

HARRINGTON PARK
BOARD OF EDUCATION

Harrington Park Board of Education
Harrington Park, New Jersey

Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2025

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Harrington Park Board of Education

Harrington Park, New Jersey

For The Fiscal Year Ended June 30, 2025

Prepared by

**Harrington Park Board of Education
Finance Department**

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INTRODUCTORY SECTION

HARRINGTON PARK SCHOOL DISTRICT BOARD OF EDUCATION

Sean Conlon
Superintendent

Bryan Jursca
Business Administrator/Board Secretary

January 13, 2026

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

Dear Board Members:

The annual comprehensive financial report of the Harrington Park School District for the fiscal year ending June 30, 2025 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management discussion and analysis, the basic financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the State Treasury Circular Letter OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Harrington Park School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Harrington Park Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The 2024-25 fiscal year enrollment was 627 students. The following details the changes in the student enrollment of the District over the last ten years.

Student Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-25	627.0	-1.57
2023-24	637.0	+1.92
2022-23	625.0	-0.48
2021-22	628.0	+10.37
2020-21	569.0	- 7.03
2019-20	609.0	- 0.70
2018-19	613.0	- 1.63
2017-18	623.0	- 1.28
2016-17	631.0	- 0.16
2015-16	632.0	- 0.16

2. ECONOMIC CONDITION AND OUTLOOK: Development and expansion in the Harrington Park area continues, with new residential housing permits being granted primarily for expansions or demolition of current homes which are replaced by larger residences. Long time residents without children in the school system continue to sell to younger families with school-age children. While the overall condition and outlook is strong, inflationary pressure over the last few years continues to impact residents of the borough.

3. MAJOR INITIATIVES: The district is now in the second year of a three-year strategic plan that focuses on student learning, professional learning, connection, belonging, and well-being, and sustainable district operations and governance. The strategic plan has brought a renewed emphasis on student learning in the service of developing future leaders as well as ensuring our facilities offer students the best environment to learn within, with a referendum currently in the planning stage to address facility improvements and add additional classroom space to the building.

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2025.

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

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

8. INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter OMB 15-08. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS:

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

Respectfully submitted,

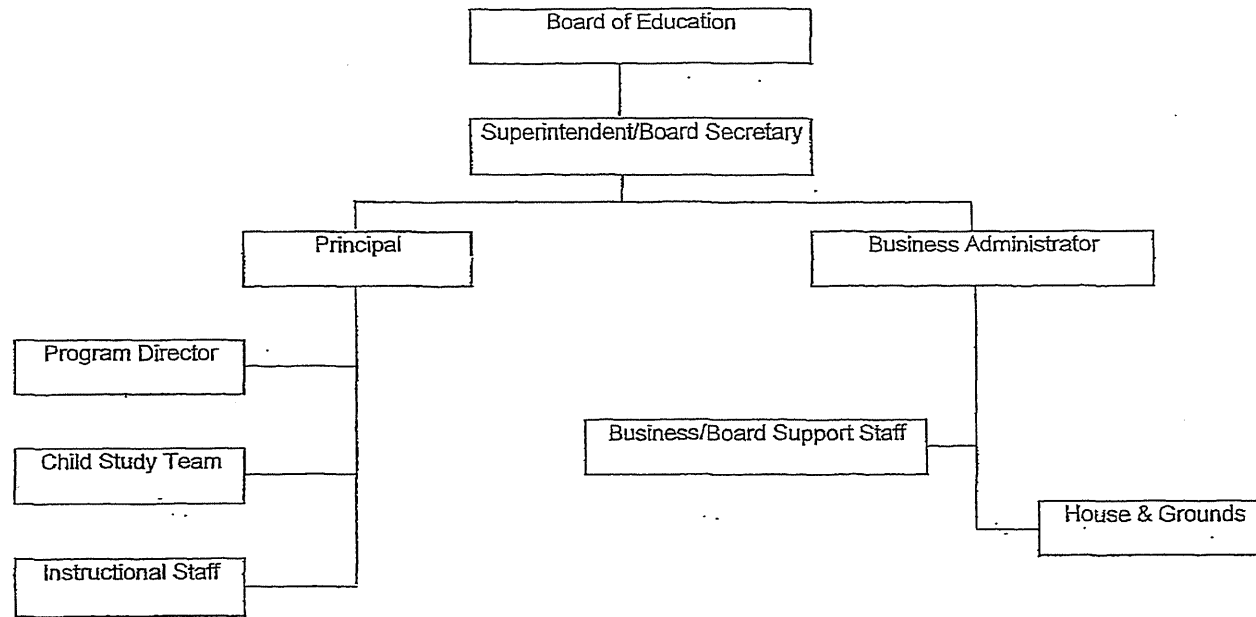
Sean Conlon

Sean Conlon
Superintendent

Bryan Jursca

Bryan Jursca
Business Administrator/Board Secretary

HARRINGTON PARK BOARD OF EDUCATION



Harrington Park Board of Education

Roster of Officials

June 30, 2025

Members of the Board of Education

Term Expires

Brenda Cho, President

Dec. 31, 2027

Stephen Hahm, Vice President

Dec. 31, 2026

Jennifer Helfman, Trustee

Dec. 31, 2026

Cricket O'Neil, Trustee

Dec. 31, 2025

Ann Marie Stout, Trustee

Dec. 31, 2027

Other Officials

Sean Conlon, Superintendent

Bryan Jursca, Business Administrator/Board Secretary

John Dineen, Esq., Attorney

David B. Rubin, P.C., Attorney

Harrington Park Board of Education

Consultants and Advisors

June 30, 2025

Audit Firm

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

Attorney

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

Official Depository

Capital One Bank
600 Piermont Road
Closter, NJ 07624

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, of the Harrington Park Board of Education, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Harrington Park Board of Education as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 13, 2026 on our consideration of the Harrington Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Harrington Park Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Harrington Park Board of Education's internal control over financial reporting and compliance.



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



Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
January 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Harrington Park Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- The assets and deferred outflows of resources of the Harrington Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,666,948 (net position).
- Overall District revenues were \$17,785,676. General revenues accounted for \$14,053,701 or 79% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,731,975 of total revenues.
- The School District had \$17,161,718 in expenses for governmental activities; only \$3,688,806 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$14,053,701 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,262,310 an increase of \$730,942 when compared to the ending fund balance at June 30, 2024 of \$2,531,368.
- The General Fund unassigned fund balance at June 30, 2025 was in a surplus position of \$216,055, a decrease of \$16,563 when compared with the ending fund balance of \$232,618 at June 30, 2024.
- The General Fund unassigned budgetary fund balance at June 30, 2025 was \$540,165 which represents a decrease of \$3,572 when compared to the ending unassigned fund balance at June 30, 2024 of \$543,737.

HARRINGTON PARK BOARD OF EDUCATION

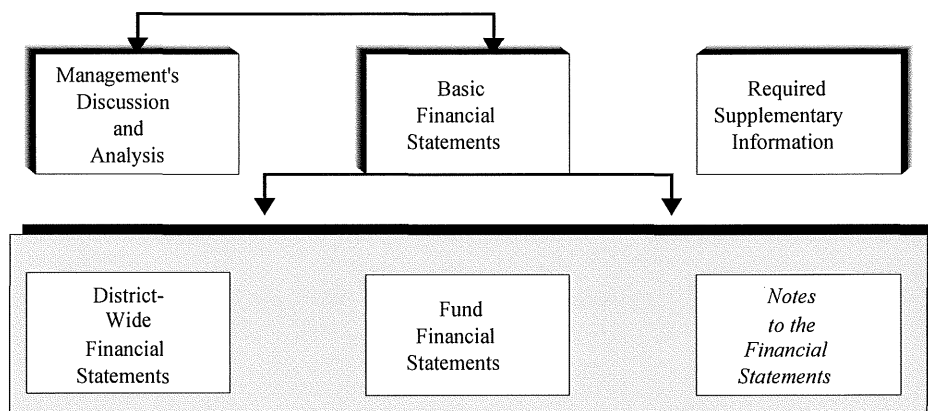
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. Property taxes, State and Federal Aids and tuition charged finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's special milk program, laptop program and lightning detection fund are included here.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

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

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,666,948 and \$6,080,884 as of June 30, 2025 and 2024, respectively, as shown below.

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

Net Position as of June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	\$ 3,379,422	\$ 2,730,095	\$ 28,290	\$ 23,337	\$ 3,407,712	\$ 2,753,432
Capital Assets	6,279,454	6,686,276	8,560	9,628	6,288,014	6,695,904
Total Assets	<u>9,658,876</u>	<u>9,416,371</u>	<u>36,850</u>	<u>32,965</u>	<u>9,695,726</u>	<u>9,449,336</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	176,416	238,045	-	-	176,416	238,045
Total Assets and Deferred Outflows	<u>9,835,292</u>	<u>9,654,416</u>	<u>36,850</u>	<u>32,965</u>	<u>9,872,142</u>	<u>9,687,381</u>
Liabilities						
Long-Term Liabilities	2,610,000	2,827,792			2,610,000	2,827,792
Other Liabilities	117,112	198,727	-	1,390	117,112	200,117
Total Liabilities	<u>2,727,112</u>	<u>3,026,519</u>	<u>-</u>	<u>1,390</u>	<u>2,727,112</u>	<u>3,027,909</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	478,082	578,588	-	-	478,082	578,588
Total Liabilities and Deferred Inflows	<u>3,205,194</u>	<u>3,605,107</u>	<u>-</u>	<u>1,390</u>	<u>3,205,194</u>	<u>3,606,497</u>
Net Position						
Net Investment in Capital Assets	6,279,454	6,686,276	8,560	9,628	6,288,014	6,695,904
Restricted	1,110,626	825,317			1,110,626	825,317
Unrestricted	(759,982)	(1,462,284)	28,290	21,947	(731,692)	(1,440,337)
Total Net Position	<u>\$ 6,630,098</u>	<u>\$ 6,049,309</u>	<u>\$ 36,850</u>	<u>\$ 31,575</u>	<u>\$ 6,666,948</u>	<u>\$ 6,080,884</u>

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2025 and 2024 are as follows:

Change in Net Position For the Fiscal Years Ended June 30, 2025 and 2024

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program Revenues						
Charges for Services	\$ 566,763	\$ 593,873	\$ 39,947	\$ 17,118	\$ 606,710	\$ 610,991
Operating Grants and Contributions	3,119,544	3,489,305	3,222	2,495	3,122,766	3,491,800
Capital Grants and Contributions	2,499	37,828			2,499	37,828
General Revenues						
Property Taxes	13,825,245	13,473,770			13,825,245	13,473,770
State Aid	2,297	2,325			2,297	2,325
Miscellaneous	226,159	179,545	-	-	226,159	179,545
Total Revenues	<u>17,742,507</u>	<u>17,776,646</u>	<u>43,169</u>	<u>19,613</u>	<u>17,785,676</u>	<u>17,796,259</u>
Expenses						
Instruction						
Regular	7,214,972	7,154,826			7,214,972	7,154,826
Special Education	3,448,040	3,656,008			3,448,040	3,656,008
Other Instruction	132,354	135,859			132,354	135,859
School Sponsored Activities and Athletics	213,556	209,741			213,556	209,741
Support Services						
Student and Instruction Related Services	2,436,906	2,514,780			2,436,906	2,514,780
General Administration Services	530,081	535,800			530,081	535,800
School Administration Services	458,022	437,864			458,022	437,864
Plant Operation and Maintenance	1,849,912	1,695,121			1,849,912	1,695,121
Pupil Transportation	320,614	286,508			320,614	286,508
Business Services	557,261	582,688			557,261	582,688
Food Service			10,771	10,483	10,771	10,483
Laptop Fund			14,323	11,408	14,323	11,408
Lightning Detection	-	-	12,800	14,277	12,800	14,277
Total Expenses	<u>17,161,718</u>	<u>17,209,195</u>	<u>37,894</u>	<u>36,168</u>	<u>17,199,612</u>	<u>17,245,363</u>
Change in Net Position	580,789	567,451	5,275	(16,555)	586,064	550,896
Net Position, Beginning of Year	<u>6,049,309</u>	<u>5,481,858</u>	<u>31,575</u>	<u>48,130</u>	<u>6,080,884</u>	<u>5,529,988</u>
Net Position, End of Year	<u>\$ 6,630,098</u>	<u>\$ 6,049,309</u>	<u>\$ 36,850</u>	<u>\$ 31,575</u>	<u>\$ 6,666,948</u>	<u>\$ 6,080,884</u>

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved. However, maintaining existing programs for both regular and special education services and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2025 and 2024.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2025 and 2024

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Instruction				
Regular	\$ 7,214,972	\$ 7,154,826	\$ (5,848,708)	\$ (5,577,142)
Special Education	3,448,040	3,656,008	(2,097,792)	(2,179,422)
Other Instruction	132,354	135,859	(132,354)	(135,859)
School Sponsored Activities and Athletics	213,556	209,741	(138,710)	(92,087)
Support Services				
Student and Instruction Related Services	2,436,906	2,514,780	(2,134,032)	(2,127,713)
General Administration	530,081	535,800	(479,560)	(476,086)
School Administration Services	458,022	437,864	(399,051)	(368,612)
Plant Operation and Maintenance	1,849,912	1,695,121	(1,467,090)	(1,355,214)
Pupil Transportation	320,614	286,508	(243,757)	(206,950)
Business Services	<u>557,261</u>	<u>582,688</u>	<u>(531,858)</u>	<u>(569,104)</u>
Total	\$ 17,161,718	\$ 17,209,195	\$ (13,472,912)	\$ (13,088,189)

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the 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 District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$3,262,310, an increase of \$730,942 from last year's fund balance of \$2,531,368.

