. of Instruction Services:					
Salaries of Supervisors of Instruction	235,971.00	2,818	238,789.00	238,788.96	0.04
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants	41,485.00	410	41,895.00	41,892.00	3.00
Other Salaries					
Purchased Professional - Educational Services					
Other Purchased Services	150.00		150.00		150.00
Supplies and Materials	2,000.00		2,000.00	773.07	1,226.93
Miscellaneous Expenditures	1,000.00		1,000.00		1,000.00
<b>Total Undistributed Expenditures - Improv. of Instr. Services</b>	<b>280,606.00</b>	<b>3,228</b>	<b>283,834.00</b>	<b>281,454.03</b>	<b>2,379.97</b>
Undistributed Expenditures - Educational Media/Library:					
Purchased Professional - Educational Services	10,925.00		10,925.00	6,819.98	4,105.02
Supplies and Materials	43,325.01		43,325.01	37,864.57	5,460.44
<b>Total Undistributed Expend. - Educational Media/Library</b>	<b>54,250.01</b>	<b>-</b>	<b>54,250.01</b>	<b>44,684.55</b>	<b>9,565.46</b>

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



**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
Undistributed Expenditures - Instructional Staff Training					
Salaries of Other Professional Staff	\$ 22,560.00	\$ -	\$ 22,560.00	\$ 17,380.96	\$ 5,179.04
Purchased Professional - Educational Services	5,000.00		5,000.00	1,144.00	3,856.00
Other Purchased Services	10,500.00		10,500.00	2,701.82	7,798.18
Miscellaneous Expenditures					
<b>Total Undistributed Expend. - Instructional Staff Training</b>	<b>38,060.00</b>	<b>-</b>	<b>38,060.00</b>	<b>21,226.78</b>	<b>16,833.22</b>
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	209,299.00	2,048	211,347.00	211,347.00	-
Legal Services	75,000.00		75,000.00	62,306.08	12,693.92
Audit Fees	18,470.00		18,470.00	18,400.00	70.00
Architect/Engineer Services	5,000.00	20,000	25,000.00	3,486.86	21,513.14
Other Purchased Professional Services	18,432.50		18,432.50	8,432.50	10,000.00
Communications/Telephone	35,556.97		35,556.97	25,978.14	9,578.83
BOE Other Purchased Services	8,000.00		8,000.00	5,717.21	2,282.79
Other Purchased Services	13,000.00		13,000.00	12,379.34	620.66
Supplies and Materials	4,000.00		4,000.00	3,423.77	576.23
Miscellaneous Expenditures	9,500.00		9,500.00	3,163.60	6,336.40
Judgments					
BOE Membership Dues and Fees	8,000.00		8,000.00	6,395.30	1,604.70
<b>Total Undistributed Expend. - Support Services - Gen. Admin.</b>	<b>404,258.47</b>	<b>22,048</b>	<b>426,306.47</b>	<b>361,029.80</b>	<b>65,276.67</b>
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals	461,117.00	11,021	472,138.00	472,024.61	113.39
Salaries of Secretarial and Clerical Assistants	147,325.00	(12,667)	134,658.00	130,314.06	4,343.94
Purchased Professional and Technical Services	17,250.00	11,000	28,250.00	14,035.28	14,214.72
Other Purchased Services	9,200.00		9,200.00	8,432.06	767.94
Supplies and Materials	19,061.75		19,061.75	7,517.52	11,544.23
Miscellaneous Expenditures	18,869.08		18,869.08	17,179.58	1,689.50
<b>Total Undistributed Expend. - Support Serv. - School Admin.</b>	<b>672,822.83</b>	<b>9,354</b>	<b>682,176.83</b>	<b>649,503.11</b>	<b>32,673.72</b>
Undistributed Expend. - Central Services:					
Salaries	330,766.00	415	331,181.00	320,673.91	10,507.09
Purchased Professional Services	18,500.00	7,100	25,600.00	24,875.40	724.60
Other Purchased Services	3,905.00		3,905.00	3,229.40	675.60
Supplies and Materials	4,549.98	(600)	3,949.98	3,914.32	35.66
Miscellaneous Expenditures	7,600.00	1,300	8,900.00	8,853.82	46.18
<b>Total Undistributed Expend. - Central Services</b>	<b>365,320.98</b>	<b>8,215</b>	<b>373,535.98</b>	<b>361,546.85</b>	<b>11,989.13</b>
Undistributed Expend. - Administrative Information Technology:					
Salaries	164,000.00	8,020	172,020.00	169,983.10	2,036.90
Purchased Professional and Technical Services	6,000.00	600	6,600.00	6,600.00	
Other Purchased Services	115,080.00	5,900	120,980.00	107,248.44	13,731.56
Supplies and Materials	112,854.00	30,400	143,254.00	115,482.69	27,771.31
<b>Total Undistributed Expend. - Admin. Info. Technology</b>	<b>397,934.00</b>	<b>44,920</b>	<b>442,854.00</b>	<b>399,314.23</b>	<b>43,539.77</b>
Undistributed Expenditures - Allowable Maintenance of Plant Services:					
Cleaning, Repair and Maintenance Services	144,662.00	76,000	220,662.00	181,849.00	38,813.00
General Supplies	64,096.45	(1,650)	62,446.45	58,561.96	3,884.49
<b>Total Undistributed Expenditures - Allowable Maint. of Plant Services</b>	<b>208,758.45</b>	<b>74,350</b>	<b>283,108.45</b>	<b>240,410.96</b>	<b>42,697.49</b>

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
Undistributed Expenditures - Other Operation and Maint.					
of Plant Services:					
Salaries	\$ 630,169.00	\$ (14,400)	\$ 615,769.00	\$ 615,577.61	\$ 191.39
Salaries of Non-Instructional Aides	217,000.00	6,550	223,550.00	223,366.18	183.82
Other Purchased Property Services	40,949.17		40,949.17	40,630.93	318.24
Insurance	123,000.00	2,500	125,500.00	125,423.00	77.00
Miscellaneous Purchased Services	15,000.00	(6,100)	8,900.00	8,457.00	443.00
General Supplies	74,797.50	(1,400)	73,397.50	67,549.87	5,847.63
Natural Gas	98,837.10	10,000	108,837.10	105,094.06	3,743.04
Electricity	384,847.75	9,890	394,737.75	390,566.69	4,171.06
Other Objects	5,000.00	(1,500)	3,500.00	3,404.72	95.28
<b>Total Undistributed Expenditures - Other Operation and Maint. of Plant Services</b>	<b>1,589,600.52</b>	<b>5,540</b>	<b>1,595,140.52</b>	<b>1,580,070.06</b>	<b>15,070.46</b>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	45,000.00	8,500	53,500.00	53,466.00	34.00
General Supplies	3,000.00	(3,000)			
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds:</b>	<b>48,000.00</b>	<b>5,500</b>	<b>53,500.00</b>	<b>53,466.00</b>	<b>34.00</b>
Undistributed Expenditures - Security					
Purchased Professional Services	103,000.00	1,200	104,200.00	104,054.54	145.46
Cleaning, Repair and Maintenance Services	53,033.00	(2,000)	51,033.00	49,752.89	1,280.11
General Supplies					
<b>Total Undistributed Expenditures - Security</b>	<b>156,033.00</b>	<b>(800)</b>	<b>155,233.00</b>	<b>153,807.43</b>	<b>1,425.57</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	110,000.00		110,000.00	106,085.88	3,914.12
Salaries for Pupil Transportation (Between Home and School) - Regular	581,814.00	(49,135)	532,679.00	512,457.02	20,221.98
Salaries for Pupil Transportation (Between Home and School) - Special	109,802.00	(63,700)	46,102.00	39,277.00	6,825.00
Other Professional and Technical Services	8,700.00	9,400	18,100.00	18,078.00	22.00
Cleaning, Repair and Maintenance Services	101,418.00	(36,650)	64,768.00	40,512.62	24,255.38
Aid In Lieu of Transportation	130,000.00		130,000.00	115,291.82	14,708.18
Contracted Serv. - (Between Home and School) - Joint Agreements					
Contracted Serv. - (Sp. Ed. Students) - Joint Agreements	10,347.81	(1,154)	9,193.81	8,878.01	315.80
Contracted Serv. - Regular - ESCs & CTSA's		8,204	8,204.00	8,201.93	2.07
Contracted Serv. - Special - ESCs & CTSA's	10,000.00	15,400	25,400.00	25,272.43	127.57
Miscellaneous Purchased Services - Transportation	30,300.00	(1,500)	28,800.00	26,850.73	1,949.27
Supplies and Materials	227,182.60		227,182.60	171,090.95	56,091.65
Miscellaneous Expenditures	4,000.00		4,000.00	2,821.88	1,178.12
<b>Total Undistributed Expend. - Student Transportation Serv.</b>	<b>1,323,564.41</b>	<b>(119,135)</b>	<b>1,204,429.41</b>	<b>1,074,818.27</b>	<b>129,611.14</b>
Unallocated Benefits:					
Social Security Contributions	280,000.00	(18,700)	261,300.00	261,282.60	17.40
Other Retirement Contributions - PERS	280,000.00	16,200	296,200.00	296,077.00	123.00
Other Retirement Contributions - Regular	40,000.00	2,400	42,400.00	42,340.93	59.07
Unemployment Compensation					
Workmen's Compensation	167,000.00	(2,890)	164,110.00	164,109.39	0.61
Health Benefits	2,582,274.00	5,100	2,587,374.00	2,587,350.46	23.54
Tuition Reimbursement	35,000.00	(5,000)	30,000.00	29,421.99	578.01
Other Employee Benefits	196,000.00	(17,150)	178,850.00	178,800.00	50.00
Other Employee Benefits	29,000.00	150	29,150.00	29,150.00	
<b>Total Unallocated Benefits</b>	<b>3,609,274.00</b>	<b>(19,890)</b>	<b>3,589,384.00</b>	<b>3,588,532.37</b>	<b>851.63</b>

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>		<u>Final to</u>
					<u>Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
On-Behalf TPAF Pension Contributions (non-budgeted)	\$ -	\$ -	\$ -	\$ 3,379,136.00	\$ (3,379,136.00)
On-Behalf TPAF Post Retirement Medical (non-budgeted)				887,691.00	(887,691.00)
On-Behalf TPAF LTDI (non-budgeted)				935.00	(935.00)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				715,324.93	(715,324.93)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total On-behalf Contributions	-	-	-	4,983,086.93	(4,983,086.93)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures	10,933,065.53	37,000	10,970,065.53	15,327,092.16	(4,357,026.63)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Current Expense</b>	<b>21,111,931.30</b>	<b>-</b>	<b>21,111,931.30</b>	<b>24,682,268.96</b>	<b>(3,570,337.66)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Capital Outlay:</b>					
Undistributed Expenditures - Operation/Maint. Plant:					
Equipment					
Undistributed Expenditures - Student Transportation Services:					
School Buses - Regular	95,220.00		95,220.00	95,220.00	
Facilities Acquisition and Construction Services:					
Lease Purchase Principal					
Transfer to Capital Projects					
Assessment for Debt Service on SDA Funding	34,972.00		34,972.00	34,972.00	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Capital Outlay</b>	<b>130,192.00</b>		<b>130,192.00</b>	<b>130,192.00</b>	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transfer to Charter School	22,557.00		22,557.00	21,491.00	1,066.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenditures</b>	<b>21,264,680.30</b>		<b>21,264,680.30</b>	<b>24,833,951.96</b>	<b>(3,569,271.66)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,787,195.30)		(1,787,195.30)	(31,505.24)	1,755,690.06
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,787,195.30)		(1,787,195.30)	(31,505.24)	1,755,690.06
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, July 1	4,302,778.78		4,302,778.78	4,302,778.78	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, June 30	<b>\$ 2,515,583.48</b>	<b>-</b>	<b>\$ 2,515,583.48</b>	<b>\$ 4,271,273.54</b>	<b>\$ 1,755,690.06</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Recapitulation</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 206,679.29	
Maintenance Reserve:					
Designated for Subsequent Year's Expenditures				200,000.00	
Maintenance Reserve:				735,830.10	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				568,442.52	
Current Year				999,288.20	
Unemployment Compensation				121,473.62	
Assigned Fund Balance:					
Year-End Encumbrances				479,183.03	
Designated for Subsequent Year's Expenditures				489,967.48	
Unassigned Fund Balance				470,409.30	
				<hr/>	
				4,271,273.54	
Reconciliation on Governmental Fund Statements (GAAP):					
Last State Aid Payment not Recognized on a GAAP Basis				(521,072.00)	
				<hr/>	
Fund Balance per Governmental Funds (GAAP)				<b>\$ 3,750,201.54</b>	
				<hr/>	