Revenues for the District's governmental funds were \$19,221,309; total expenditures were \$18,490,367.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$18,851,044 for the fiscal year ended June 30, 2025. State sources amounted to \$4,286,454 and local sources were \$14,564,590.

Expenditures of the General Fund were \$18,105,061. Instructional expenditures were \$11,976,490, for support services expenditures were \$6,124,596 and capital expenditures totaled \$3,975 for the fiscal year ended June 30, 2025.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$370,265 for the fiscal year ended June 30, 2025. Federal sources amounted to \$316,688 and local sources were \$53,577.

Expenditures of the Special Revenue Fund were \$385,306. Instructional expenditures were \$313,823, for support services expenditures were \$68,984 and capital expenditures totaled \$2,499 for the fiscal year ended June 30, 2025.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the special milk program, laptop program and lightning detection fund. The District's Enterprise Funds provide the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2024 encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2025 and 2024 amounts to \$6,288,014 and \$6,695,904 (net of accumulated depreciation), respectively. The capital assets consist of land, construction in progress, land improvements, buildings and building improvements and various other types of equipment. Depreciation charges for the fiscal year 2024-2025 amounted to \$364,449 for governmental activities and \$1,068 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2025 and 2024.

Capital Assets at June 30, 2025 and 2024

	<u>Governmental</u>		<u>Business- Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 504,400	\$ 504,400			\$ 504,400	\$ 504,400
Construction in Progress	62,000	62,000			62,000	62,000
Land Improvements	240,870	249,707			240,870	249,707
Buildings & Building Impvts	5,287,321	5,587,696			5,287,321	5,587,696
Machinery and Equipment	<u>184,863</u>	<u>282,473</u>	<u>\$ 8,560</u>	<u>\$ 9,628</u>	<u>193,423</u>	<u>292,101</u>
Total	<u>\$ 6,279,454</u>	<u>\$ 6,686,276</u>	<u>\$ 8,560</u>	<u>\$ 9,628</u>	<u>\$ 6,288,014</u>	<u>\$ 6,695,904</u>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

HARRINGTON PARK BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of \$187,835 and net pension liability of \$2,422,165 totaling \$2,610,000. This is in comparison to long-term liabilities at June 30, 2024 of \$2,827,792 or a decrease of \$217,792.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-2026 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing employee benefit costs. Other budgetary increases are anticipated with special education, and the required investment to maintain the District's facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**HARRINGTON PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 3,326,095	\$ 26,435	\$ 3,352,530
Receivables, net	53,327	1,855	55,182
Capital Assets, net			
Not Being Depreciated	566,400		566,400
Being Depreciated	<u>5,713,054</u>	<u>8,560</u>	<u>5,721,614</u>
Total Assets	<u>9,658,876</u>	<u>36,850</u>	<u>9,695,726</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>176,416</u>	<u>-</u>	<u>176,416</u>
Total Deferred Outflows of Resources	<u>176,416</u>	<u>-</u>	<u>176,416</u>
Total Assets and Deferred Outflows of Resources	<u>9,835,292</u>	<u>36,850</u>	<u>9,872,142</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	102,191		102,191
Unearned Revenue	14,921	-	14,921
Noncurrent Liabilities			
Long Term Liabilities	<u>2,610,000</u>	<u>-</u>	<u>2,610,000</u>
Total Liabilities	<u>2,727,112</u>	<u>-</u>	<u>2,727,112</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>478,082</u>	<u>-</u>	<u>478,082</u>
Total Deferred Inflows of Resources	<u>478,082</u>	<u>-</u>	<u>478,082</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,205,194</u>	<u>-</u>	<u>3,205,194</u>
NET POSITION			
Net Investment in Capital Assets	6,279,454	8,560	6,288,014
Restricted for			
Capital Projects	775,500		775,500
Maintenance Reserve	126,250		126,250
Other Purposes	208,876		208,876
Unrestricted	<u>(759,982)</u>	<u>28,290</u>	<u>(731,692)</u>
Total Net Position	<u>\$ 6,630,098</u>	<u>\$ 36,850</u>	<u>\$ 6,666,948</u>

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

**HARRINGTON PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 7,214,972	\$ 223,987	\$ 1,142,277		\$ (5,848,708)		\$ (5,848,708)
Special Education	3,448,040		1,350,248		(2,097,792)		(2,097,792)
Other Instruction	132,354				(132,354)		(132,354)
School Sponsored Activities and Athletics	213,556	53,577	21,269		(138,710)		(138,710)
Support Services							
Student and Instruction Related Services	2,436,906		302,874		(2,134,032)		(2,134,032)
General Administration Services	530,081		50,521		(479,560)		(479,560)
School Administration Services	458,022		58,971		(399,051)		(399,051)
Business/Central Services	433,430		25,403		(408,027)		(408,027)
Administrative Info Tech	123,831				(123,831)		(123,831)
Operation and Maintenance of Facilities	1,849,912	289,199	91,124	\$ 2,499	(1,467,090)		(1,467,090)
Pupil Transportation	320,614	-	76,857	-	(243,757)	-	(243,757)
Total Governmental Activities	17,161,718	566,763	3,119,544	2,499	(13,472,912)	-	(13,472,912)
Business-Type Activities							
Food Service	10,771	6,613	3,222			\$ (936)	(936)
Laptop Fund	14,323	9,852	-	-	-	(4,471)	(4,471)
Lightening Detection	12,800	23,482	-	-	-	10,682	10,682
Total Business-Type Activities	37,894	39,947	3,222	-	-	5,275	5,275
Total Primary Government	\$ 17,199,612	\$ 606,710	\$ 3,122,766	\$ 2,499	(13,472,912)	5,275	(13,467,637)
General Revenues							
Property Taxes, Levied for General Purposes					13,825,245		13,825,245
State Aid - Unrestricted					2,297		2,297
Miscellaneous Revenues					226,159	-	226,159
Total General Revenues and Other Items					14,053,701	-	14,053,701
Change in Net Position					580,789	5,275	586,064
Net Position, Beginning of Year					6,049,309	31,575	6,080,884
Net Position, End of Year					\$ 6,630,098	\$ 36,850	\$ 6,666,948

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

FUND FINANCIAL STATEMENTS

**HARRINGTON PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash	\$ 3,306,444	\$ 19,632	\$ 19	\$ 3,326,095
Receivables:				
Intergovernmental	37,777	11,321		49,098
Other	4,229			4,229
Due from Other Funds	<u>8,500</u>	<u>-</u>	<u>-</u>	<u>8,500</u>
 Total Assets	 <u>\$ 3,356,950</u>	 <u>\$ 30,953</u>	 <u>\$ 19</u>	 <u>\$ 3,387,922</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 8,526			\$ 8,526
Payroll Deductions and Withholdings	93,665			93,665
Due to Other Funds		\$ 8,500		8,500
Unearned Revenue	<u>12,100</u>	<u>2,821</u>	<u>-</u>	<u>14,921</u>
 Total Liabilities	 <u>114,291</u>	 <u>11,321</u>	 <u>-</u>	 <u>125,612</u>
Fund Balances				
Restricted Fund Balance				
Excess Surplus	948,368			948,368
Excess Surplus - Designated for Subsequent Year's Expenditures	924,925			924,925
Capital Reserve	775,500			775,500
Maintenance Reserve	126,250			126,250
Emergency Reserve	111,494			111,494
Debt Service			\$ 19	19
Unemployment Compensation	77,731			77,731
Student Activities		19,632		19,632
Assigned				
Year End Encumbrances	62,336			62,336
Unassigned	<u>216,055</u>	<u>-</u>	<u>-</u>	<u>216,055</u>
 Total Fund Balances	 <u>3,242,659</u>	 <u>19,632</u>	 <u>19</u>	 <u>3,262,310</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,356,950</u>	 <u>\$ 30,953</u>	 <u>\$ 19</u>	 <u>\$ 3,387,922</u>

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

**HARRINGTON PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025**

Total Fund Balances (Exhibit B-1)	\$	3,262,310
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Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,618,578 and the accumulated depreciation is \$11,339,124.

6,279,454

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

	\$	176,416	
Deferred Outflows of Resources		(478,082)	
Deferred Inflows of Resources		<u> </u>	(301,666)

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

	(187,835)	
Compensated Absences Payable		
Net Pension Liability	<u>(2,422,165)</u>	<u>(2,610,000)</u>

Net position of governmental activities	\$	<u><u>6,630,098</u></u>
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**HARRINGTON PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 13,825,245		-	\$ 13,825,245
Tuition	223,987			223,987
Rentals	289,199			289,199
Miscellaneous	226,159	\$ 53,577	-	279,736
Total - Local Sources	14,564,590	53,577	-	14,618,167
State Sources	4,286,454		-	4,286,454
Federal Sources	-	316,688	-	316,688
Total Revenues	18,851,044	370,265	-	19,221,309
EXPENDITURES				
Current				
Regular Instruction	8,134,513	112,867		8,247,380
Special Education Instruction	3,543,379	134,838		3,678,217
Other Instruction	129,909			129,909
School-Sponsored Activities and Athletics	168,689	66,118		234,807
Support Services				
Student and Instruction Related Services	2,657,986	40,768		2,698,754
General Administration Services	564,801			564,801
School Administration Services	517,388			517,388
Central Services	456,790			456,790
Administrative Info Tech	123,831			123,831
Plant Operations and Maintenance	1,483,186	28,216		1,511,402
Pupil Transportation	320,614			320,614
Capital Outlay	3,975	2,499	-	6,474
Total Expenditures	18,105,061	385,306	-	18,490,367
Net Change in Fund Balances	745,983	(15,041)	-	730,942
Fund Balance, Beginning of Year	2,496,676	34,673	\$ 19	2,531,368
Fund Balance, End of Year	\$ 3,242,659	\$ 19,632	\$ 19	\$ 3,262,310

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

**HARRINGTON PARK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 730,942**

Amounts reported for governmental activities in the statement of activities are different because:

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation expense exceeded the capital outlay additions in the period

Depreciation Expense	\$ (364,449)	
Capital Outlay	<u>6,474</u>	
		(357,975)

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

Loss on Disposal of Capital Assets	(48,847)
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In the statement of activities, certain operating expenses, e.g., compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in Compensated Absences	(38,909)	
Decrease in Pension Expense	<u>295,578</u>	
		<u>256,669</u>

Change in net position of governmental activities	<u><u>\$ 580,789</u></u>
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**HARRINGTON PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 ENTERPRISE FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2025**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightning Detection Fund</u>	<u>Totals</u>
ASSETS				
Current Assets				
Cash	\$ 203	\$ 6,720	\$ 19,512	\$ 26,435
Intergovernmental Receivable				
Local			1,578	1,578
Federal	<u>277</u>	<u>-</u>	<u>-</u>	<u>277</u>
Total Current Assets	<u>480</u>	<u>6,720</u>	<u>21,090</u>	<u>28,290</u>
Capital Assets				
Equipment	20,849			20,849
Less: Accumulated Depreciation	<u>(12,289)</u>	<u>-</u>	<u>-</u>	<u>(12,289)</u>
Total Capital Assets	<u>8,560</u>	<u>-</u>	<u>-</u>	<u>8,560</u>
Total Assets	<u>9,040</u>	<u>6,720</u>	<u>21,090</u>	<u>36,850</u>
NET POSITION				
Net Investment in Capital Assets	8,560			8,560
Unrestricted	<u>480</u>	<u>6,720</u>	<u>21,090</u>	<u>28,290</u>
Total Net Position	<u>\$ 9,040</u>	<u>\$ 6,720</u>	<u>\$ 21,090</u>	<u>\$ 36,850</u>

**HARRINGTON PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 ENTERPRISE FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightning Detection Fund</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for Services				
Program Fees	\$ 6,613	\$ 9,852	\$ 23,482	\$ 39,947
Total Operating Revenues	<u>6,613</u>	<u>9,852</u>	<u>23,482</u>	<u>39,947</u>
OPERATING EXPENSES				
Salaries, Wages and Payroll Taxes	3,885			3,885
Cost of Sales	5,818			5,818
Maintenance & Repairs		755	12,800	13,555
Supplies		13,568		13,568
Depreciation	<u>1,068</u>	<u>-</u>	<u>-</u>	<u>1,068</u>
Total Operating Expenses	<u>10,771</u>	<u>14,323</u>	<u>12,800</u>	<u>37,894</u>
Operating (Loss)	<u>(4,158)</u>	<u>(4,471)</u>	<u>10,682</u>	<u>2,053</u>
NONOPERATING REVENUES				
Federal Sources				
Special Milk Program	<u>3,222</u>	<u>-</u>	<u>-</u>	<u>3,222</u>
Total Nonoperating Revenues	<u>3,222</u>	<u>-</u>	<u>-</u>	<u>3,222</u>
Change in Net Assets	(936)	(4,471)	10,682	5,275
Net Position, Beginning of Year	<u>9,976</u>	<u>11,191</u>	<u>10,408</u>	<u>31,575</u>
Net Position, End of Year	<u>\$ 9,040</u>	<u>\$ 6,720</u>	<u>\$ 21,090</u>	<u>\$ 36,850</u>

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

**HARRINGTON PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 ENTERPRISE FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightning Detection Fund</u>	<u>Totals</u>
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 6,613	\$ 9,852	\$ 20,514	\$ 36,979
Cash Payments to Suppliers for Salaries and Wages, and Benefits	(3,885)	-	-	(3,885)
Cash Payments to Suppliers for Goods and Services	(5,818)	(14,323)	(12,800)	(32,941)
Net Cash Provided by (Used for) Operating Activities	(3,090)	(4,471)	7,714	153
Cash Flows from Noncapital Financing Activities				
Cash Received from State and Federal Subsidy Reimbursements	3,829	-	-	3,829
Net Cash Provided by Noncapital Financing Activities	3,829	-	-	3,829
Net (Decrease) in Cash and Cash Equivalents	739	(4,471)	7,714	3,982
Cash and Cash Equivalents, Beginning of Year	(536)	11,191	11,798	22,453
Cash and Cash Equivalents, End of Year	<u>\$ 203</u>	<u>\$ 6,720</u>	<u>\$ 19,512</u>	<u>\$ 26,435</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating (Loss)	\$ (4,158)	\$ (4,471)	\$ 10,682	\$ 2,053
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	1,068			1,068
Change in Assets and Liabilities				
(Increase)/Decrease in Accounts Receivable	-	-	(1,578)	(1,578)
Increase/(Decrease) in Unearned Revenue	-	-	(1,390)	(1,390)
Total Adjustments	1,068	-	(2,968)	(1,900)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (3,090)</u>	<u>\$ (4,471)</u>	<u>\$ 7,714</u>	<u>\$ 153</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences*, was effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.
- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

4. Capital Assets

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

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

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

9. Net Position/Fund Balance

District-Wide Statements

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that was appropriated in the 2025/2026 original budget certified for taxes.

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

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

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

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

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

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

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

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

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, including on-behalf payments for post-retirement medical contributions for District employees enrolled in the Public Employees Retirement System (PERS).

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *On-Behalf Payments (Continued)*

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for employees enrolled in the PERS retirement system.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the special milk enterprise fund, the laptop enterprise fund, and of the lightning detection enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by \$100,182 and the special revenue fund by \$243,851. The increases were funded by the appropriation of summer school tuition revenue, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		\$ 475,450
Increased by		
Interest Earnings	\$ 50	
Deposits Approved by Board Resolution	<u>300,000</u>	
Total Increases		<u>300,050</u>
Balance, June 30, 2025		<u>\$ 775,500</u>

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$12,416,225.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	\$ 126,125
Increased by	
Interest Earnings	<u>125</u>
Balance, June 30, 2025	<u>\$ 126,250</u>

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$533,218.

D. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	\$ 111,319
Increased by	
Interest Earnings	<u>175</u>
Balance, June 30, 2025	<u>\$ 111,494</u>

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2025 is \$1,873,293. Of this amount, \$924,925 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of \$948,368 will be appropriated in the 2026/2027 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits was \$3,352,530 and bank and brokerage firm balances of the Board's deposits amounted to \$3,727,159. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ 3,578,435
Uninsured and Collateralized	<u>148,724</u>
	<u>\$ 3,727,159</u>

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2025 the Board’s bank balance of \$148,724 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ <u>148,724</u>
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Investments

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

As of June 30, 2025, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2025 for the District's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Special Milk Program</u>	<u>Lightning Detection Fund</u>	<u>Total</u>
Receivables:					
Accounts	\$ 4,229				\$ 4,229
Intergovernmental-					
Federal			\$ 277		277
State	37,777				37,777
Local	-	\$ 11,321	-	\$ 1,578	12,899
Gross Receivables	42,006	11,321	277	1,578	55,182
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 42,006</u>	<u>\$ 11,321</u>	<u>\$ 277</u>	<u>\$ 1,578</u>	<u>\$ 55,182</u>

C. Unearned Revenue

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

General Fund	
Prepaid Tuition	\$ 12,100
Special Revenue Fund	
Unencumbered Grant Draw Downs	2,821
Total Unearned Revenue for Governmental Funds	<u>\$ 14,921</u>

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance, July 1, 2024	Increases	Adjustments	Balance, June 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 504,400			\$ 504,400
Construction in Progress	62,000	-	-	62,000
Total Capital Assets, Not Being Depreciated	566,400	-	-	566,400
Capital Assets, Being Depreciated:				
Land Improvements	265,111			265,111
Buildings & Building Improvements	15,946,591			15,946,591
Machinery and Equipment	927,573	\$ 6,474	\$ (93,571)	840,476
Total Capital Assets Being Depreciated	17,139,275	6,474	(93,571)	17,052,178
Less Accumulated Depreciation for:				
Land Improvements	(15,404)	(8,837)		(24,241)
Buildings & Building Improvements	(10,358,895)	(300,375)		(10,659,270)
Machinery and Equipment	(645,100)	(55,237)	44,724	(655,613)
Total Accumulated Depreciation	(11,019,399)	(364,449)	44,724	(11,339,124)
Total Capital Assets, Being Depreciated, Net	6,119,876	(357,975)	(48,847)	5,713,054
Governmental Activities Capital Assets, Net	\$ 6,686,276	\$ (357,975)	\$ (48,847)	\$ 6,279,454

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2024	Increases	Decreases	Balance, June 30, 2025
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 20,849	-	-	\$ 20,849
Total Capital Assets Being Depreciated	<u>20,849</u>	<u>-</u>	<u>-</u>	<u>20,849</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(11,221)	\$ (1,068)	-	(12,289)
Total Accumulated Depreciation	<u>(11,221)</u>	<u>(1,068)</u>	<u>-</u>	<u>(12,289)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,628</u>	<u>(1,068)</u>	<u>-</u>	<u>8,560</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,628</u>	<u>\$ (1,068)</u>	<u>\$ -</u>	<u>\$ 8,560</u>

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

Governmental Activities:

Instruction	
Regular	\$ 17,019
Special Education	926
Other Instruction	2,445
School-Sponsored/Activities and Athletics	<u>434</u>
Total Instruction	<u>20,824</u>
Support Services	
Student and Instruction Related Services	3,768
General Administrative Services	16,150
School Administrative Services	251
Plant Operations and Maintenance	<u>323,456</u>
Total Support Services	<u>343,625</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 364,449</u>
Business-Type Activities:	
Special Milk Fund	<u>\$ 1,068</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 1,068</u>

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ <u>8,500</u>

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

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

F. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 38,186,092
Less: Net Debt Issued and Authorized But Not Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 38,186,092</u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance, <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2025</u>	Due Within <u>One Year</u>
Governmental Activities:					
Compensated Absences *	\$ 148,926	\$ 38,909		\$ 187,835	
Net Pension Liability	<u>2,678,866</u>	<u>-</u>	<u>\$ 256,701</u>	<u>2,422,165</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 2,827,792</u>	<u>\$ 38,909</u>	<u>\$ 256,701</u>	<u>\$ 2,610,000</u>	<u>\$ -</u>

* The change in compensated absences liability is presented as a net change.

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various insurance claims. NESBIG also provides insured coverage (multi-peril) to its member school districts.

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

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

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

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

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2025	\$ 13,687	\$ 1,305	\$ 77,731
2024	13,671	5,953	77,731
2023	14,128		77,731

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is \$13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is \$49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2025.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2025 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,		<u>PERS</u>	On-behalf <u>TPAF</u>		<u>DCRP</u>
2025	\$	242,561	\$	2,126,090	\$ 1,592
2024		247,190		2,170,709	2,859
2023		218,250		2,085,632	3,986

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2025, 2024 and 2023 the State contributed \$886, \$685 and \$665, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$447,525 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of \$2,422,165 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District's proportionate share was .01783 percent, which was a decrease of .00067 percent from its proportionate share measured as of June 30, 2023 of .01850 percent.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$53,017 for PERS. The pension contribution made by the District during the current 2024/2025 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 48,520	\$ 6,448
Changes of Assumptions	3,009	27,559
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		112,309
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>124,887</u>	<u>331,766</u>
Total	<u>\$ 176,416</u>	<u>\$ 478,082</u>

At June 30, 2025, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2026	\$ (218,787)
2027	6,506
2028	(42,679)
2029	(45,709)
2030	(997)
Thereafter	<u>-</u>
	<u>\$ (301,666)</u>

**HARRINGTON PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date calculated using the discount rate of 7.00, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	\$ 3,218,462	\$ 2,422,165	\$ 1,744,521

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District’s net pension liability at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2024, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$90,626 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is \$24,893,092. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was .05037 percent, which was an increase of .00005 percent from its proportionate share measured as of June 30, 2023 of .05032 percent.

HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 29,588,964	\$ 24,893,092	\$ 20,938,280

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2024. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>153,556</u>
Total	<u>372,741</u>

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2024 is \$59.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were \$621,245, \$590,788 and \$547,891, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2023 through June 30, 2024. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,359,159. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the OPEB liability attributable to the District is \$27,549,409. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was .04618 percent, which was an increase of .00130 percent from its proportionate share measured as of June 30, 2023 of .04488 percent.

HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 5.65%
	Based on Years	Based on Years
	of Service	of Service

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2023 Measurement Date	\$ 23,501,140
Changes Recognized for the Fiscal Year:	
Service Cost	991,001
Interest on the Total OPEB Liability	906,861
Differences Between Expected and Actual Experience	758,215
Changes of Assumptions	2,061,062
Gross Benefit Payments	(692,585)
Contributions from the Member	23,715
Net Changes	\$ 4,048,269
Balance, June 30, 2024 Measurement Date	\$ 27,549,409

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2024.