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ 73,200.00		\$ 73,200.00	\$ 73,073.91	\$ (126.09)
State sources	134,804.23		134,804.23	128,118.89	(6,685.34)
Federal sources	1,052,780.44		1,052,780.44	725,344.85	(327,435.59)
<b>Total revenues</b>	<b>1,260,784.67</b>	<b>-</b>	<b>1,260,784.67</b>	<b>926,537.65</b>	<b>(334,247.02)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	109,460.88		109,460.88	78,137.69	31,323.19
Other salaries for instruction	-		-	-	-
Purchased professional - educ. services	-		-	-	-
Purchased professional - tech. services	82,817.55		82,817.55	66,846.49	15,971.06
Tuition	353,573.72		353,573.72	354,637.97	(1,064.25)
General supplies	100,876.53		100,876.53	10,892.11	89,984.42
Other objects	856.00		856.00	856.00	-
<b>Total instruction</b>	<b>647,584.68</b>	<b>-</b>	<b>647,584.68</b>	<b>511,370.26</b>	<b>136,214.42</b>
Support services:					
Other salaries	183,131.42		183,131.42	98,325.12	84,806.30
Personal services - employee benefits	174,452.76		174,452.76	75,412.86	99,039.90
Purchased professional - educ. services	141,938.58		141,938.58	127,878.27	14,060.31
Purchased professional and technical services	10,700.00		10,700.00	10,700.00	-
Purchased property services	-		-	-	-
Travel	-		-	-	-
Student Activities	73,200.00		73,200.00	70,819.63	2,380.37
Supplies and materials	29,777.23		29,777.23	29,777.23	-
Other objects	-		-	-	-
<b>Total support services</b>	<b>613,199.99</b>	<b>-</b>	<b>613,199.99</b>	<b>412,913.11</b>	<b>200,286.88</b>
Facilities acquisition and construction services:					
Building	-		-	-	-
Instructional equipment	-		-	-	-
Noninstructional equipment	-		-	-	-
<b>Total facilities acq. and const. services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>1,260,784.67</b>	<b>-</b>	<b>1,260,784.67</b>	<b>924,283.37</b>	<b>336,501.30</b>
<b>Total outflows</b>	<b>1,260,784.67</b>	<b>-</b>	<b>1,260,784.67</b>	<b>924,283.37</b>	<b>336,501.30</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	2,254.28	2,254.28
Fund Balance, July 1	-	-	-	27,517.00	27,517.00
Fund Balance, June 30	-	-	-	29,771.28	29,771.28

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 24,802,446.72	\$ 926,537.65
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	538,884.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(521,072.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 24,820,258.72	\$ 926,537.65
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 24,833,951.96	\$ 924,283.37
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		
Prior Year		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 24,833,951.96	\$ 924,283.37

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

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees Retirement System**  
**Last Ten Fiscal Years**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0234786459%	0.0231834377%	0.0248827742%	0.0261685594%	0.0258668916%	0.0266886674%	0.0292304339%	0.0298861806%	0.0295526762%	0.0301734788%
District's proportionate share of the net pension liability (asset)	\$ 3,543,251	\$ 2,746,426	\$ 4,057,730	\$ 4,715,177	\$ 5,093,062	\$ 6,212,695	\$ 8,657,216	\$ 6,708,849	\$ 5,533,069	\$ 5,766,751
District's covered-employee payroll	1,668,927	1,642,712	1,665,800	1,711,891	1,805,219	1,889,883	1,780,940	1,843,690	1,952,764	1,947,894
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	212.31%	167.19%	243.59%	275.44%	282.13%	328.73%	486.10%	363.88%	283.35%	296.05%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Contributions**  
**Public Employees Retirement System**  
**Last Ten Fiscal Years**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 306,414	\$ 296,077	\$ 271,505	\$ 285,448	\$ 255,448	\$ 257,292	\$ 247,242	\$ 259,679	\$ 256,941	\$ 243,628
Contributions in relation to the contractually required contributions	<u>(306,414)</u>	<u>(296,077)</u>	<u>(271,505)</u>	<u>(285,448)</u>	<u>(255,448)</u>	<u>(257,292)</u>	<u>(250,014)</u>	<u>(260,740)</u>	<u>(256,941)</u>	<u>(243,628)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,772)</u>	<u>\$ (1,061)</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	1,668,927	1,642,712	1,665,800	1,711,891	1,805,219	1,889,883	1,780,940	1,843,690	1,952,764	1,947,894
Contributions as a percentage of covered-employee payroll	18.36%	18.02%	16.30%	16.67%	14.15%	13.61%	13.88%	14.08%	13.16%	12.51%



**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0815242228%	#####	0.0845574283%	0.0854003958%	0.0813118774%	0.0799484884%	0.0793900680%	0.0793655108%	0.0787047848%	0.0820489531%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 42,061,946	\$ 40,443,688	\$ 55,680,049	\$ 52,411,029	\$ 51,728,870	\$ 53,904,154	\$ 62,453,282	\$ 50,162,393	\$ 42,065,146	\$ 41,466,896
Total	<u>\$ 42,061,946</u>	<u>\$ 40,443,688</u>	<u>\$ 55,680,049</u>	<u>\$ 52,411,029</u>	<u>\$ 51,728,870</u>	<u>\$ 53,904,154</u>	<u>\$ 62,453,282</u>	<u>\$ 50,162,393</u>	<u>\$ 42,065,146</u>	<u>\$ 41,466,896</u>
District's covered-employee payroll	9,591,476	9,310,093	9,446,783	9,232,425	9,291,359	9,116,023	8,639,427	8,320,432	8,003,650	7,983,691
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 41,199,660	\$ 50,080,467	\$ 55,823,405	\$ 33,832,807	\$ 36,839,453	\$ 43,144,768
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 41,199,660</u>	<u>\$ 50,080,467</u>	<u>\$ 55,823,405</u>	<u>\$ 33,832,807</u>	<u>\$ 36,839,453</u>	<u>\$ 43,144,768</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB Liability</b>						
Service Cost	\$ 2,507,995	\$ 2,982,121	\$ 1,667,524	\$ 1,709,275	\$ 1,987,259	\$ 2,397,306
Interest	1,091,836	1,299,140	1,226,162	1,472,520	1,598,853	1,379,406
Changes in benefit terms	-	(53,305)				
Differences between expected and actual experiences	(381,659)	(9,030,157)	9,842,278	(5,685,111)	(4,712,887)	-
Changes of assumptions	(11,052,178)	49,408	10,197,018	504,450	(4,227,512)	(6,150,214)
Member Contributions	34,695	33,213	29,456	30,786	34,046	36,798
Benefit payments	<u>(1,081,496)</u>	<u>(1,023,358)</u>	<u>(971,840)</u>	<u>(1,038,566)</u>	<u>(985,074)</u>	<u>(999,324)</u>
<b>Net Change in total OPEB Liability</b>	\$ (8,880,807)	\$ (5,742,938)	\$ 21,990,598	\$ (3,006,646)	\$ (6,305,315)	\$ (3,336,028)
<b>Total OPEB Liability - beginning</b>	<u>\$ 50,080,467</u>	<u>\$ 55,823,405</u>	<u>\$ 33,832,807</u>	<u>\$ 36,839,453</u>	<u>\$ 43,144,768</u>	<u>\$ 46,480,796</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 41,199,660</u>	<u>\$ 50,080,467</u>	<u>\$ 55,823,405</u>	<u>\$ 33,832,807</u>	<u>\$ 36,839,453</u>	<u>\$ 43,144,768</u>
District's covered-employee payroll	11,260,403	10,952,805	11,112,583	10,944,316	11,096,578	11,005,906
Total OPEB Liability as a percentage of covered-employee payroll	365.88%	457.24%	502.34%	309.14%	331.99%	392.01%

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

**Harrison Township School District**  
**Notes to Required Supplementary Information – Part III**  
**For the Fiscal Year Ended June 30, 2023**

**Teacher’s Pension and Annuity Fund (TPAF)**

*Changes of benefit term:* There were none.

*Changes of assumptions:* There were none.

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

*Changes of benefit term:* There were none.

*Changes of assumptions:* There were none.

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

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Other Supplementary Information

Special Revenue Fund

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2023**

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Brought Forward (Exh. E-1F)	Total 2023
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 73,073.91	\$ -	\$ 73,073.91
State sources	-	-	72,258.86	55,860.03	-	128,118.89
Federal sources	384,174.58	68,059.32	-	40,928.50	232,182.45	725,344.85
<b>Total Revenues</b>	<b>384,174.58</b>	<b>68,059.32</b>	<b>72,258.86</b>	<b>169,862.44</b>	<b>232,182.45</b>	<b>926,537.65</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	-	13,559.22	-	3,140.00	61,438.47	78,137.69
Other salaries for instruction	-	-	-	-	-	-
Professional education services	-	-	-	-	-	-
Purchase professional and technical services	-	30,627.99	-	36,218.50	-	66,846.49
Tuition	354,637.97	-	-	-	-	354,637.97
General supplies	-	10,622.11	-	270.00	-	10,892.11
Other objects	-	856.00	-	-	-	856.00
<b>Total instruction</b>	<b>354,637.97</b>	<b>55,665.32</b>	<b>-</b>	<b>39,628.50</b>	<b>61,438.47</b>	<b>511,370.26</b>
Support services:						
Other salaries	-	-	-	-	98,325.12	98,325.12
Personal services-employee benefits	-	12,394.00	-	1,300.00	61,718.86	75,412.86
Purchased prof. and educational services	29,536.61	-	72,258.86	26,082.80	-	127,878.27
Purchase professional and technical services	-	-	-	-	10,700.00	10,700.00
Purchased technical services	-	-	-	-	-	-
Purchased property services	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Student Activities	-	-	-	70,819.63	-	70,819.63
Supplies and materials	-	-	-	29,777.23	-	29,777.23
Other objects	-	-	-	-	-	-
<b>Total support services</b>	<b>29,536.61</b>	<b>12,394.00</b>	<b>72,258.86</b>	<b>127,979.66</b>	<b>170,743.98</b>	<b>412,913.11</b>
Facilities acquisition and const. serv.:						
Building	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>384,174.58</b>	<b>68,059.32</b>	<b>72,258.86</b>	<b>167,608.16</b>	<b>232,182.45</b>	<b>924,283.37</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	2,254.28	-	2,254.28
Fund Balance, July 1	-	-	-	27,517.00	-	27,517.00
Fund Balance, June 30	-	-	-	29,771.28	-	29,771.28

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2023**

	IDEA					Totals
	Basic Current Yr.	Basic Prior Yr.	Preschool Current Yr.	Preschool Prior Yr.	ARP IDEA - Basic	
<b>REVENUES:</b>						
State sources						\$ -
Federal sources	\$ 340,121.23	\$ 11,852.59	\$ 30,990.00	\$ -	\$ 1,210.76	384,174.58
Total Revenues	<u>340,121.23</u>	<u>11,852.59</u>	<u>30,990.00</u>	<u>-</u>	<u>1,210.76</u>	<u>384,174.58</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers						-
Other salaries for instruction						-
Professional education services						-
Purchase professional and technical services						-
Tuition	314,988.20	7,535.05	30,990.00		1,124.72	354,637.97
General supplies						-
Other objects						-
Total instruction	<u>314,988.20</u>	<u>7,535.05</u>	<u>30,990.00</u>	<u>-</u>	<u>1,124.72</u>	<u>354,637.97</u>
Support services:						
Other salaries						-
Personal services-employee benefits						-
Purchased prof. and educational services	25,133.03	4,317.54			86.04	29,536.61
Purchase professional and technical services						-
Purchased technical services						-
Purchased property services						-
Travel						-
Student Activities						-
Supplies and materials						-
Total support services	<u>25,133.03</u>	<u>4,317.54</u>	<u>-</u>	<u>-</u>	<u>86.04</u>	<u>29,536.61</u>
Facilities acquisition and const. serv.:						
Instructional equipment						-
Non-instructional equipment						-
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>340,121.23</u>	<u>11,852.59</u>	<u>30,990.00</u>	<u>-</u>	<u>1,210.76</u>	<u>384,174.58</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2023**

	E.S.E.A.						Totals
	Title I		Title IIA		Title IV		
	Current Yr.	Carry-Over	Current Yr.	Carry-Over	Current Yr.	Carry-Over	
<b>REVENUES:</b>							
State sources							\$ -
Federal sources	\$ 15,696.18	\$ 19,621.84	\$ 16,843.00	\$ 4,454.99	\$ 11,443.31	\$ -	68,059.32
<b>Total Revenues</b>	<u>15,696.18</u>	<u>19,621.84</u>	<u>16,843.00</u>	<u>4,454.99</u>	<u>11,443.31</u>	<u>-</u>	<u>68,059.32</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	8,249.18	5,310.04					13,559.22
Other salaries for instruction							-
Professional education services							-
Purchase professional and technical services	3,240.00	5,852.00	16,843.00	4,454.99	238.00		30,627.99
Tuition							-
General supplies		272.80			10,349.31		10,622.11
Other objects					856.00		856.00
<b>Total instruction</b>	<u>11,489.18</u>	<u>11,434.84</u>	<u>16,843.00</u>	<u>4,454.99</u>	<u>11,443.31</u>	<u>-</u>	<u>55,665.32</u>
Support services:							
Other salaries							-
Personal services-employee benefits	4,207.00	8,187.00					12,394.00
Purchased prof. and educational services							-
Purchase professional and technical services							-
Purchased technical services							-
Purchased property services							-
Travel							-
Student Activities							-
Supplies and materials							-
Other objects							-
<b>Total support services</b>	<u>4,207.00</u>	<u>8,187.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,394.00</u>
Facilities acquisition and const. serv.:							
Building							-
Instructional equipment							-
Non-instructional equipment							-
<b>Total facilities acquisition and const. serv.:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>15,696.18</u>	<u>19,621.84</u>	<u>16,843.00</u>	<u>4,454.99</u>	<u>11,443.31</u>	<u>-</u>	<u>68,059.32</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2023**

	<u>Chapter 192 - Auxillary Services</u>			<u>Chapter 193 - Handicapped Services</u>			Nonpublic Nursing	Nonpublic Technology	Nonpublic Textbook	Carried Forward (Exh. E-1A)
	Comp. Education	E.S.L.	Transportation	Corrective Speech	Suppl. Instruction	Exam & Classification				
<b>REVENUES:</b>										
State sources	\$ 9,092.36	\$ -	\$ 2,017.36	\$ 20,832.00	\$ 4,956.00	\$ 13,268.64	\$ 11,312.00	\$ 4,186.48	\$ 6,594.02	\$ 72,258.86
Federal sources										-
<b>Total Revenues</b>	<u>9,092.36</u>	<u>-</u>	<u>2,017.36</u>	<u>20,832.00</u>	<u>4,956.00</u>	<u>13,268.64</u>	<u>11,312.00</u>	<u>4,186.48</u>	<u>6,594.02</u>	<u>72,258.86</u>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of teachers										-
Other salaries for instruction										-
Professional education services										-
Purchase professional and technical services										-
Tuition										-
General supplies										-
Other objects										-
<b>Total instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:										
Personal services-employee benefits										-
Purchased prof. and educational services	9,092.36	-	2,017.36	20,832.00	4,956.00	13,268.64	11,312.00	4,186.48	6,594.02	72,258.86
Purchase professional and technical services										-
Purchased technical services										-
Purchased property services										-
Travel										-
Student Activities										-
Supplies and materials										-
<b>Total support services</b>	<u>9,092.36</u>	<u>-</u>	<u>2,017.36</u>	<u>20,832.00</u>	<u>4,956.00</u>	<u>13,268.64</u>	<u>11,312.00</u>	<u>4,186.48</u>	<u>6,594.02</u>	<u>72,258.86</u>
Facilities acquisition and const. serv.:										
Instructional equipment										-
Non-instructional equipment										-
<b>Total facilities acquisition and const. serv.:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>9,092.36</u>	<u>-</u>	<u>2,017.36</u>	<u>20,832.00</u>	<u>4,956.00</u>	<u>13,268.64</u>	<u>11,312.00</u>	<u>4,186.48</u>	<u>6,594.02</u>	<u>72,258.86</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2023**

	CRRSA Learning Acceleration	CRRSA Mental Health	NJSDA Grant	Student Activity	Nonpublic Security	Totals
<b>REVENUES:</b>						
Local sources				\$ 73,073.91		\$ 73,073.91
State sources	\$ -		\$ 29,777.23		\$ 26,082.80	55,860.03
Federal sources	6,520.00	34,408.50				40,928.50
<b>Total Revenues</b>	<u>6,520.00</u>	<u>34,408.50</u>	<u>29,777.23</u>	<u>73,073.91</u>	<u>26,082.80</u>	<u>169,862.44</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers		3,140.00				3,140.00
Other salaries for instruction						-
Professional education services						-
Purchase professional and technical services	6,250.00	29,968.50				36,218.50
Tuition						-
General supplies	270.00					270.00
Other objects						-
<b>Total instruction</b>	<u>6,520.00</u>	<u>33,108.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,628.50</u>
Support services:						
Other salaries						-
Personal services-employee benefits		1,300.00				1,300.00
Purchased prof. and educational services					26,082.80	26,082.80
Purchase professional and technical services						-
Purchased technical services						-
Purchased property services						-
Travel						-
Student Activities				70,819.63		70,819.63
Supplies and materials			29,777.23			29,777.23
<b>Total support services</b>	<u>-</u>	<u>1,300.00</u>	<u>29,777.23</u>	<u>70,819.63</u>	<u>26,082.80</u>	<u>127,979.66</u>
Facilities acquisition and const. serv.:						
Buildings						-
Non-instructional equipment						-
<b>Total facilities acquisition and const. serv.:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due to Charter School						-
<b>Total Expenditures</b>	<u>6,520.00</u>	<u>34,408.50</u>	<u>29,777.23</u>	<u>70,819.63</u>	<u>26,082.80</u>	<u>167,608.16</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	2,254.28	-	2,254.28
Fund Balance, July 1	-	-	-	27,517.00		27,517.00
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,771.28</u>	<u>-</u>	<u>29,771.28</u>

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2023**

	American Rescue Plan - ESSER III					Totals
	ARP ESSER Grant	Accelerated Learning	Summer Learning	Beyond the School Day	Mental Health	
<b>REVENUES:</b>						
Local sources						\$ -
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	-
Federal sources	105,959.42	62,978.04	24,002.89	20,000.00	19,242.10	232,182.45
<b>Total Revenues</b>	<u>105,959.42</u>	<u>62,978.04</u>	<u>24,002.89</u>	<u>20,000.00</u>	<u>19,242.10</u>	<u>232,182.45</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	26,438.47		15,000.00	20,000.00		61,438.47
Other salaries for instruction						-
Professional education services						-
Purchase professional and technical services						-
Tuition						-
General supplies						-
Other objects						-
<b>Total instruction</b>	<u>26,438.47</u>	<u>-</u>	<u>15,000.00</u>	<u>20,000.00</u>	<u>-</u>	<u>61,438.47</u>
Support services:						
Other salaries	43,263.09	43,263.13	5,899.45		5,899.45	98,325.12
Personal services-employee benefits	36,257.86	19,714.91	3,103.44		2,642.65	61,718.86
Purchased prof. and educational services						-
Purchase professional and technical services					10,700.00	10,700.00
Purchased technical services						-
Purchased property services						-
Travel						-
Student Activities						-
Supplies and materials						-
<b>Total support services</b>	<u>79,520.95</u>	<u>62,978.04</u>	<u>9,002.89</u>	<u>-</u>	<u>19,242.10</u>	<u>170,743.98</u>
Facilities acquisition and const. serv.:						
Buildings						-
Non-instructional equipment						-
<b>Total facilities acquisition and const. serv.:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due to Charter School						-
<b>Total Expenditures</b>	<u>105,959.42</u>	<u>62,978.04</u>	<u>24,002.89</u>	<u>20,000.00</u>	<u>19,242.10</u>	<u>232,182.45</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Capital Projects Fund  
Detail Statements

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2023**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>			<u>Unexpended Appropriations June 30, 2023</u>
			<u>Prior Years</u>	<u>Transferred to Debt Service Fund</u>	<u>Current Year</u>	
<b>Harrison Township School:</b>						
Roof Replacement	9/27/2016	\$ 5,326,577.00	\$ 4,573,865.08	\$ 96,000.00	\$ -	\$ 656,711.92
		<u>\$ 5,326,577.00</u>	<u>\$ 4,573,865.08</u>	<u>\$ 96,000.00</u>	<u>\$ -</u>	<u>\$ 656,711.92</u>
Totals		<u>\$ 5,326,577.00</u>	<u>\$ 4,573,865.08</u>	<u>\$ 96,000.00</u>	<u>\$ -</u>	<u>\$ 656,711.92</u>

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary**  
**For the Year Ended June 30, 2023**

**Revenues and Other Financing Sources:**

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

**Expenditures and Other Financing Uses:**

Purchased professional and technical services		-
Construction services		-
Equipment purchases		-
Transferred to Debt Service Fund		96,000.00
Total Expenditures and Other Financing Uses		96,000.00

Excess (Deficiency) of revenues over (under) expenditures		(96,000.00)
---	--	-------------

Fund Balance June 30, 2022		151,134.92
----------------------------	--	------------