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 32,266,258	\$ 27,549,409	\$ 23,756,083

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 22,948,858	\$ 27,549,409	\$ 33,541,930

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGET COMPARISON SCHEDULES

**HARRINGTON PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 13,825,245		\$ 13,825,245	\$ 13,825,245	
Tuition from Individuals	153,750	\$ 57,105	210,855	223,987	\$ 13,132
Rentals	289,199	-	289,199	289,199	-
Interest	350	-	350	92,991	92,641
Unrestricted Miscellaneous Revenues	129,076	-	129,076	133,168	4,092
Total Local Sources	14,397,620	57,105	14,454,725	14,564,590	109,865
State Sources					
Special Education Aid	754,630		754,630	754,630	
Transportation Aid	75,414		75,414	75,414	
Equalization Aid	2,317		2,317	2,317	
Security Aid	29,359		29,359	29,359	
Extraordinary Aid				239,877	239,877
Non Public Transportation Aid				2,102	2,102
On-behalf TPAF Pension System Payments(Non-Budget)					
Normal Cost				2,100,076	2,100,076
NCGI				26,014	26,014
Long Term Disability Insurance				886	886
Post Retirement Medical Contribution				621,245	621,245
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	447,525	447,525
Total State Sources	861,720	-	861,720	4,299,445	3,437,725
Total Revenues	15,259,340	57,105	15,316,445	18,864,035	3,547,590
EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	69,715	-	69,715	47,356	22,359
Kindergarten	549,218	(87,174)	462,044	452,741	9,303
Grades 1-5	2,370,916	47,921	2,418,837	2,400,457	18,380
Grades 6-8	1,501,276	4,445	1,505,721	1,442,803	62,918
Regular Program - Home Instruction					
Salaries of Teachers	-	494	494	494	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	-	8,084	8,084	8,084	-
Purchased Professional-Educational Services	39,213	(4,457)	34,756	34,756	-
Other Purchased Services	89,810	-	89,810	86,562	3,248
General Supplies	88,000	36,552	124,552	113,676	10,876
Textbooks	75,800	(36,927)	38,873	38,629	244
Total Regular Programs	4,783,948	(31,062)	4,752,886	4,625,558	127,328
Special Education					
Learning and Language Disabilities - Mild/Moderate					
General Supplies	20,000	-	20,000	19,934	66
Textbooks	20,000	(4,950)	15,050	5,144	9,906
Total Learning and Language Disabilities - Mild/Moderate	40,000	(4,950)	35,050	25,078	9,972
Resource Room/Resource Center					
Salaries of Teachers	619,853	4,218	624,071	624,071	-
Other Salaries for Instruction	749,711	(22,582)	727,129	669,410	57,719
Purchased Professional Educational Services	1,000	(1,000)	-	-	-
General Supplies	2,500	432	2,932	2,790	142
Total Resource Room/Resource Center	1,373,064	(18,932)	1,354,132	1,296,271	57,861

**HARRINGTON PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Home Instruction					
Salaries of Teachers		\$ 76	\$ 76	\$ 76	
Purchased Professional Educational Services	\$ 6,000	3,571	9,571	8,550	\$ 1,021
Total Home Instruction	6,000	3,647	9,647	8,626	1,021
Total Special Education	1,419,064	(20,235)	1,398,829	1,329,975	68,854
Basic Skills/Remedial - Instruction					
General Supplies	-	562	562	562	-
Total Basic Skills/Remedial - Instruction	-	562	562	562	-
Bilingual Education - Instruction					
Salaries of Teachers	105,064	1,350	106,414	106,414	-
Other Purchased Services	-	560	560	523	37
General Supplies	3,000	(56)	2,944	2,925	19
Total Bilingual Education - Instruction	108,064	1,854	109,918	109,862	56
School Sponsored Co/Extra Curricular Activities					
Salaries	68,006	722	68,728	60,736	7,992
Purchased Services	3,000	4,165	7,165	6,520	645
Supplies and Materials	1,000	93	1,093	793	300
Total School Sponsored Co/Extra Curricular Activities	72,006	4,980	76,986	68,049	8,937
School Sponsored Athletics					
Salaries	35,587	-	35,587	29,073	6,514
Purchased Services	7,000	-	7,000	675	6,325
Supplies and Materials	4,000	(1,988)	2,012	2,012	-
Total School Sponsored Athletics	46,587	(1,988)	44,599	31,760	12,839
Total Instruction	6,429,669	(45,889)	6,383,780	6,165,766	218,014
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	1,390,864	(7,018)	1,383,846	1,107,495	276,351
Tuition to CSSD & Reg Day	66,744	(62,828)	3,916	3,916	-
Tuition to Private School for the Disabled w/ in State	305,889	(57,173)	248,716	193,279	55,437
Tuition - Other	96,325	77,000	173,325	173,325	-
Total Undistributed Expenditures - Instruction	1,859,822	(50,019)	1,809,803	1,478,015	331,788
Attendance and Social Work					
Salaries	45,000	(5,500)	39,500	39,500	-
Total Attendance and Social Work	45,000	(5,500)	39,500	39,500	-
Health Services					
Salaries	149,030	3,500	152,530	148,280	4,250
Purchased Professional and Technical Services	5,412	225	5,637	5,637	-
Other Purchased Services	-	-	-	-	-
Supplies and Materials	5,000	(47)	4,953	3,763	1,190
Total Health Services	159,442	3,678	163,120	157,680	5,440

**HARRINGTON PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Speech, OT, PT & Related Services					
Salaries	\$ 263,987		\$ 263,987	\$ 255,868	\$ 8,119
Purchased Professional-Educational Services	158,980	\$ (550)	158,430	112,826	45,604
Supplies and Materials	1,500	-	1,500	1,491	9
Total Speech, OT, PT & Related Services	424,467	(550)	423,917	370,185	53,732
Guidance					
Salaries of Other Professional Staff	148,480	-	148,480	148,480	-
Salaries of Secretarial and Clerical Assistants	22,118	2,336	24,454	24,454	-
Purchased Professional and Technical Services	137,917	3	137,920	137,920	-
Other Purchased Services	500	(500)	-	-	-
Supplies and Materials	500	1,050	1,550	1,550	-
Total Guidance	309,515	2,889	312,404	312,404	-
Child Study Teams					
Salaries of Other Professional Staff	353,916	(4,056)	349,860	343,628	6,232
Salaries of Secretarial and Clerical Assistants	44,092	-	44,092	40,000	4,092
Other Salaries	-	6,907	6,907	6,907	-
Purchased Professional-Educational Services	65,000	(2,590)	62,410	51,991	10,419
Other Purchased Services	4,500	2,193	6,693	6,693	-
Supplies and Materials	4,000	1,345	5,345	5,127	218
Total Child Study Teams	471,508	3,799	475,307	454,346	20,961
Improvement of Inst. Serv.					
Salaries of Other Professional Staff	106,502	2,680	109,182	109,182	-
Total Improvement of Inst. Serv.	106,502	2,680	109,182	109,182	-
Educational Media Services/School Library					
Salaries	97,145	-	97,145	97,145	-
Purchased Professional and Technical Services	133,944	1,335	135,279	135,279	-
Other Purchased Services	16,576	(2,533)	14,043	12,585	1,458
Supplies and Materials	22,032	1,833	23,865	22,826	1,039
Total Educational Media Serv./School Library	269,697	635	270,332	267,835	2,497
Instructional Staff Training Services					
Salaries of Other Professional Staff		6,061	6,061	6,061	-
Purchased Professional - Educational Services	57,500	(8,741)	48,759	47,440	1,319
Other Purchased Services	3,500	-	3,500	2,717	783
Supplies and Materials	-	51	51	51	-
Other Objects	250	(51)	199	-	199
Total Instructional Staff Training Services	61,250	(2,680)	58,570	56,269	2,301

**HARRINGTON PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 256,918	\$ 1,200	\$ 258,118	\$ 258,118	
Legal Services	18,000	-	18,000	12,028	\$ 5,972
Audit	26,000	27,800	53,800	26,500	27,300
Architectural/Engineering Services	15,000	(3,900)	11,100	6,145	4,955
Other Purchased Professional Services	5,500	500	6,000	6,000	-
Communications/Telephone	30,000	-	30,000	23,309	6,691
BOE Other Purchased Services	3,000	-	3,000	673	2,327
Miscellaneous Purchased Services	10,622	(700)	9,922	7,230	2,692
General Supplies	1,000	-	1,000	592	408
Miscellaneous Expenditures	10,000	(1,657)	8,343	7,738	605
BOE Membership Dues and Fees	10,000	7,040	17,040	16,788	252
Total Support Services General Administration	386,040	30,283	416,323	365,121	51,202
Support Services School Administration					
Salaries of Principal/Asst. Principals	230,387	(2,680)	227,707	227,707	-
Salaries of Secretarial and Clerical Assistants	52,408	5,629	58,037	56,735	1,302
Other Purchased Services	7,500	5,577	13,077	13,077	-
Supplies and Materials	9,000	(3,387)	5,613	5,019	594
Other Objects	6,300	5,000	11,300	10,749	551
Total Support Services School Administration	305,595	10,139	315,734	313,287	2,447
Central Services					
Salaries	273,484	12,357	285,841	285,841	-
Miscellaneous Purchased Services	16,000	3,178	19,178	16,704	2,474
Supplies and Materials	3,500	(26)	3,474	3,086	388
Miscellaneous Expenditures	2,500	238	2,738	2,738	-
Total Central Services	295,484	15,747	311,231	308,369	2,862
Admin. Info. Tech.					
Purchased Technical Serv.	58,220	9,155	67,375	67,375	-
Supplies and Materials	53,073	3,383	56,456	56,456	-
Total Admin. Info. Tech.	111,293	12,538	123,831	123,831	-
Required Maintenance for School Facilities					
Salaries	144,761	7,896	152,657	152,657	-
Cleaning, Repair and Maintenance	125,000	(5,126)	119,874	119,874	-
Other Purchased Services	-	600	600	600	-
General Supplies	10,000	-	10,000	5,729	4,271
Other Objects	900	182	1,082	1,082	-
Total Required Maintenance for School Fac.	280,661	3,552	284,213	279,942	4,271

**HARRINGTON PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 145,084	\$ 5,443	\$ 150,527	\$ 142,850	\$ 7,677
Salaries of Non-Instructional Aides	96,000	22,005	118,005	118,005	-
Cleaning, Repair and Maint. Serv.	211,925	21,165	233,090	213,127	19,963
Other Purchased Property Services	71,689	12,644	84,333	84,333	-
Insurance	210,717	-	210,717	205,703	5,014
General Supplies	40,000	1,709	41,709	36,629	5,080
Energy (Natural Gas)	45,000	-	45,000	40,535	4,465
Energy (Electricity)	145,000	-	145,000	141,004	3,996
Other Objects	2,000	-	2,000	1,799	201
Total Custodial Services	<u>967,415</u>	<u>62,966</u>	<u>1,030,381</u>	<u>983,985</u>	<u>46,396</u>
Student Transportation Services					
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	8,000	(2,080)	5,920	5,082	838
Contracted Services (Between Home and School)- Vendors	4,500	-	4,500	4,070	430
Contracted Services (Other than Between Home and School)-Vendors	27,000	3,743	30,743	28,142	2,601
Contracted Services (Between Home and School)- Joint Agreements	500	3,015	3,515	3,515	-
Contracted Services (Sp. Ed. Students) Joint Agreements	320,000	(6,686)	313,314	279,706	33,608
Lease Purchase Payments - School Buses	-	-	-	-	-
Misc. Purchased Services - Transportation	-	2,599	2,599	99	2,500
Total Student Transportation Services	<u>360,000</u>	<u>591</u>	<u>360,591</u>	<u>320,614</u>	<u>39,977</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	170,000	-	170,000	154,634	15,366
Other Retirement Contributions -PERS	242,354	207	242,561	242,561	-
Other Retirement Contributions - Regular	4,500	-	4,500	1,592	2,908
Unemployment Compensation	10,000	-	10,000	-	10,000
Workmen's Compensation	58,507	(23,870)	34,637	28,092	6,545
Health Benefits	2,337,296	2,000	2,339,296	2,261,731	77,565
Tuition Reimbursement	10,000	(1,000)	9,000	9,000	-
Other Employee Benefits	63,015	18,361	81,376	57,980	23,396
Total Unallocated Benefits - Employee Benefits	<u>2,895,672</u>	<u>(4,302)</u>	<u>2,891,370</u>	<u>2,755,590</u>	<u>135,780</u>
On-behalf TPAF Pension System Payments(Non-Budget)					
Normal Cost				2,100,076	(2,100,076)
NCGI				26,014	(26,014)
Long Term Disability Insurance				886	(886)
Post Retirement Medical Contribution				621,245	(621,245)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	447,525	(447,525)
Total Undistributed Expenditures	<u>9,309,363</u>	<u>86,446</u>	<u>9,395,809</u>	<u>11,891,901</u>	<u>(2,496,092)</u>
Interest - Earned on Maintenance Reserve	125	-	125	-	125
Interest - Earned on Emergency Reserve	175	-	175	-	175
	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total Expenditures - Current Expenditures	<u>15,739,332</u>	<u>40,557</u>	<u>15,779,889</u>	<u>18,057,667</u>	<u>(2,277,778)</u>

**HARRINGTON PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
CAPITAL OUTLAY					
Equipment					
School- Sponsored and Other Instructional Program	\$ 6,000	\$ (680)	\$ 5,320	\$ 5,320	-
Required Maintenance for School Facilities	-	3,200	3,200	3,200	-
Total Equipment	6,000	2,520	8,520	8,520	-
Facilities Acquisition and Construction Services					
Assessment for Debt Serv on SDA Funding	19,389	-	19,389	19,389	-
Total Facilities Acquisition and Construction Services	19,389	-	19,389	19,389	-
Interest Deposit to Capital Reserve	50	-	50	-	\$ 50
Total Capital Outlay	25,439	2,520	27,959	27,909	50
Special Schools					
Summer School - Instruction					
Salaries of Teachers		49,902	49,902	15,610	34,292
General Supplies	-	7,203	7,203	3,875	3,328
Total Summer School - Instruction	-	57,105	57,105	19,485	37,620
Total Expenditures	15,764,771	100,182	15,864,953	18,105,061	(2,240,108)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(505,431)	(43,077)	(548,508)	758,974	1,307,482
Fund Balance, Beginning of Year	2,807,795	-	2,807,795	2,807,795	-
Fund Balance, End of Year	\$ 2,302,364	\$ (43,077)	\$ 2,259,287	\$ 3,566,769	\$ 1,307,482
Recapitulation of Fund Balance					
Restricted Fund Balance					
Excess Surplus				\$ 948,368	
Excess Surplus - Designated for Subsequent Year's Expenditures				924,925	
Capital Reserve				775,500	
Maintenance Reserve				126,250	
Emergency Reserve				111,494	
Unemployment Compensation				77,731	
Assigned					
Year Encumbrances				62,336	
Unassigned				540,165	
Reconciliation to Governmental Funds Statements (GAAP):				3,566,769	
Less: State Aid Payments Not Recognized on GAAP Basis				(324,110)	
Fund Balance Per Governmental Funds (GAAP)				\$ 3,242,659	

**HARRINGTON PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 139,954	\$ 175,233	\$ 315,187	\$ 302,971	\$ (12,216)
Other	-	68,618	68,618	53,577	(15,041)
	<u>139,954</u>	<u>243,851</u>	<u>383,805</u>	<u>356,548</u>	<u>(27,257)</u>
Total Revenues	<u>139,954</u>	<u>243,851</u>	<u>383,805</u>	<u>356,548</u>	<u>(27,257)</u>
EXPENDITURES					
Instruction					
Salaries	-	11,335	11,335	-	11,335
Purchased Professional Technical Services		15,771	15,771	15,771	-
Purchased Professional Educational Services		2,500	2,500	2,500	-
Tuition	123,000	11,838	134,838	134,838	-
General Supplies		85,017	85,017	85,017	-
School Sponsored Co-Curricular (Non-Budget)	-	66,118	66,118	66,118	-
	<u>123,000</u>	<u>192,579</u>	<u>315,579</u>	<u>304,244</u>	<u>11,335</u>
Total Instruction	<u>123,000</u>	<u>192,579</u>	<u>315,579</u>	<u>304,244</u>	<u>11,335</u>
Support Services					
Salaries	-	2,381	2,381	1,500	881
Purchased Professional and Technical Services	-	15,550	15,550	15,550	-
Other Purchased Services	16,954	4,382	21,336	21,336	-
General Supplies	-	-	-	-	-
	<u>16,954</u>	<u>22,313</u>	<u>39,267</u>	<u>38,386</u>	<u>881</u>
Total Support Services	<u>16,954</u>	<u>22,313</u>	<u>39,267</u>	<u>38,386</u>	<u>881</u>
Facilities and Construction Services					
Buildings	-	28,959	28,959	28,959	-
	<u>-</u>	<u>28,959</u>	<u>28,959</u>	<u>28,959</u>	<u>-</u>
Total Facilities and Construction Services	<u>-</u>	<u>28,959</u>	<u>28,959</u>	<u>28,959</u>	<u>-</u>
Total Expenditures	<u>139,954</u>	<u>243,851</u>	<u>383,805</u>	<u>371,589</u>	<u>12,216</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,041)</u>	<u>(15,041)</u>
Fund Balances, Beginning of Year	<u>34,673</u>	<u>-</u>	<u>34,673</u>	<u>34,673</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 34,673</u>	<u>\$ -</u>	<u>\$ 34,673</u>	<u>\$ 19,632</u>	<u>\$ (15,041)</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**HARRINGTON PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedules (Exhibits C-1, C-2)	\$ 18,864,035	\$ 356,548
Difference - budget to GAAP:		
State Aid payments not recognized for budgetary purposes, recognized for GAAP purposes, 2023/2024 State Aid	311,119	
State Aid payments recognized for budgetary purposes, not recognized for GAAP purposes, 2024/2025 State Aid	(324,110)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, Prior Year		13,717
Encumbrances, Current Year	<u>-</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 18,851,044</u>	<u>\$ 370,265</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibit C-1, C-2)	\$ 18,105,061	\$ 371,589
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, Prior Year	-	13,717
Encumbrances, Current Year	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 18,105,061</u>	<u>\$ 385,306</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Last Ten Fiscal Years*
(Dollar amounts in thousands)

	<u>2025</u>	<u>2024</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>
District's Proportion of the Net Position Liability (Asset)	0.01783%	0.01850%	0.01731%	0.01982%	0.02100%	0.02030%	0.02141%	0.01964%	0.01968%	0.01781%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 2,422,165</u>	<u>\$ 2,678,866</u>	<u>\$ 2,611,870</u>	<u>\$ 2,347,923</u>	<u>\$ 3,424,589</u>	<u>\$ 3,658,582</u>	<u>\$ 4,215,912</u>	<u>\$ 4,572,063</u>	<u>\$ 5,827,841</u>	<u>\$ 3,998,922</u>
District's Covered Payroll	<u>\$ 1,368,401</u>	<u>\$ 1,372,593</u>	<u>\$ 1,330,299</u>	<u>\$ 1,265,757</u>	<u>\$ 1,520,580</u>	<u>\$ 1,488,848</u>	<u>\$ 1,422,016</u>	<u>\$ 1,413,427</u>	<u>\$ 1,337,703</u>	<u>\$ 1,318,357</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	177.01%	195.17%	196.34%	185.50%	225.22%	245.73%	296.47%	323.47%	435.66%	303.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

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

Public Employees Retirement System

**Last Ten Fiscal Years
(Dollar amounts in thousands)**

	<u>2025</u>	<u>2024</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>
Contractually Required Contribution	\$ 242,561	\$ 247,190	\$ 218,250	\$ 232,110	\$ 231,253	\$ 197,505	\$ 212,980	\$ 181,951	\$ 174,810	\$ 153,154
Contributions in Relation to the Contractually Required Contribution	<u>242,561</u>	<u>247,190</u>	<u>218,250</u>	<u>232,110</u>	<u>231,253</u>	<u>197,505</u>	<u>212,980</u>	<u>181,951</u>	<u>174,810</u>	<u>153,154</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 1,337,476</u>	<u>\$ 1,368,401</u>	<u>\$ 1,372,593</u>	<u>\$ 1,330,299</u>	<u>\$ 1,265,757</u>	<u>\$ 1,520,580</u>	<u>\$ 1,488,848</u>	<u>\$ 1,422,016</u>	<u>\$ 1,413,427</u>	<u>\$ 1,337,703</u>
Contributions as a Percentage of Covered Payroll	18.14%	18.06%	15.90%	17.45%	18.27%	12.99%	14.31%	12.80%	12.37%	11.45%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*
(Dollar amounts in thousands)

	<u>2025</u>	<u>2024</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>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 24,893,092</u>	<u>\$ 25,679,387</u>	<u>\$ 24,732,624</u>	<u>\$ 22,021,010</u>	<u>\$ 29,998,902</u>	<u>\$ 29,111,357</u>	<u>\$ 28,712,398</u>	<u>\$ 30,869,020</u>	<u>\$ 39,027,179</u>	<u>\$ 29,594,571</u>
Total	<u>\$ 24,893,092</u>	<u>\$ 25,679,387</u>	<u>\$ 24,732,624</u>	<u>\$ 22,021,010</u>	<u>\$ 29,998,902</u>	<u>\$ 29,111,357</u>	<u>\$ 28,712,398</u>	<u>\$ 30,869,020</u>	<u>\$ 39,027,179</u>	<u>\$ 29,594,571</u>
District's Covered Payroll	<u>\$ 6,184,173</u>	<u>\$ 5,934,111</u>	<u>\$ 5,839,297</u>	<u>\$ 5,694,942</u>	<u>\$ 5,330,030</u>	<u>\$ 5,111,045</u>	<u>\$ 4,898,807</u>	<u>\$ 4,907,351</u>	<u>\$ 4,632,016</u>	<u>\$ 4,756,793</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

**HARRINGTON PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Service Cost	\$ 991,001	\$ 981,506	\$ 1,278,729	\$ 1,476,851	\$ 819,711	\$ 848,621	\$ 968,757
Interest on Total OPEB Liability	906,861	827,681	580,613	677,106	643,860	767,958	787,624
Changes in Benefit Terms		-	-	(27,782)			
Differences Between Expected and Actual Experience	758,215	359,537	381,941	(5,249,662)	5,500,607	(2,784,635)	(1,069,344)
Changes of Assumptions	2,061,062	47,369	(5,877,293)	25,751	5,428,000	265,772	(2,209,975)
Gross Benefit Payments	(692,585)	(645,191)	(575,115)	(533,370)	(517,322)	(547,173)	(514,957)
Contribution from the Member	23,715	21,211	18,450	17,310	15,680	16,220	17,798
Net Change in Total OPEB Liability	<u>4,048,269</u>	<u>1,592,113</u>	<u>(4,192,675)</u>	<u>(3,613,796)</u>	<u>11,890,536</u>	<u>(1,433,237)</u>	<u>(2,020,097)</u>
Total OPEB Liability - Beginning	<u>23,501,140</u>	<u>21,909,027</u>	<u>26,101,702</u>	<u>29,715,498</u>	<u>17,824,962</u>	<u>19,258,199</u>	<u>21,278,296</u>
Total OPEB Liability - Ending	<u>\$ 27,549,409</u>	<u>\$ 23,501,140</u>	<u>\$ 21,909,027</u>	<u>\$ 26,101,702</u>	<u>\$ 29,715,498</u>	<u>\$ 17,824,962</u>	<u>\$ 19,258,199</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>27,549,409</u>	<u>23,501,140</u>	<u>21,909,027</u>	<u>26,101,702</u>	<u>29,715,498</u>	<u>17,824,962</u>	<u>19,258,199</u>
Total OPEB Liability - Ending	<u>\$ 27,549,409</u>	<u>\$ 23,501,140</u>	<u>\$ 21,909,027</u>	<u>\$ 26,101,702</u>	<u>\$ 29,715,498</u>	<u>\$ 17,824,962</u>	<u>\$ 19,258,199</u>
District's Covered Payroll	<u>\$ 7,521,649</u>	<u>\$ 7,302,512</u>	<u>\$ 7,169,596</u>	<u>\$ 6,960,699</u>	<u>\$ 6,850,610</u>	<u>\$ 6,631,625</u>	<u>\$ 6,387,655</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

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

**HARRINGTON PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**HARRINGTON PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Title I</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>ESSER III</u>	<u>ARP Accel. Learning</u>	<u>Summer Learning</u>	<u>Other Programs</u>	<u>E-Sports/ Student Activities</u>	<u>2025</u>
REVENUES									
Intergovernmental									
Federal	\$ 114,032	\$ 144,336	\$ 11,838	\$ 30,715	\$ 1,500	\$ 550			\$ 302,971
Other	-	-	-	-	-	-	\$ 2,500	\$ 51,077	53,577
Total Revenues	114,032	144,336	11,838	30,715	1,500	550	2,500	51,077	356,548
EXPENDITURES									
Instruction									
Purchased Professional Technical Services	15,771								15,771
Purchased Professional Educational Services							2,500		2,500
Tuition		123,000	11,838						134,838
General Supplies	83,261			1,756					85,017
School Sponsored Co-Curricular	-	-	-	-	-	-	-	66,118	66,118
Total Instruction	99,032	123,000	11,838	1,756	-	-	2,500	66,118	304,244
Support Services									
Salaries					1,500				1,500
Purchased Professional Technical Services	15,000					550			15,550
Other Purchased Services	-	21,336	-	-	-	-	-	-	21,336
Total Support Services	15,000	21,336	-	-	1,500	550	-	-	38,386
Facilities and Construction Services									
Buildings	-	-	-	28,959	-	-	-	-	28,959
Total Facilities and Constructions Svcs	-	-	-	28,959	-	-	-	-	28,959
Total Expenditures	114,032	144,336	11,838	30,715	1,500	550	2,500	66,118	371,589
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	(15,041)	(15,041)
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	34,673	34,673
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,632	\$ 19,632

CAPITAL PROJECTS FUND

**HARRINGTON PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOT APPLICABLE

**HARRINGTON PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**HARRINGTON PARK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