Fund Balance June 30, 2023		\$ 55,134.92
----------------------------	--	--------------

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Harrison Township School Roof Replacement**  
**From Inception and for the Year Ended June 30, 2023**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
Bond proceeds	\$ 4,725,000.00	-	\$ 4,725,000.00	\$ 4,725,000.00
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total Revenues	4,725,000.00	-	4,725,000.00	4,725,000.00
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	475,375.32	\$ -	475,375.32	475,375.32
Construction services	4,098,489.76	-	4,098,489.76	4,098,489.76
Equipment purchases	-	-	-	-
Transferred to Debt Service Fund	-	96,000.00	96,000.00	96,000.00
Total Expenditures	4,573,865.08	96,000.00	4,669,865.08	4,669,865.08
Excess (Deficiency) of revenues over (under) expenses	\$ 151,134.92	\$ (96,000.00)	\$ 55,134.92	\$ 55,134.92

**Additional Project Information:**

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

Proprietary Funds



**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Net Position  
as of June 30, 2023

	Food Service 2023
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$ 133,174.29
Accounts receivable:	
State	185.92
Federal	4,128.67
Inventories	31,638.28
Total current assets	169,127.16
Fixed assets:	
Equipment	366,550.00
Less Accumulated depreciation	(305,491.00)
Total fixed assets	61,059.00
Total assets	\$ 230,186.16
<b>LIABILITIES</b>	
Current liabilities:	
Accounts Payable	\$ -
Unearned revenue	14,215.30
Total current liabilities	14,215.30
<b>NET POSITION</b>	
Invested in capital assets net of related debt	61,059.00
Unrestricted	154,911.86
Total net position	\$ 215,970.86

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
as of June 30, 2023

	Food Service 2023
<b>OPERATING REVENUES:</b>	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 116,312.78
Total-daily sales-reimbursable programs	116,312.78
Daily sales non-reimbursable programs:	
Adult and AlaCarte meals	122,662.26
Special functions	254.66
Total operating revenue	239,229.70
<b>OPERATING EXPENSES:</b>	
Salaries	145,057.87
Benefits	39,730.06
Supplies and materials	13,702.62
Depreciation	5,732.00
Management fee	24,510.00
Direct expenses	12,078.47
Repairs and maintenance	40,571.68
Cost of sales - reimbursable programs	114,674.03
Cost of sales - non-reimbursable programs	50,027.35
Total operating expenses	446,084.08
Operating income (loss)	(206,854.38)
<b>Non-operating revenues:</b>	
State sources:	
State school lunch program	4,055.75
Federal sources:	
National school lunch program	90,806.92
Supply Chain Assistance	70,578.19
U.S.D.A. commodities	59,701.94
Total non-operating revenues	225,142.80
Net income (loss)	18,288.42
Net position - July 1	197,682.44
Net position - June 30	\$ 215,970.86

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Cash Flows  
as of June 30, 2023

	Food Service 2023
Cash flows from operating activities:	
Cash receipts from customers	\$ 241,069.13
Cash payments to employees for services	(184,787.93)
Cash payments to suppliers for goods and services	(227,976.96)
	(171,695.76)
Net cash used by operating activities	
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	185,784.68
	(13,543.00)
Cash flows used by capital and related financing activities:	
Purchase of equipment	(13,543.00)
	172,241.68
Net cash provided by noncapital financing activities	
Net increase (decrease) in cash and cash equivalents	545.92
Cash and cash equivalents, July 1	132,628.37
Cash and cash equivalents, June 30	\$ 133,174.29
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (206,854.38)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	5,732.00
Federal commodities	59,701.94
Change in assets and liabilities:	
(Increase)/decrease in inventory	(20,670.11)
Increase/(decrease) in accounts payable	(11,444.64)
Increase/(decrease) in deferred revenue	1,839.43
	1,839.43
Net cash used by operating activities	\$ (171,695.76)

Long-Term Debt Schedules

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
2015 Refunding Bonds	12/3/15	\$ 4,860,000	3/1/24	\$ 660,000	4.00%	\$ 1,335,000		\$ 675,000	\$ 660,000
2017 School Bonds	11/29/2017	4,725,000	9/1/23	200,000	2.00%	3,925,000		200,000	3,725,000
			9/1/24-2031	400,000	3.00%				
			9/1/32	325,000	3.00%				
						<u>\$ 5,260,000</u>	<u>\$ -</u>	<u>\$ 875,000</u>	<u>\$ 4,385,000</u>

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Schedule of Obligations Under Leases**  
**For the Fiscal Year Ended June 30, 2023**

Purpose	Interest Rate	Original Issue	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
Copiers	4.00%	\$ 71,463.57	\$ 25,016.82	\$ -	\$ 18,637.17	\$ 6,379.65
Postage Meter	3.00%	3,739.11	2,372.32	-	767.19	1,605.13
Copiers	4.00%	36,519.66	25,641.90	-	9,000.20	16,641.70
Copiers	4.00%	100,635.75	82,970.26	-	24,392.29	58,577.97
Copier	4.00%	3,501.48	3,025.02	-	843.07	2,181.95
Copier	4.00%	2,692.45	-	2,692.45	538.13	2,154.32
			<u>\$ 139,026.32</u>	<u>\$ 2,692.45</u>	<u>\$ 54,178.05</u>	<u>\$ 87,540.72</u>

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 513,338.00	\$ -	\$ 513,338.00	\$ 513,338.00	\$ -
Unexpended Capital Projects Fund	96,000.00	-	96,000.00	96,000.00	-
State Sources:					
Debt Service Aid Type II	<u>415,312.00</u>	<u>-</u>	<u>415,312.00</u>	<u>415,312.00</u>	<u>-</u>
<b>Total Revenues</b>	<u>1,024,650.00</u>	<u>-</u>	<u>1,024,650.00</u>	<u>1,024,650.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	149,650.00		149,650.00	149,650.00	\$ -
Redemption of Principal	<u>875,000.00</u>		<u>875,000.00</u>	<u>875,000.00</u>	<u>-</u>
Total Regular Debt Service	<u>1,024,650.00</u>	<u>-</u>	<u>1,024,650.00</u>	<u>1,024,650.00</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,024,650.00</u>	<u>-</u>	<u>1,024,650.00</u>	<u>1,024,650.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, July 1	<u>0.09</u>	<u>-</u>	<u>0.09</u>	<u>0.09</u>	
Fund Balances, June 30	<u>\$ 0.09</u>	<u>\$ -</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>

**TOWNSHIP OF HARRISON SCHOOL DISTRICT**  
**Schedule of Obligations Under Subscription-Based Information Technology Arrangements (SBITAs)**  
**For the Fiscal Year Ended June 30, 2023**

Purpose	Interest Rate	Original Issue	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
VMWare Software	3.00%	\$ 8,285.21	\$ -	\$ 8,285.21	\$ 8,285.21	\$ -
Saavas Learning Math Program	3.00%	217,843.42	-	217,843.42	217,843.42	-
			<u>\$ -</u>	<u>\$ 226,128.63</u>	<u>\$ 226,128.63</u>	<u>\$ -</u>



**Statistical Section**

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

	<b>Fiscal Year Ending June 30,</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 8,420,527	\$ 9,080,503	\$ 9,189,757	\$ 9,559,773	\$ 4,935,734	\$ 9,598,829	\$ 9,930,818	\$ 10,465,221	\$ 10,397,901	\$ 10,279,116
Restricted	1,442,289	1,394,118	1,638,168	(2,757,884)	2,463,692	2,557,834	2,874,098	2,391,058	2,262,341	2,916,620
Unrestricted	(648,123)	(6,275,928)	(6,483,641)	(7,228,364)	(7,400,938)	(7,197,682)	(7,266,837)	(5,373,397)	(3,970,346)	(3,978,789)
<b>Total governmental activities net assets</b>	<b>\$ 9,214,693</b>	<b>\$ 4,198,693</b>	<b>\$ 4,344,284</b>	<b>\$ (426,475)</b>	<b>\$ (1,512)</b>	<b>\$ 4,958,981</b>	<b>\$ 5,538,079</b>	<b>\$ 7,482,882</b>	<b>\$ 8,689,896</b>	<b>\$ 9,216,947</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 29,645	\$ 22,928	\$ 9,554	\$ 9,364	\$ 8,598	\$ 8,324	\$ 7,485	\$ 6,838	\$ 53,248	\$ 61,059
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	32,980	14,745	40,106	46,922	58,568	76,707	31,881	67,454	144,434	154,912
<b>Total business-type activities net assets</b>	<b>\$ 62,625</b>	<b>\$ 37,673</b>	<b>\$ 49,660</b>	<b>\$ 56,286</b>	<b>\$ 67,166</b>	<b>\$ 85,031</b>	<b>\$ 39,366</b>	<b>\$ 74,292</b>	<b>\$ 197,682</b>	<b>\$ 215,971</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 8,450,172	\$ 9,103,431	\$ 9,199,311	\$ 9,569,137	\$ 4,944,332	\$ 9,607,153	\$ 9,938,303	\$ 10,472,059	\$ 10,451,149	\$ 10,340,175
Restricted	1,442,289	1,394,118	1,638,168	(2,757,884)	2,463,692	2,557,834	2,874,098	2,391,058	2,262,341	2,916,620
Unrestricted	(615,143)	(6,261,183)	(6,443,535)	(7,181,442)	(7,342,370)	(7,120,975)	(7,234,956)	(5,305,943)	(3,825,912)	(3,823,877)
<b>Total district net assets</b>	<b>\$ 9,277,318</b>	<b>\$ 4,236,366</b>	<b>\$ 4,393,944</b>	<b>\$ (370,189)</b>	<b>\$ 65,654</b>	<b>\$ 5,044,012</b>	<b>\$ 5,577,445</b>	<b>\$ 7,557,174</b>	<b>\$ 8,887,578</b>	<b>\$ 9,432,918</b>

Source: District Records

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction	\$ 8,825,503	\$ 9,051,338	\$ 9,008,770	\$ 9,493,873	\$ 9,805,168	\$ 10,275,291	\$ 10,310,071	\$ 10,371,205	\$ 10,639,254	\$ 10,619,517
Tuition	838,439	602,957	431,413	26,915	34,364	-	206,052	60,714	65,298	18,652
Related Services	1,445,071	1,443,478	1,596,051	1,819,320	1,710,284	1,730,600	1,778,525	1,899,903	2,065,349	2,200,354
Administrative Services	1,029,728	995,175	1,072,632	1,110,126	1,010,439	1,086,554	1,052,026	1,107,499	1,187,895	1,116,841
Central Services	500,940	597,866	313,029	576,657	617,733	642,583	653,979	728,939	701,074	765,369
Operations and Maintenance	1,840,416	1,821,400	2,059,732	6,385,707	2,106,667	2,391,137	2,191,281	1,817,572	2,197,431	1,872,158
Transportation	1,295,279	1,312,316	1,314,412	1,238,285	1,198,694	1,196,040	1,050,692	1,022,696	1,057,589	1,074,818
Transfer to Charter Schools				9,089	9,089	1,244	9,825	23,524	21,009	21,491
Interest on long-term debt	303,635	278,452	354,418	141,210	186,958	244,539	226,784	198,983	169,650	139,317
Unallocated Employee Benefits	4,409,465	4,775,979	5,327,054	6,134,889	12,991,252	5,963,115	10,393,546	12,638,184	10,892,563	10,205,532
Other	41,507	42,607	25,176	42,860	41,142	50,096	(6,585)	51,675	48,477	48,646
Total governmental activities expenses	<u>20,529,983</u>	<u>20,921,568</u>	<u>21,502,687</u>	<u>26,978,931</u>	<u>29,711,790</u>	<u>23,581,199</u>	<u>27,866,196</u>	<u>29,920,894</u>	<u>29,045,589</u>	<u>28,082,695</u>
Business-type activities:										
Food service	384,256	387,888	333,441	328,644	309,453	331,697	283,145	240,782	346,830	446,084
Total business-type activities expense	<u>384,256</u>	<u>387,888</u>	<u>333,441</u>	<u>328,644</u>	<u>309,453</u>	<u>331,697</u>	<u>283,145</u>	<u>240,782</u>	<u>346,830</u>	<u>446,084</u>
Total district expenses	<u>\$ 20,914,239</u>	<u>\$ 21,309,456</u>	<u>\$ 21,836,128</u>	<u>\$ 27,307,575</u>	<u>\$ 30,021,243</u>	<u>\$ 23,912,896</u>	<u>\$ 28,149,341</u>	<u>\$ 30,161,676</u>	<u>\$ 29,392,419</u>	<u>\$ 28,528,779</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Tuition	\$ 293,151	\$ 230,216	\$ 122,489	\$ 195,845	\$ 262,091	\$ 145,746	\$ 133,833	\$ 100,702	\$ -	\$ 183,227
General Revenues:										
Property Taxes	11,849,143	12,025,743	12,431,209	12,563,880	12,857,325	13,100,225	13,593,274	13,962,459	14,226,765	14,399,841
Unrestricted State Aid	6,783,692	6,535,903	6,096,241	6,211,573	6,206,597	6,188,970	6,501,243	6,359,095	6,134,698	5,997,488
Other Revenues	107,260	130,241	162,290	173,781	214,478	256,717	172,523	138,398	300,116	185,265
Operating grants and contributions	1,952,174	2,513,865	2,836,049	3,063,093	10,596,262	8,850,034	8,044,420	11,176,606	9,592,768	8,206,357
Capital grants and contributions	-	-	-	-	-	-	-	(60,132)	(1,745)	(362,431)
Total governmental activities program revenues	<u>20,985,420</u>	<u>21,435,968</u>	<u>21,648,278</u>	<u>22,208,172</u>	<u>30,136,753</u>	<u>28,541,692</u>	<u>28,445,293</u>	<u>31,677,128</u>	<u>30,252,602</u>	<u>28,609,747</u>
Business-type activities:										
Charges for services										
Food service	277,153	259,726	242,634	224,953	218,269	230,969	144,990	15,706	210	239,230
Operating grants and contributions	95,284	103,210	102,794	110,317	102,064	118,594	92,491	261,001	470,010	225,143
Other										
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>372,437</u>	<u>362,936</u>	<u>345,428</u>	<u>335,270</u>	<u>320,333</u>	<u>349,563</u>	<u>237,481</u>	<u>276,707</u>	<u>470,220</u>	<u>464,373</u>
Total district program revenues	<u>\$ 21,357,857</u>	<u>\$ 21,798,904</u>	<u>\$ 21,993,706</u>	<u>\$ 22,543,442</u>	<u>\$ 30,457,086</u>	<u>\$ 28,891,255</u>	<u>\$ 28,682,774</u>	<u>\$ 31,953,835</u>	<u>\$ 30,722,822</u>	<u>\$ 29,074,120</u>
<b>Net (Expense)/Revenue and Change in Net Assets</b>										
Governmental activities	\$ 455,437	\$ 514,400	\$ 145,591	\$ (4,770,759)	\$ 424,963	\$ 4,960,493	\$ 579,097	\$ 1,756,234	\$ 1,207,013	\$ 527,052
Business-type activities	(11,819)	(24,952)	11,987	6,626	10,880	17,866	(45,664)	35,925	123,390	18,289
Total district-wide net expense	<u>\$ 443,618</u>	<u>\$ 489,448</u>	<u>\$ 157,578</u>	<u>\$ (4,764,133)</u>	<u>\$ 435,843</u>	<u>\$ 4,978,359</u>	<u>\$ 533,433</u>	<u>\$ 1,792,159</u>	<u>\$ 1,330,403</u>	<u>\$ 545,341</u>

Source: District Records

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

	<b>Fiscal Year Ending June 30,</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
General Fund										
Reserved	\$ 1,442,288	\$ 1,240,238	\$ 1,631,446	\$ 1,802,254	\$ 2,372,714	\$ 2,406,698	\$ 2,722,962	\$ 2,170,792	\$ 3,405,461	\$ 3,800,864
Unreserved	(167,041)	(203,661)	(231,615)	(192,902)	(202,620)	(132,687)	(139,562)	1,213,610	358,433	(50,663)
<b>Total General Fund</b>	<b>\$ 1,275,247</b>	<b>\$ 1,036,577</b>	<b>\$ 1,399,831</b>	<b>\$ 1,609,352</b>	<b>\$ 2,170,094</b>	<b>\$ 2,274,011</b>	<b>\$ 2,583,400</b>	<b>\$ 3,384,402</b>	<b>\$ 3,763,894</b>	<b>\$ 3,750,201</b>
All Other Governmental Funds										
Reserved	\$ -		\$ -	\$ -						
Unreserved, reported in:										
Special revenue fund								69,130	27,517	29,771
Capital projects fund		153,879		(4,566,859)	90,977	151,135	151,135	151,135	151,135	55,135
Debt service fund			6,722	6,720		1	1			
Permanent fund										
<b>Total all other governmental funds</b>	<b>\$ -</b>	<b>\$ 153,879</b>	<b>\$ 6,722</b>	<b>\$ (4,560,139)</b>	<b>\$ 90,977</b>	<b>\$ 151,136</b>	<b>\$ 151,136</b>	<b>\$ 220,265</b>	<b>\$ 178,652</b>	<b>\$ 84,906</b>

Source: District Records

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

	<b>Fiscal Year Ending June 30,</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Revenues</b>										
Tax levy	\$ 11,849,143	\$ 12,025,743	\$ 12,431,209	\$ 12,563,880	\$ 12,857,325	\$ 13,100,225	\$ 13,593,274	\$ 13,962,459	\$ 14,226,765	\$ 14,399,841
Tuition charges	293,151	230,216	122,489	195,845	262,091	145,746	133,833	100,702	126,321	183,227
Transportation fees	61,175	82,369	77,940	106,015	76,062	71,973	87,460	37,500	-	4,922
Interest earnings	4,768	4,515	338	492	2,493	5,259	5,039	715	463	14,170
Municipal Surplus	-	-	-	-	-	93,000	-	-	-	-
Miscellaneous	41,317	43,357	84,013	67,273	135,922	86,485	80,023	100,182	173,332	166,174
Local sources	-	-	-	-	-	-	-	28,853	66,070	73,074
State sources	8,298,167	7,184,184	8,475,024	8,861,283	9,238,958	9,844,734	9,833,814	10,387,573	11,129,244	11,108,694
Federal sources	437,699	440,665	457,266	413,383	343,237	469,270	380,040	690,344	889,516	725,345
<b>Total revenue</b>	<b>20,985,420</b>	<b>20,011,049</b>	<b>21,648,279</b>	<b>22,208,171</b>	<b>22,916,088</b>	<b>23,816,692</b>	<b>24,113,483</b>	<b>25,308,328</b>	<b>26,611,711</b>	<b>26,675,447</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,660,663	6,031,499	5,776,684	5,940,027	6,346,081	6,550,593	6,768,366	6,555,408	6,992,872	6,737,301
Special education instruction	1,694,663	1,606,319	1,714,531	2,046,570	1,932,874	2,128,749	1,941,423	2,029,136	2,013,026	2,055,465
Other special instruction	821,389	831,400	882,177	913,386	919,761	897,625	932,318	932,678	976,885	1,073,780
<b>Support Services:</b>										
Tuition	838,439	602,957	431,413	26,915	34,364	-	206,052	60,714	65,298	18,652
Student & instruction related services	1,445,071	1,374,392	1,596,051	1,819,320	1,710,284	1,730,000	1,778,525	1,899,903	2,065,349	2,200,354
General administrative services	355,214	320,810	408,569	451,444	345,013	378,746	356,084	409,175	344,858	361,030
School Administrative services	591,500	589,149	578,635	572,961	583,141	607,615	596,711	594,974	741,316	649,503
Business administrative services	500,940	597,866	313,029	576,657	617,733	642,583	653,979	728,939	698,690	760,862
Plant operations and maintenance	1,675,540	1,666,576	1,978,557	1,690,839	1,893,875	2,114,897	2,219,524	2,010,558	2,073,228	2,027,755
Pupil transportation	1,295,279	1,312,316	1,314,412	1,238,284	1,198,694	1,196,040	1,050,692	1,022,695	1,057,589	1,074,818
Unallocated employee benefits	4,409,465	3,650,719	5,167,141	5,338,934	5,701,423	6,102,701	5,963,739	6,870,385	8,159,090	8,647,032
Capital outlay	369,722	430,860	283,380	4,997,309	201,973	249,776	311,007	455,026	34,972	130,192
Transfer to Charter Schools	-	-	-	9,089	9,089	1,244	9,825	23,524	21,009	21,491
<b>Debt service:</b>										
Principal	1,115,000	715,000	795,000	740,000	755,000	760,000	780,000	825,000	850,000	875,000
Interest and other charges	321,289	287,387	286,735	203,775	179,925	291,447	235,850	208,650	179,650	149,650
<b>Total expenditures</b>	<b>21,094,174</b>	<b>20,017,250</b>	<b>21,526,314</b>	<b>26,565,510</b>	<b>22,429,230</b>	<b>23,652,016</b>	<b>23,804,095</b>	<b>24,626,765</b>	<b>26,273,832</b>	<b>26,782,885</b>
Excess (Deficiency) of revenues over (under) expenditures	(108,754)	(6,201)	121,965	(4,357,339)	486,858	164,676	309,388	681,563	337,879	(107,438)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	319,000	-	-	-	-	-	-	-	-	-
Proceeds of Refunding Bonds	-	-	5,310,797	-	-	-	-	-	-	-
Proceeds of Bonds	-	-	-	-	4,725,000	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(5,216,666)	-	-	-	-	-	-	-
Transfers in	-	-	92,327	-	-	-	-	-	-	-
Transfers out	-	(219,970)	(92,327)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>319,000</b>	<b>(219,970)</b>	<b>94,131</b>	<b>-</b>	<b>4,725,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 210,246</b>	<b>\$ (226,171)</b>	<b>\$ 216,096</b>	<b>\$ (4,357,339)</b>	<b>\$ 5,211,858</b>	<b>\$ 164,676</b>	<b>\$ 309,388</b>	<b>\$ 681,563</b>	<b>\$ 337,879</b>	<b>\$ (107,438)</b>
Debt service as a percentage of noncapital expenditures	6.9%	5.1%	5.1%	4.4%	4.2%	4.5%	4.3%	4.3%	3.9%	3.8%