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

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

HARRINGTON PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

**HARRINGTON PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOT APPLICABLE

	<u>Original</u> <u>Budget</u>	<u>Adjustments</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy					
State Sources					
Debt Service Aid	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES					
Regular Debt Service					
Principal					
Interest	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	\$ 19	\$ -	\$ 19	\$ 19	\$ -
Fund Balance, End of Year	\$ 19	\$ -	\$ 19	\$ 19	\$ -
	<u>Analysis</u>				
	Restricted			\$ 19	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	2016	2017	2018	2019	Fiscal Year Ended June 30,		2022	2023	2024	2025
					2020 (1)	2021 (2)				
Governmental Activities										
Net Investment In Capital Assets	\$ 5,714,553	\$ 5,936,091	\$ 6,149,293	\$ 6,353,335	\$ 6,477,605	\$ 6,665,539	\$ 6,715,256	\$ 7,006,561	\$ 6,686,276	\$ 6,279,454
Restricted	177,582	177,707	177,883	178,077	273,401	423,586	566,945	515,800	825,317	1,110,626
Unrestricted	(2,222,245)	(3,060,596)	(3,376,015)	(3,611,481)	(3,611,291)	(3,527,201)	(2,865,352)	(2,040,503)	(1,462,284)	(759,982)
Total Governmental Activities Net Position	<u>\$ 3,669,890</u>	<u>\$ 3,053,202</u>	<u>\$ 2,951,161</u>	<u>\$ 2,919,931</u>	<u>\$ 3,139,715</u>	<u>\$ 3,561,924</u>	<u>\$ 4,416,849</u>	<u>\$ 5,481,858</u>	<u>\$ 6,049,309</u>	<u>\$ 6,630,098</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 1,908	\$ 9,129	\$ 15,865	\$ 21,208	\$ 19,709	\$ 17,985	\$ 11,764	\$ 10,696	\$ 9,628	\$ 8,560
Unrestricted	9,532	7,124	9,997	1,488	18,318	22,109	22,781	37,434	21,947	28,290
Total Business-Type Activities Net Position	<u>\$ 11,440</u>	<u>\$ 16,253</u>	<u>\$ 25,862</u>	<u>\$ 22,696</u>	<u>\$ 38,027</u>	<u>\$ 40,094</u>	<u>\$ 34,545</u>	<u>\$ 48,130</u>	<u>\$ 31,575</u>	<u>\$ 36,850</u>
District-Wide										
Net Investment In Capital Assets	\$ 5,716,461	\$ 5,945,220	\$ 6,165,158	\$ 6,374,543	\$ 6,497,314	\$ 6,683,524	\$ 6,727,020	\$ 7,017,257	\$ 6,695,904	\$ 6,288,014
Restricted	177,582	177,707	177,883	178,077	273,401	423,586	566,945	515,800	825,317	1,110,626
Unrestricted	(2,212,713)	(3,053,472)	(3,366,018)	(3,609,993)	(3,592,973)	(3,505,092)	(2,842,571)	(2,003,069)	(1,440,337)	(731,692)
Total District Net Position	<u>\$ 3,681,330</u>	<u>\$ 3,069,455</u>	<u>\$ 2,977,023</u>	<u>\$ 2,942,627</u>	<u>\$ 3,177,742</u>	<u>\$ 3,602,018</u>	<u>\$ 4,451,394</u>	<u>\$ 5,529,988</u>	<u>\$ 6,080,884</u>	<u>\$ 6,666,948</u>

Note 1 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Funds" and inclusion of the Lightning Detection Private Purpose Trust in Business-Type Activities.

Note 2 - Net Position at June 30, 2021 is restated to reflect the addition of 12 interactive wall boards.

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

	2016	2017	2018	2019	Fiscal Year Ended June 30,		2022	2023	2024	2025
					2020	2021				
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 6,066,453	\$ 7,141,163	\$ 7,097,976	\$ 6,660,230	\$ 6,491,010	\$ 7,298,171	\$ 6,675,656	\$ 6,973,341	\$ 7,154,826	\$ 7,214,972
Special education	3,925,687	4,425,278	4,769,656	4,412,156	4,407,353	4,332,164	4,046,411	3,790,569	3,656,008	3,448,040
Other special education										
Other instruction	118,783	199,831	208,117	217,300	251,823	98,039	206,864	220,010	135,859	132,354
School Sponsored Activities and Athletics	147,668	167,867	141,065	157,392	123,544	89,057	187,198	201,674	209,741	213,556
Support Services:										
Tuition										
Student & instruction related services	1,881,192	2,236,932	2,155,585	2,350,986	2,457,438	2,757,270	2,318,536	2,591,234	2,514,780	2,436,906
General administration services	489,569	509,829	568,788	584,760	632,311	703,280	666,308	548,510	535,800	530,081
School Administrative services	395,522	425,910	444,560	439,915	434,117	458,435	420,019	445,739	437,864	458,022
Central Services	337,395	402,902	439,495	445,322	427,850	539,741	416,521	401,696	485,851	433,430
Administrative Information Technology	21,130	69,840	52,424	37,010	54,562	109,058	73,952	66,783	96,837	123,831
Operation and maintenance of Facilities	1,263,620	1,445,590	1,469,804	1,504,413	1,405,566	1,429,170	1,562,350	1,477,940	1,695,121	1,849,912
Pupil transportation	104,020	168,198	232,525	206,051	156,592	179,336	340,610	462,147	286,508	320,614
Interest On Long-Term Debt	91,444	90,572	13,712	33,242	25,000	16,163	9,352	3,580	-	-
Total Governmental Activities Expenses	14,842,483	17,283,912	17,593,707	17,048,777	16,867,166	18,009,884	16,923,777	17,183,223	17,209,195	17,161,718
Business-Type Activities:										
Special Milk Fund			10,904	15,959	12,768	1,724	16,615	10,946	10,483	10,771
Laptop Fund	15,313	14,433	6,460	10,737	4,275	6,731	16,210	2,426	11,408	14,323
Lightening Detection					8,760	10,621	13,818	13,111	14,277	12,800
Total Business-Type Activities Expense	15,313	14,433	17,364	26,696	17,043	19,076	46,643	26,483	36,168	37,894
Total District Expenses	\$ 14,857,796	\$ 17,298,345	\$ 17,611,071	\$ 17,075,473	\$ 16,884,209	\$ 18,028,960	\$ 16,970,420	\$ 17,209,706	\$ 17,245,363	\$ 17,199,612
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction - Regular	\$ 46,077	\$ 41,372	\$ 120,290	\$ 197,349	\$ 141,952	\$ 82,650	\$ 169,130	\$ 197,429	\$ 228,177	\$ 223,987
Instruction - Special				9,000			-	-	-	-
School Sponsored Activities and Athletics						4,900	47,514	54,358	82,168	53,577
Support - Operation & Maintenance of Facilities		240,000	264,000	264,000	264,000	268,752	348,590	301,315	283,528	289,199
Operating Grants And Contributions	3,326,350	4,578,646	4,859,998	4,118,193	3,849,648	5,192,754	4,047,491	4,154,615	3,489,305	3,119,544
Capital Grants And Contributions	148,240	-	-	13,566	-	-	6,820	99,118	37,828	2,499
Total Governmental Activities Program Revenues	3,520,667	4,860,018	5,244,288	4,602,108	4,255,600	5,549,056	4,619,545	4,806,835	4,121,006	3,688,806
Business-Type Activities:										
Charges For Services										
Special Milk Fund	14,045	13,932	12,011	10,805	8,456		7,484	6,501	6,920	6,613
Laptop Fund			10,150	8,220	9,343	9,593	11,269	10,665	10,198	9,852
Lightening Detection					12,460	11,550	19,110	19,525		23,482
Operating Grants And Contributions	7,106	5,314	4,812	4,505	2,525	-	3,231	3,377	2,495	3,222
Total Business Type Activities Program Revenues	21,151	19,246	26,973	23,530	32,784	21,143	41,094	40,068	19,613	43,169
Total District Program Revenues	\$ 3,541,818	\$ 4,879,264	\$ 5,271,261	\$ 4,625,638	\$ 4,288,384	\$ 5,570,199	\$ 4,660,639	\$ 4,846,903	\$ 4,140,619	\$ 3,731,975
Net (Expense)/Revenue										
Governmental Activities	\$ (11,321,816)	\$ (12,423,894)	\$ (12,349,419)	\$ (12,446,669)	\$ (12,611,566)	\$ (12,460,828)	\$ (12,304,232)	\$ (12,376,388)	\$ (13,088,189)	\$ (13,472,912)
Business-Type Activities	5,838	4,813	9,609	(3,166)	15,741	2,067	(5,549)	13,585	(16,555)	5,275
Total District-Wide Net Expense	\$ (11,315,978)	\$ (12,419,081)	\$ (12,339,810)	\$ (12,449,835)	\$ (12,595,825)	\$ (12,458,761)	\$ (12,309,781)	\$ (12,362,803)	\$ (13,104,744)	\$ (13,467,637)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 10,833,817	\$ 11,198,697	\$ 11,534,776	\$ 11,980,421	\$ 12,321,623	\$ 12,555,734	\$ 12,794,293	\$ 13,037,385	\$ 13,473,770	\$ 13,825,245
Taxes Levied For Debt Service	402,586	400,358	384,291	159,467	165,079	184,131	193,006	204,957		-
Federal And State Aid - Unrestricted	29,419	31,547	37,012	70,368	81,876	97,173	98,760	104,350	2,325	2,297
Investment Earnings										
Miscellaneous Income	136,252	172,988	291,299	205,183	167,622	5,871	73,098	94,705	179,545	226,159
Gain on Disposal of Capital Assets		3,616					-		-	-
Total Governmental Activities	11,402,074	11,807,206	12,247,378	12,415,439	12,736,200	12,842,909	13,159,157	13,441,397	13,655,640	14,053,701
Business-Type Activities:										
Investment Earnings										
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District-Wide	\$ 11,402,074	\$ 11,807,206	\$ 12,247,378	\$ 12,415,439	\$ 12,736,200	\$ 12,842,909	\$ 13,159,157	\$ 13,441,397	\$ 13,655,640	\$ 14,053,701
Change In Net Position										
Governmental Activities	\$ 80,258	\$ (616,688)	\$ (102,041)	\$ (31,230)	\$ 124,634	\$ 382,081	\$ 854,925	\$ 1,065,009	\$ 567,451	\$ 580,789
Business-Type Activities	5,838	4,813	9,609	(3,166)	15,741	2,067	(5,549)	13,585	(16,555)	5,275
Total District	\$ 86,096	\$ (611,875)	\$ (92,432)	\$ (34,396)	\$ 140,375	\$ 384,148	\$ 849,376	\$ 1,078,594	\$ 550,896	\$ 586,064

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

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

	2016	2017	2018	2019	Fiscal Year Ended June 30,		2022	2023	2024	2025
					2020	2021				
General Fund										
Restricted	\$ 891,291	\$ 759,515	\$ 922,399	\$ 1,001,640	\$ 1,066,985	\$ 947,281	\$ 1,021,534	\$ 1,361,919	\$ 2,220,981	\$ 2,964,268
Assigned	335,121	305,250	76,772	106,785	119,409	66,218	321,506	386,983	43,077	62,336
Unassigned	224,359	82,824	87,083	61,300	52,010	500,628	510,379	233,452	232,618	216,055
Total General Fund	<u>\$ 1,450,771</u>	<u>\$ 1,147,589</u>	<u>\$ 1,086,254</u>	<u>\$ 1,169,725</u>	<u>\$ 1,238,404</u>	<u>\$ 1,514,127</u>	<u>\$ 1,853,419</u>	<u>\$ 1,982,354</u>	<u>\$ 2,496,676</u>	<u>\$ 3,242,659</u>
All Other Governmental Funds										
Restricted	\$ 2,357	\$ 2,357	\$ 2,358	\$ 2,377	\$ 2,376	\$ 12,130	\$ 12,989	\$ 11,669	\$ 34,692	\$ 19,651
Total All Other Governmental Funds	<u>\$ 2,357</u>	<u>\$ 2,357</u>	<u>\$ 2,358</u>	<u>\$ 2,377</u>	<u>\$ 2,376</u>	<u>\$ 12,130</u>	<u>\$ 12,989</u>	<u>\$ 11,669</u>	<u>\$ 34,692</u>	<u>\$ 19,651</u>

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 11,236,403	\$ 11,599,055	\$ 11,919,067	\$ 12,139,888	\$ 12,486,702	\$ 12,739,865	\$ 12,987,299	\$ 13,242,342	\$ 13,473,770	\$ 13,825,245
Tuition Charges			120,290	206,349	141,952	82,650	169,130	197,429	228,177	223,987
Rentals		240,000	264,000	264,000	264,000	268,752	273,590	301,315	283,528	289,199
Miscellaneous	185,829	247,526	244,553	232,183	197,388	67,952	243,040	164,007	300,302	279,736
State Sources	1,939,330	1,996,943	2,134,138	2,528,385	2,628,045	3,080,479	3,924,140	4,295,939	4,414,903	4,286,454
Federal Sources	151,369	162,711	165,765	177,359	210,025	299,557	328,985	1,012,004	222,329	316,688
Total Revenue	13,512,931	14,246,235	14,847,813	15,548,164	15,928,112	16,539,255	17,926,184	19,213,036	18,923,009	19,221,309
Expenditures										
Instruction										
Regular Instruction	5,075,134	5,428,847	5,531,201	5,800,214	5,836,107	6,311,884	6,925,597	7,720,522	7,942,586	8,247,380
Special Education Instruction	3,677,083	3,904,185	4,235,658	4,074,202	4,196,327	3,975,968	4,186,481	4,119,725	3,908,957	3,678,217
Other Instruction	99,935	158,574	164,703	180,888	224,562	98,039	206,656	219,324	134,702	129,909
School Sponsored Activities And Athletics	137,089	142,930	119,053	140,870	117,288	77,865	191,696	216,967	224,903	234,807
Support Services:										
Student & Inst. Related Services	1,674,534	1,843,977	1,786,123	2,106,234	2,299,944	2,485,554	2,395,750	2,863,872	2,731,739	2,698,754
General Administrative	453,465	410,063	476,668	493,803	580,043	621,934	686,813	533,567	565,816	564,801
School Administrative Services	338,640	333,946	351,135	385,837	394,326	399,150	438,146	500,926	487,138	517,388
Business and Other Support Services										
Central Administrative Services	320,385	348,545	369,904	395,175	403,065	468,580	450,179	484,156	544,914	456,790
Administrative Info Tech	21,130	69,840	52,424	37,010	54,562	96,574	73,952	66,783	96,837	123,831
Plant Operations And Maintenance	987,414	1,085,259	1,061,538	1,119,658	1,058,648	1,049,750	1,280,714	1,258,329	1,423,004	1,511,402
Pupil Transportation	99,757	163,935	228,262	198,026	152,329	175,073	336,347	457,884	282,245	320,614
Capital Outlay	594,436	1,021,864	47,872	53,871	47,022	73,209	88,214	332,825	42,823	6,474
Debt Service:										
Principal	349,148	554,433	601,186	446,056	469,913	498,214	317,017	308,000	-	-
Interest And Other Charges	98,222	81,867	38,730	32,830	25,298	17,134	8,471	2,541	-	-
Cost of Issuance		30,912					-	-	-	-
Advanced Refunding Escrow		25,088	-	-	-	-	-	-	-	-
Total Expenditures	13,926,372	15,604,265	15,064,457	15,464,674	15,859,434	16,348,928	17,586,033	19,085,421	18,385,664	18,490,367
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(413,441)	(1,358,030)	(216,644)	83,490	68,678	190,327	340,151	127,615	537,345	730,942
Other Financing Sources (Uses)										
Payment to Refunding Escrow Agent		(1,277,000)								
Refunding Bond Proceeds		1,333,000								
Capital Leases (Non-Budgeted)										
Lease Purchases (Non-Budgeted)			155,310				-	-	-	-
Transfers In	479,000						2,357	-	-	-
Transfers Out	(479,000)	998,848					(2,357)	-	-	-
Total Other Financing Sources (Uses)	-	1,054,848	155,310	-	-	-	-	-	-	-
Net Change In Fund Balances	\$ (413,441)	\$ (303,182)	\$ (61,334)	\$ 83,490	\$ 68,678	\$ 190,327	\$ 340,151	\$ 127,615	\$ 537,345	\$ 730,942
Debt Service As A Percentage Of										
Noncapital Expenditures	3.4%	4.4%	4.3%	3.1%	3.1%	3.2%	1.9%	1.7%	0.0%	0.0%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Interest on Investments</u>	<u>Refunds</u>	<u>Misc.</u>	<u>E-Rate Reimb</u>	<u>Facility Use</u>	<u>Rentals</u>	<u>Tuition</u>	<u>NVR High School</u>	<u>Total</u>
2016	\$ 3,572		\$ 22,180	\$ 2,000	\$ 108,500		\$ 46,077		\$ 182,329
2017	3,651	\$ 3,581	65,074		50,682	\$ 240,000	41,372	\$ 50,000	454,360
2018	3,387	11,435	38,511	4,197	58,876	264,000		100,000	480,406
2019	10,422	24,247	8,039		62,475	264,000	206,349	100,000	675,532
2020	8,043	13	11,719	4,530	43,317	264,000	141,952	100,000	573,574
2021			5,871			268,752	82,650		357,273
2022	2,025	15,066	44,937	11,070	25,000	273,590	169,130	50,000	590,818
2023	27,007	826	3,892	6,603	6,377	301,315	197,429	50,000	593,449
2024	67,967		86,578			283,528	228,177	25,000	691,250
2025	92,991		70,668			289,199	223,987	62,500	739,345

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (1)
2016	\$ 12,498,400	\$ 856,178,500	\$ 27,192,100	\$ 895,869,000		\$ 895,869,000	\$ 977,108,511	1.295
2017	12,498,400	856,483,100	27,192,100	896,173,600		896,173,600	995,996,199	1.330
2018	12,498,400	856,504,400	27,192,100	896,194,900		896,194,900	993,808,185	1.355
2019	12,470,900	860,351,100	26,732,100	899,554,100		899,554,100	997,967,848	1.389
2020	12,470,900	859,526,400	30,473,600	902,470,900		902,470,900	1,020,306,460	1.412
2021	13,205,500	860,276,100	55,351,600	928,833,200		928,833,200	1,059,914,304	1.398
2022	13,205,500	859,723,150	67,926,700	940,855,350		940,855,350	1,106,039,202	1.408
2023	13,732,000	860,586,750	69,268,800	943,587,550		943,587,550	1,191,408,904	1.428
2024	13,338,400	864,537,550	69,268,800	947,144,750		947,144,750	1,281,798,158	1.460
2025	13,075,200	865,549,850	63,598,800	942,223,850		942,223,850	1,348,080,758	1.550

Source: County Abstract of Ratables

(1) Tax rates are per \$100

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

Calendar Year	Overlapping Rates					Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Northern Valley Regional H.S.	Harrington Park Borough	Bergen	County	
2016	\$ 1.295	\$ 0.591	\$ 0.558	\$ 0.278		\$ 2.722
2017	1.330	0.610	0.582	0.280		2.802
2018	1.355	0.610	0.595	0.272		2.832
2019	1.389	0.618	0.608	0.270		2.885
2020	1.412	0.624	0.631	0.280		2.947
2021	1.398	0.646	0.639	0.277		2.960
2022	1.408	0.636	0.653	0.284		2.981
2023	1.428	0.615	0.686	0.302		3.031
2024	1.460	0.632	0.719	0.316		3.127
2025	1.550	0.635	0.751	0.335		3.271

Source: County Abstract of Ratables

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

Taxpayer	2025	
	Taxable Assessed Value	% of Total District Net Assessed Value
The Allegro At Harrington Park LLC	\$ 47,350,000	5.00%
Suez United Water Resources (A)	2,779,200	0.29%
100 Harrington LLC	2,200,000	0.23%
Rockland Electric Co.	1,561,300	0.16%
Suez United Water Resources	1,479,100	0.16%
S&J Sunny Harrington Park LLC	1,440,000	0.15%
Resident	1,379,900	0.15%
Resident	1,263,600	0.13%
Schaffer Homes 1 LLC NJ	1,200,000	0.13%
Resident	1,159,900	0.12%
	<u>\$ 61,813,000</u>	<u>1.53%</u>

Taxpayer	2016	
	Taxable Assessed Value	% of Total District Net Assessed Value
United Water Resources	\$ 20,784,500	2.32%
Quantmeyer	2,913,300	0.33%
Rockland Electric Co.	2,681,800	0.30%
HGK Realty	2,312,400	0.26%
Resident	1,389,800	0.16%
Resident	1,379,900	0.15%
Resident	1,203,000	0.13%
Resident	1,182,300	0.13%
Resident	1,159,900	0.13%
Resident	1,155,200	0.13%
	<u>\$ 36,162,100</u>	<u>4.04%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year		<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
			<u>Amount</u>	<u>Percentage of Levy</u>	
2016	\$	11,236,403	\$ 11,236,133	100.00%	\$ 270
2017		11,599,055	11,599,055	100.00%	
2018		11,919,067	11,919,067	100.00%	
2019		12,139,888	12,139,888	100.00%	
2020		12,486,702	12,486,702	100.00%	
2021		12,739,865	12,739,865	100.00%	
2022		12,987,299	12,987,299	100.00%	
2023		13,242,342	13,242,342	100.00%	
2024		13,473,770	13,473,770	100.00%	
2025		13,825,245	13,825,245	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Loans Payable</u>			
2016	\$ 2,002,000		\$ 2,002,000	4,751	\$ 421
2017	1,703,000		1,703,000	4,764	357
2018	1,308,000		1,308,000	4,743	276
2019	1,094,000		1,094,000	4,729	231
2020	860,000		860,000	4,693	183
2021	593,000		593,000	4,963	119
2022	308,000		308,000	4,954	62
2023	-		-	4,990	-
2024	-		-	5,088	-
2025	-		-	5,088 (1)	-

Source: District records

(1) Estimated

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

Fiscal Year Ended June 30,	General Obligation Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Debt	Deductions			
2016	\$ 2,002,000		\$ 2,002,000	0.22%	421
2017	1,703,000		1,703,000	0.19%	357
2018	1,308,000	\$ 1	1,307,999	0.15%	276
2019	1,094,000	20	1,093,980	0.12%	231
2020	860,000	19	859,981	0.10%	183
2021	593,000	19	592,981	0.06%	119
2022	308,000	19	307,981	0.03%	62
2023	-		-	0.00%	-
2024	-		-	0.00%	-
2025	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**HARRINGTON PARK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
(Unaudited)**

	<u>Gross Debt</u>
Direct Debt: (1)	
Borough of Harrington Park	\$ 7,419,177
Regional School District	<u>689,265</u>
	<u>8,108,442</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (2) (A)	9,516,958
Bergen County Utilities Authority (BCUA) (3) (B)	<u>999,827</u>
	<u>10,516,785</u>
Total Direct and Overlapping Debt	<u><u>\$ 18,625,227</u></u>

Source:

- (1) Borough of Harrington Park's 2024 Annual Debt Statement
- (2) Bergen County Annual Debt Statement
- (3) BCUA 2024 Annual Audit

- (A) The debt for this entity was apportioned to the Borough of Harrington Park by dividing the municipality's 2024 equalized value by the total 2024 equalized value for Bergen County.
- (B) Overlapping debt was computed based upon municipal flow to the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis	
2024	\$ 1,354,612,057
2023	1,276,498,309
2022	1,187,498,864
	<u>\$ 3,818,609,230</u>
Average equalized valuation of taxable property	<u>\$ 1,272,869,743</u>
Debt limit (3 % of average equalization value)	38,186,092
Total Net Debt Applicable to Limit	-
Legal debt margin	<u>\$ 38,186,092</u>

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 28,750,382	\$ 29,290,877	\$ 29,644,533	\$ 29,822,937	\$ 30,036,650	\$ 30,397,401	\$ 31,374,164	\$ 33,083,551	\$ 35,554,580	\$ 38,186,092
Total net debt applicable to limit	2,002,000	1,703,000	1,308,000	1,094,000	860,000	593,000	308,000	-	-	-
Legal debt margin	<u>\$ 26,748,382</u>	<u>\$ 27,587,877</u>	<u>\$ 28,336,533</u>	<u>\$ 28,728,937</u>	<u>\$ 29,176,650</u>	<u>\$ 29,804,401</u>	<u>\$ 31,066,164</u>	<u>\$ 33,083,551</u>	<u>\$ 35,554,580</u>	<u>\$ 38,186,092</u>
Total net debt applicable to the limit as a percentage of debt limit	6.96%	5.81%	4.41%	3.67%	2.86%	1.95%	0.98%	0.00%	0.00%	0.00%

Source: Annual Debt Statements

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

<u>Year</u>	<u>School District Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2016	4,751	\$ 76,367	3.4%
2017	4,764	78,611	3.2%
2018	4,743	82,731	2.8%
2019	4,729	86,871	2.2%
2020	4,693	88,256	7.6%
2021	4,963	94,342	4.8%
2022	4,954	96,434	2.9%
2023	4,990	102,229	2.9%
2024	5,088	N/A	3.1%
2025	5,088 (1)	N/A	N/A