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

<u>Description</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Insurance Refunds	\$ -	\$ -	\$ -	\$ 3,676	\$ -	\$ 28,225	\$ -	\$ -	\$ 15,148	\$ 1,080
Interest on Investments	42,261	8,697	8,178	23,995	16,272	30,427	14,428	8,595	4,278	4,080
Sale of Equipment	28,500	14,800		3,000	4,600	2,067	3,492	1,545	50	3,963
Recycling	-	-	-	-	-	-	-	67	-	-
Use of Facilities - Rentals	20,300	18,897	7,624	23,507	26,991	20,812	20,998	18,562	17,304	12,684
FEMA Reimbursement	-	-	-	-	-	-	-	5,107	-	-
State Lead Testing Reimbursement	7,860	-	-	-	-	-	-	-	-	-
State School Security Reimbursement	-	70,808	-	-	-	-	-	-	-	-
NJSIG - Safety Grant Award	4,954	5,883	6,750	6,116	6,477	4,713	-	-	-	-
NJ Clean Energy Rebate	-	-	22,120	4,235	9,020	4,325	-	-	-	-
Prior Year Refunds	51,723	33,736	26,331	5,933	2,109	24,602	13,833	13,958	10,214	15,034
Tuition Refunds	-	-	-	-	-	-	-	14,482	-	-
Energy Curtailment Rebates	5,352	5,159	10,414	8,010	7,687	6,327	9,002	19,163	-	-
Photocopies	-	-	-	-	-	-	-	-	-	121
Seminar Fees	-	-	3,600	-	-	600	800	-	-	-
Shared Services	-	13,187	12,960	-	-	-	-	-	-	-
E-Rate Rebates	-	-	-	-	-	1,055	2,735	-	-	-
Soda Machine	-	-	-	-	-	336	172	240	503	488
Cancellation of Old Outstanding Checks	5,224	1,884	2,204	1,552	13,328	8,023	1,731	2,272	27	4,965
Forfeited FSA Funds	-	-	-	-	-	-	-	-	31	-
Sale of Used Textbooks	-	-	-	-	-	-	-	-	-	2,982
Lost/Damaged Book Fines	-	-	-	-	-	18	82	21	80	-
	<u>\$ 166,174</u>	<u>\$ 173,051</u>	<u>\$ 100,181</u>	<u>\$ 80,024</u>	<u>\$ 86,484</u>	<u>\$ 131,530</u>	<u>\$ 67,273</u>	<u>\$ 84,012</u>	<u>\$ 47,635</u>	<u>\$ 45,397</u>

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2013	\$ 25,357,800	\$ 1,187,245,000	\$ 31,111,900	\$ 2,874,300	\$ 92,675,600	\$ -	\$ 7,297,300	\$ 1,346,561,900	\$ -	\$ 3,369,388	\$ 1,349,931,288	\$ 1	\$ 1,378,206,992
2014	25,368,500	1,208,175,300	31,077,500	2,864,300	92,196,500	-	7,297,300	1,366,979,400	-	2,975,643	1,369,955,043	0.878	1,396,971,866
2015	24,430,700	1,229,510,600	29,569,200	2,845,900	95,725,500	\$ 321,700	7,297,300	1,389,700,900	-	2,969,606	1,392,670,506	0.893	1,445,719,021
2016	22,055,200	1,250,162,100	30,003,500	2,828,500	96,665,400	321,700	1,073,300	1,403,109,700	-	2,882,389	1,405,992,089	0.894	1,477,037,598
2017 <sup>c</sup>	22,815,000	1,352,280,900	28,876,800	2,820,400	118,532,700	322,300	-	1,525,648,100	-	3,060,097	1,528,708,197	0.841	1,517,540,518
2018	21,975,200	1,360,971,500	29,304,900	2,813,500	111,546,200	322,300	-	1,526,933,600	-	3,101,640	1,530,035,240	0.856	1,533,258,395
2019	21,172,700	1,370,819,300	28,682,900	2,717,800	113,593,000	322,300	-	1,537,308,000	-	3,054,693	1,540,362,693	0.883	1,576,150,586
2020	22,325,000	1,383,111,800	27,760,000	2,688,600	106,724,100	322,300	-	1,542,931,800	-	3,052,312	1,545,984,112	0.904	1,592,767,679
2021	22,723,500	1,386,115,700	28,198,200	2,513,900	106,406,200	322,300	-	1,546,279,800	-	3,153,032	1,549,432,832	0.918	1,631,798,147
2022	22,898,900	1,378,891,200	27,296,100	2,634,100	105,722,500	322,300	-	1,537,765,100	-	2,751,847	1,540,516,947	0.935	1,717,658,629

Source: Gloucester County Board of Taxation Abstract of Ratables

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Revaluation in 2017

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

Fiscal Year Ended <u>June 30,</u>	Harrison Township Board of Education			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct	Clearview Regional School	Gloucester County	Fire District	Harrison Township	
2014	\$ 0.829	\$ 0.049	\$ 0.878	\$ 0.679	\$ 0.676	\$ 0.083	\$ 0.471	\$ 2.787
2015	0.845	0.048	0.893	0.696	0.730	0.082	0.504	2.905
2016	0.848	0.045	0.893	0.732	0.759	0.083	0.523	2.990
2017 <sup>c</sup>	0.801	0.040	0.841	0.706	0.717	0.076	0.485	2.825
2018	0.816	0.040	0.856	0.738	0.730	0.077	0.495	2.896
2019	0.844	0.039	0.883	0.751	0.748	0.077	0.519	2.978
2020	0.865	0.039	0.904	0.761	0.765	0.079	0.561	3.070
2021	0.879	0.039	0.918	0.780	0.770	0.081	0.581	3.130
2022	0.902	0.033	0.935	0.816	0.758	0.094	0.601	3.204
2023	0.938	0.034	0.972	0.790	0.755	0.100	0.619	3.236

Source: District Records and County Tax Assessor

**Note:**

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

c Revaluation in 2010 and 2017



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

Taxpayer	2013c		2022	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Mullica West Ltd.	\$ 6,224,000	0.46%		
Verizon - Property Tax Dept.	3,724,475	0.27%		
Mantec Associates	5,884,000	0.43%	\$ 5,655,000	0.36%
AEW SCT Mullica Hill, LLC	14,000,000	1.03%		
Underwood Memorial Hospital	3,400,000	0.25%		
Storage Quest, NJ LP	2,500,000	0.18%		
Storage Quest, NJ LP	2,075,000	0.15%		
Mullica Hill Commons, LLC	3,000,000	0.22%	3,341,600	0.21%
Mullica Realty, LLC			18,500,000	1.20%
I Storage, LLC			3,177,300	0.20%
CVS	2,095,400	0.15%	2,700,000	0.17%
I Storage, LLC			2,700,800	0.17%
Woodland Four, LLC				
Wawa, Inc.	2,465,000	0.18%	2,442,900	0.16%
Verizon New Jersey C/O Duff & Phelps			2,751,847	0.18%
Ten Seven Investments, LLC			2,093,000	0.13%
Inspira Medical Centers, Inc.			2,343,000	0.15%
Total	<u>\$ 45,367,875</u>	<u>3.32%</u>	<u>\$ 45,705,447</u>	<u>2.93%</u>

**c = Revaluation in 2010**

**Source: County Tax Assessor**

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

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>Percentage of Levy</b>	
2014	\$ 11,849,143	\$ 11,849,143	100.00%	-
2015	12,025,743	12,025,743	100.00%	-
2016	12,431,209	12,431,209	100.00%	-
2017	12,563,880	12,563,880	100.00%	-
2018	12,857,325	12,857,325	100.00%	-
2019	13,100,225	13,100,225	100.00%	-
2020	13,593,274	13,593,274	100.00%	-
2021	13,962,459	13,962,459	100.00%	-
2022	14,226,765	14,226,765	100.00%	-
2023	14,399,841	14,399,841	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	\$ 7,010,000	\$ -	\$ 319,000	\$ -	\$ -	\$ 7,329,000	1.21%	571	
2015	6,295,000	-	195,000	-	-	6,490,000	1.01%	503	
2016	5,245,000	-	130,000	-	-	5,375,000	0.82%	416	
2017	4,505,000	-	65,000	\$ 3,000,000	-	7,570,000	1.11%	584	
2018	8,475,000	-	-	-	-	8,475,000	1.18%	646	
2019	7,715,000	-	-	-	-	7,715,000	1.03%	588	
2020	6,935,000	-	-	-	-	6,935,000	0.87%	528	
2021	6,110,000	-	80,331	-	-	6,190,331	0.71%	447	
2022	5,260,000	-	139,026	-	-	5,399,026	<b>b</b>	392	
2023	4,385,000	-	87,540	-	-	4,472,540	<b>b</b>	<b>b</b>	

Source: School District Financial Reports

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

**a** See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Not Available

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 7,010,000	\$ -	\$ 7,010,000	0.51%	\$ 546
2015	6,295,000	-	6,295,000	0.45%	488
2016	5,245,000	-	5,245,000	0.37%	406
2017 <sup>c</sup>	4,505,000	-	4,505,000	0.29%	348
2018	8,475,000	-	8,475,000	0.55%	646
2019	7,715,000	-	7,715,000	0.50%	588
2020	6,935,000	-	6,935,000	0.45%	528
2021	6,110,000	-	6,110,000	0.39%	441
2022	5,260,000	-	5,260,000	0.34%	381
2023	4,385,000	-	4,385,000	0.28%	<sup>b</sup>

**Source: School District Financial Reports**

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

**a** See Exhibit J-7 for property tax data.

**b** Not Available

**c** Revaluation in 2017

**Township of Harrison School District**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of December 31, 2022**  
**UNAUDITED**

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Harrison Township	\$ 26,266,407	100.000%	\$ 30,224,457
<b>Other debt</b>			
Clearview Regional School District	60,007,000	43.68%	26,211,057
Gloucester County	151,050,000	5.50%	<u>8,307,750</u>
Subtotal, overlapping debt			64,743,264
<b>Harrison Township School District Direct Debt</b>			<u>4,385,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 69,128,264</u></u>

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2023**

Equalized valuation basis	
2022	\$ 1,935,756,672
2021	1,723,066,414
2020	<u>1,623,796,885</u>
[A]	<u>\$ 5,282,619,971</u>
Average equalized valuation of taxable property	[A/3] \$ 1,760,873,324
Debt Limit (2 1/2% of average equalized valuation)	[B] 44,021,833 <sup>a</sup>
Net bonded school debt	[C] <u>4,385,000</u>
Legal debt margin	[B-C] <u>\$ 39,636,833</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 34,433,373	\$ 34,600,999	\$ 35,411,007	\$ 36,471,218	\$ 37,385,775	\$ 38,229,100	\$ 38,926,440	\$ 39,729,071	\$ 41,078,607	\$ 44,021,833
Total net debt applicable to limit	<u>7,010,000</u>	<u>6,295,000</u>	<u>5,245,000</u>	<u>7,505,000</u>	<u>8,475,000</u>	<u>7,715,000</u>	<u>6,935,000</u>	<u>6,110,000</u>	<u>5,260,000</u>	<u>4,385,000</u>
Legal debt margin	<u>\$ 27,423,373</u>	<u>\$ 28,305,999</u>	<u>\$ 30,166,007</u>	<u>\$ 28,966,218</u>	<u>\$ 28,910,775</u>	<u>\$ 30,514,100</u>	<u>\$ 31,991,440</u>	<u>\$ 33,619,071</u>	<u>\$ 35,818,607</u>	<u>\$ 39,636,833</u>
Total net debt applicable to the limit as a percentage of debt limit	20.36%	18.19%	14.81%	20.58%	22.67%	20.18%	17.82%	15.38%	12.80%	9.96%