Source: New Jersey State Department of Education

N/A - not available

(1) Estimated

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

	<u>2025</u>		<u>2016</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	47.0	46.0	45.0	45.0	45.0	45.0	46.0	46.0	46.0	45.0
Special education	32.0	33.0	32.0	33.0	33.0	33.0	32.0	32.0	32.0	32.0
Support Services:										
Student & instruction related services	12.4	12.1	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
General administration services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Total	<u>102.4</u>	<u>103.1</u>	<u>100.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>100.2</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	High School				
2016	632.0	\$ 12,884,566	\$ 20,387	6.82%	64	1:9.8	1:10.1	N/A	628	608	-0.79%	96.82%
2017	631.0	13,890,101	22,013	7.98%	64	1:9.8	1:10.1	N/A	624	604	-0.64%	96.79%
2018	623.0	14,376,669	23,077	4.83%	62	1:10.0	1:10.2	N/A	612	590	-1.92%	96.41%
2019	613.0	14,931,917	24,359	5.56%	62	1:9.9	1:9.9	N/A	597	575	-2.45%	96.31%
2020	609.0	15,549,915	25,534	4.82%	62	1:9.9	1:9.9	N/A	597	583	0.00%	97.65%
2021	569.0	15,760,371	27,698	8.48%	61	1:9.3	1:9.3	N/A	552	542	-7.54%	98.19%
2022	628.0	17,172,331	27,344	-1.28%	61	1:9.3	1:9.3	N/A	620	593	12.32%	95.65%
2023	625.0	18,060,596	28,897	4.33%	61	1:9.3	1:9.3	N/A	618	585	-0.32%	94.66%
2024	637.0	18,342,841	28,796	5.31%	61	1:9.5	1:9.7	N/A	626	596	1.29%	95.21%
2025	627.0	18,483,893	29,480	2.02%	60	1:9.4	1:9.8	N/A	627	600	0.16%	95.69%

Sources: District records

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>District Building</u>										
<u>School</u>										
Harrington Park School										
Square Feet	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250
Capacity (students)	775	775	775	775	775	775	775	775	775	775
Enrollment	632	631	623	613	609	569	628	625	637	627
<u>Other</u>										
Administration Trailer										
Square Feet										
Storage Trailer										
Square Feet	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Number of Buildings at June 30, 2025										
Schools = 1										
Other = 1										

Source: District Records

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

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

School Facilities	Project # (s)	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Harrington Park School	NA	\$ <u>243,715</u>	\$ <u>264,462</u>	\$ <u>219,103</u>	\$ <u>258,885</u>	\$ <u>222,018</u>	\$ <u>238,128</u>	\$ <u>257,717</u>	\$ <u>241,277</u>	\$ <u>295,333</u>	\$ <u>279,942</u>
Total School Facilities		\$ <u>243,715</u>	\$ <u>264,462</u>	\$ <u>219,103</u>	\$ <u>258,885</u>	\$ <u>222,018</u>	\$ <u>238,128</u>	\$ <u>257,717</u>	\$ <u>241,277</u>	\$ <u>295,333</u>	\$ <u>279,942</u>

Source: District Records

HARRINGTON PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2025
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
COMMERCIAL PROPERTY COVERAGE		
Flood & Earthquake	\$ 5,000,000	\$ 100,000
Flood Zone A	7,500,000	500,000
Extra Expense	5,000,000	
Building Ordinance Demolition Cost	1,000,000	
Building Ordinance Increased Cost of Construction	1,000,000	
Pollutant Clean Up & Removal	250,000	
GENERAL LIABILITY		
General Aggregate	1,000,000	
Products & Completed Operations	1,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence	1,000,000	
Fire Legal Liability Limit	1,000,000	
Medical Expense	10,000	
Employee Benefits Liability	1,000,000	10,000
COMMERCIAL AUTOMOBILE		
Liability	1,000,000	
Medical Payments	10,000	
Uninsured Motorist	1,000,000	
Underinsured Motorist	1,000,000	
Cyber Liability Coverages	Various	
Crime Coverage		
Employee Dishonesty-Per Employee	500,000	5,000
Employee Dishonesty-Per Loss (Excess)	500,000	5,000
Forgery and Alteration	250,000	5,000

Source: District records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Harrington Park Board of Education as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Harrington Park Board of Education's basic financial statements and have issued our report thereon dated January 13, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of Harrington Park Board of Education in a separate report entitled "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 13, 2026

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Harrington Park Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Harrington Park Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
January 13, 2026



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW
JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Harrington Park Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Harrington Park Board of Education's major state programs for the fiscal year ended June 30, 2025. The Harrington Park Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Harrington Park Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Harrington Park Board of Education, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 13, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
January 13, 2026

**HARRINGTON PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal/Grantor/Pass-Through Grantor/Program Title	Federal A.L.	FAIN	Grant	Award	Balance at July 1, 2024				Adjustment	Balance at June 30, 2025				Memo	
	Number	Number	Period	Amount	(Account Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Encumbrance	(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable
U.S. Department of Agriculture															
Passed-through State Department of Agriculture															
Enterprise Fund															
Special Milk Program for Children	10.556	251NJ304N1099	7/1/24-6/30/25	\$ 3,222		-	-	-	\$ 2,945	\$ 3,222		\$ (277)			\$ (277)
Special Milk Program for Children	10.556	241NJ304N1099	7/1/23-9/30/24	2,495	\$ (884)	-	-	-	884	-	-	-	-	-	-
Total U.S. Department of Agriculture - Enterprise Fund					(884)	-	-	-	3,829	3,222	-	(277)	-	-	(277)
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue															
IDEA Part B Basic Regular	84.027	H027A250100	7/1/24-9/30/25	144,336					144,336	144,336	-	-	-	-	-
IDEA Part B Basic Regular	84.027	H027A240100	7/1/23-9/30/24	143,932	(10,001)				10,001		-	-	-	-	-
IDEA Part B Preschool	84.173	H173A250114	7/1/24-9/30/25	11,838	-	-	-	-	11,838	11,838	-	-	-	-	-
Total Special Education(IDEA) Cluster					(10,001)	-	-	-	166,175	156,174	-	-	-	-	-
Title I	84.010	S010A250030	7/1/24-9/30/25	35,771	-	-	-	-	35,771	35,771	-	-	-	-	-
Title I	84.010	S010A240030	7/1/23-9/30/24	78,261	(78,261)	\$ 78,261	-	-	78,261	78,261	-	-	-	-	-
Total E.S.E.A					(78,261)	78,261	-	-	114,032	114,032	-	-	-	-	-
Elementary and Secondary School Emergency Relief (ESSER)															
Coronavirus Aid, Relief, and Economic Security (CARES) Act															
ARP - ESSER III	84.425U	S425U2100027	3/13/20 - 9/30/24	520,059	(55,975)	30,715			55,975	30,715		-	-		-
ARP - Accel. Learning	84.425U	S425U2100027	3/13/20 - 9/30/24	50,000	(23,000)	1,500			23,000	1,500		-	-		-
ARP - Summer Learning	84.425U	S425U2100027	3/13/20 - 9/30/24	40,000	(29,987)	550	-	-	29,987	550	-	-	-	-	-
Total ESSER Fund Cluster					(108,962)	32,765	-	-	108,962	32,765	-	-	-	-	-
Coronavirus Relief Fund															
Coronavirus Relief Fund (CRF)	21.109		3/13/20-9/30/22	15,225	-	277	-	-	-	-	-	-	\$ 277	-	-
Total U.S. Department of Education - Special Revenue Fund					(197,224)	111,303	-	-	389,169	302,971	-	-	277	-	-
Total Federal Financial Awards					\$ (198,108)	\$ 111,303	\$ -	\$ -	\$ 392,998	\$ 306,193	\$ -	\$ (277)	\$ 277	\$ -	\$ (277)

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

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

**HARRINGTON PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at July 1, 2024							Balance at June 30, 2025				Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Combined Total Expenditures	
State Department of Education																
General Fund																
Special Educational Aid	24-495-034-5120-089	\$ 664,302	7/1/23-6/30/24	\$ (59,132)				\$ 59,132								
Special Educational Aid	25-495-034-5120-089	754,630	7/1/24-6/30/25					680,865	\$ 754,630		\$ (73,765)				\$ 754,630	
Security Aid	24-495-034-5120-084	24,352	7/1/23-6/30/24	(2,168)				2,168			-				-	
Security Aid	25-495-034-5120-084	29,359	7/1/24-6/30/25					26,489	29,359		(2,870)				29,359	
Equalization Aid	24-495-034-5120-078	2,317	7/1/23-6/30/24	(206)				206			-				-	
Equalization Aid	25-495-034-5120-078	2,317	7/1/24-6/30/25	-	-	-	-	2,091	2,317	-	(226)	-	-	-	2,317	
Total State Aid Public Cluster				(61,506)	-	-	-	770,951	786,306	-	(76,861)	-	-	-	786,306	
Transportation Aid	24-495-034-5120-014	75,414	7/1/23-6/30/24	(6,713)				6,713			-				-	
Transportation Aid	25-495-034-5120-014	75,414	7/1/24-6/30/25					68,042	75,414		(7,372)				75,414	
Nonpublic Transportation Aid	24-495-034-5120-014	3,882	7/1/23-6/30/24	(3,882)				3,882			-				-	
Nonpublic Transportation Aid	25-495-034-5120-014	2,102	7/1/24-6/30/25	-	-	-	-	-	2,102	-	(2,102)	-	-	\$ (2,102)	2,102	
Total Transportation Aid Cluster				(10,595)	-	-	-	78,637	77,516	-	(9,474)	-	-	(2,102)	77,516	
Extraordinary Aid	24-495-034-5120-044	242,900	7/1/23-6/30/24	(242,900)				242,900			-				-	
Extraordinary Aid	25-495-034-5120-044	239,877	7/1/24-6/30/25						239,877		(239,877)				239,877	
TPAF Social Security Contrib.	24-495-034-5094-003	441,836	7/1/23-6/30/24	(27,201)				27,201			-				-	
TPAF Social Security Contrib.	25-495-034-5094-003	447,525	7/1/24-6/30/25					418,740	447,525		(28,785)			(28,785)	447,525	
TPAF Pension - NCGI	25-495-034-5094-004	2,100,076	7/1/24-6/30/25					2,100,076	2,100,076						2,100,076	
TPAF Pension - Premium	25-495-034-5094-002	26,014	7/1/24-6/30/25					26,014	26,014						26,014	
TPAF Long-Term Disability Insurance	25-495-034-5094-001	886	7/1/24-6/30/25					886	886						886	
TPAF Pension Post Retirement Medical Contr.	25-495-034-5094-001	621,245	7/1/24-6/30/25	-	-	-	-	621,245	621,245	-	-	-	-	-	621,245	
Total General Fund				(342,202)	-	-	-	4,286,650	4,299,445	-	(354,997)	-	-	(30,887)	4,299,445	
Special Revenue Fund																
Anti Bullying	N/A	1,113	7/1/13-6/30/21	-	\$ 75	-	-	-	-	-	-	\$ 75	-	-	-	
Total Special Revenue Fund				-	75	-	-	-	-	-	-	75	-	-	-	
Total State Financial Assistance Subject to Single Audit Determination				(342,202)	75	-	-	4,286,650	4,299,445	-	(354,997)	75	-	(30,887)	4,299,445	
State Financial Assistance																
Not Subject to Single Audit Determination																
General Fund																
On-Behalf TPAF Pension System NCGI	25-495-034-5094-004	2,100,076	7/1/24-6/30/25					(2,100,076)	(2,100,076)						(2,100,076)	
On-Behalf TPAF Pension System Premium	25-495-034-5094-002	26,014	7/1/24-6/30/25					(26,014)	(26,014)						(26,014)	
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-001	886	7/1/24-6/30/25					(886)	(886)						(886)	
On-Behalf TPAF Post-Retirement Medical Contr.	25-495-034-5094-001	621,245	7/1/24-6/30/25	-	-	-	-	(621,245)	(621,245)	-	-	-	-	-	(621,245)	
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (342,202)	\$ 75	\$ -	\$ -	\$ 1,538,429	\$ 1,551,224	\$ -	\$ (354,997)	\$ 75	\$ -	\$ (30,887)	\$ 1,551,224	

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

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 REPORTING ENTITY

The Harrington Park Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$12,991 for the general fund and an increase of \$13,717 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,286,484	\$ 4,286,484
Special Revenue Fund	\$ 316,688		316,688
Food Service Fund	<u>3,222</u>	<u>-</u>	<u>3,222</u>
Total Awards and Financial Assistance	<u>\$ 319,910</u>	<u>\$ 4,286,484</u>	<u>\$ 4,606,394</u>

**HARRINGTON PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$447,525 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. The amount reported as TPAF Pension System Contributions in the amount of \$2,126,090, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$621,245 and TPAF Long-Term Disability Insurance in the amount of \$886 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**HARRINGTON PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements

Unmodified

Internal control over financial reporting:

1) Material weaknesses identified?

_____ yes X no

2) Significant deficiencies identified
that are not considered to be material
weakness(es)?

_____ yes X none reported

Noncompliance material to the basic financial
statements noted?

_____ yes X no

Federal Awards Section - Not Applicable

State Awards Section

Internal Control over major programs:

(1) Material weaknesses identified?

_____ yes X no

(2) Significant deficiencies identified that
are not considered to be material
weakness(es)?

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with N.J. Circular Letter 15-08?

_____ yes X none

Identification of major state programs:

GMIS Number(s)
495-034-5094-003

Name of State Program
TPAF Social Security Contrib.

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X yes _____ no

**HARRINGTON PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**HARRINGTON PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of Federal and State Award 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 New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.