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

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

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income <sup>b</sup></u>	<u>Unemployment Rate <sup>c</sup></u>
2013	12,667	\$ 581,985,315	\$ 45,945	6.40%
2014	12,828	608,124,168	47,406	5.60%
2015	12,907	640,471,154	49,622	4.80%
2016	12,911	655,723,868	50,788	3.80%
2017	12,960	683,367,840	52,729	3.20%
2018	13,115	716,682,290	54,646	3.10%
2019	13,124	746,138,772	56,853	2.70%
2020	13,143	793,653,198	60,386	6.60%
2021	13,841	865,796,073	62,553	5.00%
2022	13,788	<b>d</b>	<b>d</b>	2.80%

**Source:**

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

<sup>b</sup> Per Capita information provided by U.S. Department of Commerce, Bureau of Economic Analysis

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

<sup>d</sup> Not Available

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

<u>Employer</u>	<u>2023</u>			<u>2014</u>	
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Rowan University	3,500	1	N/A	1,483	N/A
Washington Township School District	1,505	2	N/A	1,598	N/A
Inspira Health Network	1,222	3	N/A	1,825	N/A
County of Gloucester	1,200	4	N/A	1,425	N/A
Monroe Township School District	902	5	N/A	792	N/A
Walmart - Turnersville	800	6	N/A		
Jefferson Health	670	7	N/A		
Aryzta LaBrea Bakery, Inc.	500	8	N/A		
Keller Williams Realty	500	9	N/A		
Honda of Turnersville	499	10	N/A		
U.S. Foodservices				725	N/A
Kennedy Health Alliance				1,675	N/A
Missa Bay, LLC				950	N/A
Exxon Mobil Research & Development				540	N/A
LaBrea Bakery				525	N/A
	<u>11,298</u>			<u>11,538</u>	

**Source:** Gloucester County Department of Economic Development and Employer Directly

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

N/A - Information not available



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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	82.2	83.0	82.3	82.3	81.3	82.5	78.2	81.5	79.5	78.5
Special education	39.2	38.9	40.7	39.4	37.0	35.9	32.1	30.6	33.2	32.9
Other special education	18.6	18.8	19.2	19.2	18.5	20.2	20.2	20.2	18.2	19.7
Vocational	-	-	-	-	-					
Other instruction	-	-	-	-	-					
Nonpublic school programs	-	-	-	-	-					
Adult/continuing education programs	-	-	-	-	-					
Support Services:										
Tuition	-	-	-	-	-					
Student & instruction related services	16.0	16.8	17.7	19.7	19.6	17.5	17.5	18.6	20.8	20.2
General administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Business administrative services	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.0
Plant operations and maintenance	24.6	24.0	24.3	24.0	24.0	23.9	23.9	22.1	23.0	24.4
Pupil transportation	21.3	22.4	21.3	19.4	18.3	18.0	16.3	15.5	13.8	14.3
Total	<u>218.5</u>	<u>220.5</u>	<u>222.1</u>	<u>220.6</u>	<u>215.3</u>	<u>214.6</u>	<u>204.8</u>	<u>205.1</u>	<u>205.1</u>	<u>206.0</u>

Source: District Personnel Records

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

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil<sup>b</sup></b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>c</sup></b>	<b>Pupil/Teacher Ratio</b>	<b>Average Daily Enrollment (ADE) d</b>	<b>Average Daily Attendance (ADA) d</b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2014	1,468	\$ 19,288,163	\$ 13,139	-0.67%	140	1:9.5	1,473.3	1,417.5	2.18%	96.21%
2015	1,500	19,694,245	13,129	-0.07%	140	1:10.7	1,493.5	1,431.0	1.37%	95.82%
2016	1,469	20,161,199	13,724	4.53%	142	1:10.3	1,460.2	1,398.7	-2.23%	95.79%
2017	1,445	20,624,426	14,273	4.00%	141	1:10.2	1,431.6	1,375.7	-1.96%	96.10%
2018	1,410	21,292,332	15,101	5.80%	137	1:10.3	1,395.8	1,336.8	-2.50%	95.77%
2019	1,388	22,351,393	16,103	6.64%	138	1:10.3	1,358.0	1,300.5	-2.71%	95.77%
2020	1,428	22,477,238	15,740	-2.25%	130	1:10.9	1,428.0	1,384.1	5.15%	96.92%
2021	1,311	23,569,591	17,649	12.13%	132	1:9.9	1,303.6	1,256.1	-8.71%	96.35%
2022	1,302	25,209,210	19,362	9.71%	131	1:9.2	1,300.1	1,235.1	-0.27%	95.00%
2023	1,343	25,628,043	19,083	-1.44%	131	1:10.2	1,328.6	1,257.9	2.20%	94.68%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Harrison Township Elementary School (1950)										
Square Feet	97,903	97,903	97,903	97,903	97,903	97,903	97,903	97,903	97,903	97,903
Capacity (students)	835	835	835	835	835	835	835	835	835	835
Enrollment	830	836	792	807	776	750	790	738	753	777
Pleasant Valley School (2001)										
Square Feet	87,901	87,901	87,901	87,901	87,901	87,901	87,901	87,901	87,901	87,901
Capacity (students)	763	763	763	763	763	763	763	763	763	763
Enrollment	638	664	677	638	634	638	638	573	549	566

Number of Schools at June 30, 2023  
 Elementary = 2

Source: District records

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

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

Fiscal Year Ended June 30,	Harrison Township Elementary School	Pleasant Valley School
2014	\$ 149,218	\$ 121,178
2015	127,699	118,867
2016	213,950	73,656
2017	141,367	124,257
2018	292,780	144,207
2019	395,766	136,481
2020	242,890	375,215
2021	315,499	99,702
2022	395,573	107,325
2023	144,972	95,439
	\$ 2,419,714	\$ 1,396,327

Source: District records

**Township of Harrison School District  
Insurance Schedule  
June 30, 2023  
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property -Blanket Building & Contents	\$ 47,378,955	\$ 1,000
Comprehensive General Liability	1,000,000	
Aggregate	3,000,000	
Comprehensive Automobile Liability	1,000,000	500/1,000
Crime	100,000	500
Data Processing	3,024,000	500
Commercial Umbrella Liability	9,000,000	
Workmen's Compensation	3,000,000	
School Board Legal Liability		
Directors and Office	10,000,000	10,000
Student Accident Insurance:		
Basic	1,000,000	-
Catastrophic	5,000,000	25,000
Surety Bonds:		
Board Secretary	220,000	N/A

**Source: District Records**

**Single Audit Section**

***INVERSO & STEWART, LLC***  
Certified Public Accountants

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Harrison Township School District (the "District"), in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated November 30, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

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

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

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that 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.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***INVERSO & STEWART, LLC***  
Certified Public Accountants



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

Marlton, New Jersey  
November 30, 2023



***INVERSO & STEWART, LLC***  
**Certified Public Accountants**

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

***Opinion on Each Major Federal and State Program***

I have audited Harrison Township School District's (the "District"), in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned costs.

In my opinion, the 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 federal and state programs for the year ended June 30, 2023.

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

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. My responsibilities under those standards and the Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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

My 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 District's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and the N.J. Circular 15-08-OMB will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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, individually or in the aggregate, would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. Circular 15-08-OMB, I:

- 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the 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 Uniform Guidance and N.J. Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

***Purpose of this Report***

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

***INVERSO & STEWART, LLC***  
Certified Public Accountants



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

Marlton, New Jersey  
November 30, 2023

TOWNSHIP OF HARRISON SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2022			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023		
						Accounts Receivable	Deferred Revenue	Due to Grantor						Accounts Receivable	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Special Revenue Fund:</b>																
<b>Elementary and Secondary Education Act (E.S.E.A.)</b>																
Title I - Current Year	84.010A	S010A200030	ESEA-2070-23	\$ 53,825.00	7/1/22 - 9/30/23					\$ 15,696.00	\$ (15,696.18)	\$ 0.18		\$ -	\$ -	
Title I - Prior Year	84.010A	S010A190030	ESEA-2070-22	50,106.00	7/1/21 - 9/30/22	\$ (1,679.82)				21,302.00	(19,621.84)	(0.34)	-			
Title II - Part A - Current Year	84.367A	S367A200029	ESEA-2070-23	24,745.00	7/1/22 - 9/30/23			\$ 204.00		15,898.00	(16,843.00)			(945.00)		
Title II - Part A - Prior Year	84.367A	S367A190029	ESEA-2070-22	21,189.00	7/1/21 - 9/30/22	(7,817.75)		(204.00)		12,273.00	(4,454.99)	(0.26)		-		
Title IV - Current Year	84.424	S424A200031	ESEA-2070-23	11,905.00	7/1/22 - 9/30/23			1,905.00		10,993.00	(11,443.31)	0.31		(450.00)		
Title IV - Prior Year	84.424	S424A190031	ESEA-2070-22	10,000.00	7/1/21 - 9/30/22	(2,000.00)		(1,905.00)		2,000.00		-		-		
<b>Individuals With Disabilities Act (I.D.E.A.)</b>																
Part B - Basic - Current Year	84.027A	H027A200100	FT-2070-23	302,332.00	7/1/22 - 9/30/23			49,205.00		320,003.00	(340,121.23)			(20,118.23)		
Part B - Basic - Prior Year	84.027A	H027A190100	FT-2070-22	302,332.00	7/1/21 - 9/30/22	(7,655.01)		(49,205.00)		19,508.00	(11,852.59)	(0.40)		-		
ARP - IDEA - Basic	84.027X	S425D200027	FT-2070-22	64,475.00	7/1/21 - 9/30/23	(5,971.58)				7,182.00	(1,210.76)	0.34		-		
Part B - Preschool - Current Year	84.173	H173A200114	PS-2070-23	30,990.00	7/1/22 - 9/30/23			-		30,990.00	(30,990.00)			-		
Part B - Preschool - Prior Year	84.173	H173A190114	PS-2070-22	29,740.00	7/1/21 - 9/30/22	-		-		-	-			-		
<b>Coronavirus Response and Relief Supplemental Act:</b>																
Learning Acceleration	84.425D	S425D200027	N/A	25,000.00	3/13/20 - 9/30/23	-				6,520.00	(6,520.00)			-		
Mental Health	84.425D	S425D200027	N/A	45,000.00	3/13/20 - 9/30/23					34,408.00	(34,408.50)	0.50		-		
<b>American Rescue Plan:</b>																
ARP - ESSR III	84.425U	S425U200027	N/A	435,232.00	3/13/20 - 9/30/24	(186,891.42)				256,593.00	(105,959.42)			(36,257.84)		
ARP - Accelerated Learning	84.425U	S425U200027	N/A	114,051.00	3/13/20 - 9/30/24	(17,157.87)				60,421.00	(62,978.04)			(19,714.91)		
ARP - Summer Learning	84.425U	S425U200027	N/A	40,000.00	3/13/20 - 9/30/24	(1,988.92)				22,889.00	(24,002.89)			(3,102.81)		
ARP - Beyond the School Day	84.425U	S425U200027	N/A	40,000.00	3/13/20 - 9/30/24					20,000.00	(20,000.00)			-		
ARP - Mental Health	84.425U	S425U200027	N/A	45,000.00	3/13/20 - 9/30/24	(12,737.55)				29,337.00	(19,242.10)			(2,642.65)		
Total Special Revenue Fund						(243,899.92)	-	-	-	886,013.00	(725,344.85)	0.33	-	(83,231.44)	-	
<b>U.S. Department of Agriculture</b>																
<b>Enterprise Fund:</b>																
Food Distribution Program	10.555	221NJ304N1099	N/A	59,701.94	7/1/22 - 6/30/23					59,701.94	(59,701.94)			-		
Supply Chain Assistance - 1st Round	10.555	221NJ344N8903	N/A	29,008.74	7/1/22 - 6/30/23					29,008.74	(29,008.74)			-		
Supply Chain Assistance - 2nd Round	10.555	221NJ344N8903	N/A	26,756.39	7/1/22 - 6/30/23					26,756.39	(26,756.39)			-		
Supply Chain Assistance - 3rd Round	10.555	221NJ344N8903	N/A	14,813.06	7/1/22 - 6/30/23					14,813.06	(14,813.06)			-		
National School Lunch Program	10.555	221NJ304N1099	N/A	90,806.92	7/1/22 - 6/30/23					86,678.25	(90,806.92)			(4,128.67)		
National School Lunch Program	10.555	211NJ304N1099	N/A	416,264.97	7/1/21 - 6/30/22	(24,103.69)				24,103.69				-		
Total Enterprise Fund						(24,103.69)			---	241,062.07	(221,087.05)	---	---	(4,128.67)	---	
Total Federal Awards						\$ (268,003.61)	\$ -	\$ -	\$ -	\$ 1,127,075.07	\$ (946,431.90)	\$ 0.33	\$ -	\$ (87,360.11)	\$ -	

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

TOWNSHIP OF HARRISON SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2023

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	Balance at June 30, 2022			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023			Memo Cumulative Total Expenditures
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at	
<b>State Department of Education</b>															
<b>General Fund:</b>															
Equalization Aid	23-495-034-5120-078	\$ 4,370,012.00	7/1/22 - 6/30/23					\$ 3,950,733.00	\$ (4,370,012.00)			\$ (419,279.00)			\$ 4,370,012.00
Equalization Aid	22-495-034-5120-078	4,475,181.00	7/1/21 - 6/30/22	\$ (435,611.00)				435,611.00							
Additional Nonpublic Transportation Aid	23-495-034-5120-014	34,718.00	7/1/22 - 6/30/23						(34,718.00)			(34,718.00)			34,718.00
Additional Nonpublic Transportation Aid	22-495-034-5120-014	30,740.00	7/1/21 - 6/30/22	(30,740.00)				30,740.00				-			-
Transportation Aid	23-495-034-5120-014	153,456.00	7/1/22 - 6/30/23					138,733.00	(153,456.00)			(14,723.00)			153,456.00
Transportation Aid	22-495-034-5120-014	153,456.00	7/1/21 - 6/30/22	(14,937.00)				14,937.00				-			-
Special Education Aid	23-495-034-5120-014	800,303.00	7/1/22 - 6/30/23					723,518.00	(800,303.00)			(76,785.00)			800,303.00
Special Education Aid	22-495-034-5120-014	800,303.00	7/1/21 - 6/30/22	(77,901.00)				77,901.00				-			-
Security Aid	23-495-034-5120-084	107,201.00	7/1/22 - 6/30/23					96,916.00	(107,201.00)			(10,285.00)			107,201.00
Security Aid	22-495-034-5120-084	107,201.00	7/1/21 - 6/30/22	(10,435.00)				10,435.00				-			-
Extraordinary Aid	23-495-034-5093-007	98,674.00	7/1/22 - 6/30/23						(98,674.00)			(98,674.00)			98,674.00
Extraordinary Aid	22-495-034-5093-007	126,480.00	7/1/21 - 6/30/22	(126,480.00)				126,480.00				-			-
On Behalf TPAF Pension Contributions	23-495-034-5095-006	3,379,136.00	7/1/22 - 6/30/23					3,379,136.00	(3,379,136.00)						3,379,136.00
On Behalf TPAF Post Retirement Medical	23-495-034-5095-006	887,691.00	7/1/22 - 6/30/23					887,691.00	(887,691.00)						887,691.00
On Behalf TPAF LTDI	23-495-034-5095-006	935.00	7/1/22 - 6/30/23					935.00	(935.00)						894.00
Reimbursed TPAF Social Security Contributions	23-495-034-5095-002	715,324.93	7/1/22 - 6/30/23					679,892.25	(715,324.93)			(35,432.68)			715,324.93
Reimbursed TPAF Social Security Contributions	22-495-034-5095-002	685,149.94	7/1/21 - 6/30/22	(33,449.63)				33,449.63				-			-
<b>Total General Fund</b>				<b>(729,553.63)</b>				<b>10,587,107.88</b>	<b>(10,547,450.93)</b>			<b>(689,896.68)</b>			<b>10,547,409.93</b>
<b>Special Revenue Fund</b>															
<b>N.J. Nonpublic Aid:</b>															
Textbook Aid	23-100-034-5120-064	6,600.00	7/1/22 - 6/30/23					\$ 6,600.00	\$ (6,594.02)					\$ 5.98	\$ 6,594.02
Textbook Aid	22-100-034-5120-064	5,522.00	7/1/21 - 6/30/22			\$ 16.13					\$ (16.13)				-
Nursing Aid	23-100-034-5120-070	11,312.00	7/1/22 - 6/30/23					11,312.00	(11,312.00)						11,312.00
Technology Aid	23-100-034-5120-067	4,200.00	7/1/22 - 6/30/23					4,200.00	(4,186.48)					13.52	4,186.48
Technology Aid	22-100-034-5120-067	3,864.00	7/1/21 - 6/30/22			11.51					(11.51)				-
Security Aid	23-100-034-5120-509	26,445.00	7/1/22 - 6/30/23					26,445.00	(26,082.80)					362.20	26,082.80
<b>Auxiliary Services:</b>															
Compensatory Education	23-100-034-5120-067	13,243.00	7/1/22 - 6/30/23					13,243.00	(9,092.36)					4,150.64	9,092.36
Compensatory Education	22-100-034-5120-067	8,779.00	7/1/21 - 6/30/22			2,508.40					(2,508.40)				-
Transportation	23-100-034-5120-067	2,321.00	7/1/22 - 6/30/23					2,321.00	(2,017.36)					303.64	2,017.36
Transportation	22-100-034-5120-067	4,457.00	7/1/21 - 6/30/22			2,712.29					(2,712.64)				-
<b>Handicapped Services:</b>															
Examination & Classification	23-100-034-5120-066	13,269.00	7/1/22 - 6/30/23					13,269.00	(13,268.64)					0.36	13,268.64
Examination & Classification	22-100-034-5120-066	13,836.00	7/1/21 - 6/30/22			7,391.32					(7,391.32)				-
Corrective Speech	23-100-034-5120-066	21,855.00	7/1/22 - 6/30/23					21,855.00	(20,832.00)					1,023.00	20,832.00
Corrective Speech	22-100-034-5120-066	25,854.00	7/1/21 - 6/30/22			3,720.00					(3,720.00)				-
Supplemental Instruction	23-100-034-5120-066	5,782.00	7/1/22 - 6/30/23					5,782.00	(4,956.00)					826.00	4,956.00
Supplemental Instruction	22-100-034-5120-066	4,956.00	7/1/21 - 6/30/22			2,478.00					(2,478.00)				-
NJSDA Capital Maintenance Grant	EG-0242-D02	30,316.00	7/1/21 - 6/30/23		\$ 671.23			29,106.00	(29,777.23)						29,777.23
<b>Total Special Revenue Fund</b>				<b>-</b>	<b>671.23</b>	<b>18,837.65</b>		<b>134,133.00</b>	<b>(128,118.89)</b>	<b>0.35</b>		<b>(18,838.00)</b>		<b>-</b>	<b>6,685.34</b>
<b>Debt Service Fund</b>															
Debt Service Aid Type II	23-495-034-5120-017	415,312.00	7/1/22 - 6/30/23					415,312.00	(415,312.00)						415,312.00
<b>State Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
State School Lunch Program	23-100-010-3360-067	4,055.75	7/1/22 - 6/30/23					3,869.83	(4,055.75)			(185.92)			4,055.75
State School Lunch Program	22-100-010-3360-067	9,759.77	7/1/21 - 6/30/22	(554.72)				554.72				-			-
<b>Total Enterprise Fund</b>				<b>(554.72)</b>				<b>4,424.55</b>	<b>(4,055.75)</b>			<b>(185.92)</b>			<b>4,055.75</b>
<b>Total State Financial Assistance</b>				<b>(730,108.35)</b>	<b>671.23</b>	<b>18,837.65</b>		<b>11,140,977.43</b>	<b>(11,094,937.57)</b>	<b>0.35</b>		<b>(18,838.00)</b>		<b>-</b>	<b>6,685.34</b>
<b>Less: State Financial Assistance Not Subject to Major Program Determination</b>															
<b>On-Behalf (Non-Budgeted):</b>															
TPAF Contribution - Pension	23-495-034-5095-006	3,379,136.00	7/1/22 - 6/30/23						(3,379,136.00)						
TPAF Contribution - Post-Retirement Medical	23-495-034-5095-006	887,691.00	7/1/22 - 6/30/23						(887,691.00)						
TPAF Contribution - LTDI	23-495-034-5095-006	935.00	7/1/22 - 6/30/23						(935.00)						
<b>Total State Financial Assistance Subject to Major Program Determination</b>									<b>(6,827,175.57)</b>						

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

**Township of Harrison School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2023**

**I. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Harrison Township School District (“School District”). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. BASIS OF ACCOUNTING**

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

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$17,812.00 in the general fund and \$-0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**Township of Harrison School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2023**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 10,565,262.93	\$ 10,565,262.93
Special Revenue	725,344.85	128,118.89	853,463.74
Debt Service	-	415,312.00	415,312.00
Food Service	221,087.05	4,055.75	225,142.80
	<u>946,431.90</u>	<u>11,112,749.57</u>	<u>12,059,181.47</u>

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

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

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2023.

**6. MAJOR PROGRAMS**

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

**7. ADJUSTMENTS**

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

	<u>Federal</u>	<u>State</u>
Prior Year Receivable Adjustments	\$ <u>.33</u>	\$ <u>.35</u>

**HARRISON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section I --Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified?                      yes           X           no

2) Significant deficiencies identified?                      yes           X           none reported

Noncompliance material to basic financial statements noted?                      yes           X           no

**Federal Awards**

Internal Control over major programs:

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

2) Significant deficiencies identified?                      yes           X           none reported

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

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

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - Mental Health</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER III</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Accelerated Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Summer Learning Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Beyond the School Day</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Mental Health</u>

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

Auditee qualified as low-risk auditee?           X           yes                      no



HARRISON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

State Awards Section

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

23-495-034-5120-078

**State Aid Public Cluster:**

Equalization Aid

23-495-034-5120-089

Special Education Categorical Aid

23-495-034-5120-084

Security Aid

**HARRISON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section 2 -- Schedule of Financial Statement Findings**

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

No findings and/or questioned costs identified.

**HARRISON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**FEDERAL AWARDS:**

No findings identified.

**STATE AWARDS:**

No findings identified.

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

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

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings.

**FEDERAL AWARDS**

**Finding 2022-001:**

**Condition:**

The Food Service Fund's Net Cash Resources exceeded its three month average expenditures.

**Current Status:**

This condition has been corrected.

**STATE AWARDS**

There were no prior year audit findings.