

**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, 2024**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Harrington Park Board of Education**

**Harrington Park, New Jersey**

**For The Fiscal Year Ended June 30, 2024**

**Prepared by**

**Harrington Park Board of Education  
Finance Department**

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

# HARRINGTON PARK SCHOOL DISTRICT BOARD OF EDUCATION

Sean Conlon  
Superintendent

Bryan Jursca  
Business Administrator/Board Secretary

January 15, 2025

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, 2024 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 2023-24 fiscal year enrollment was 637 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>
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
2014-15	633.0	- 0.63

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

**3. MAJOR INITIATIVES:** During the 2023-24 academic year, the Harrington Park School District continued its long-term focus on improving students' performance in all academic areas through innovation. The District provided professional development opportunities for all staff members who are responsible for implementing new programs or curriculum.

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

**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,

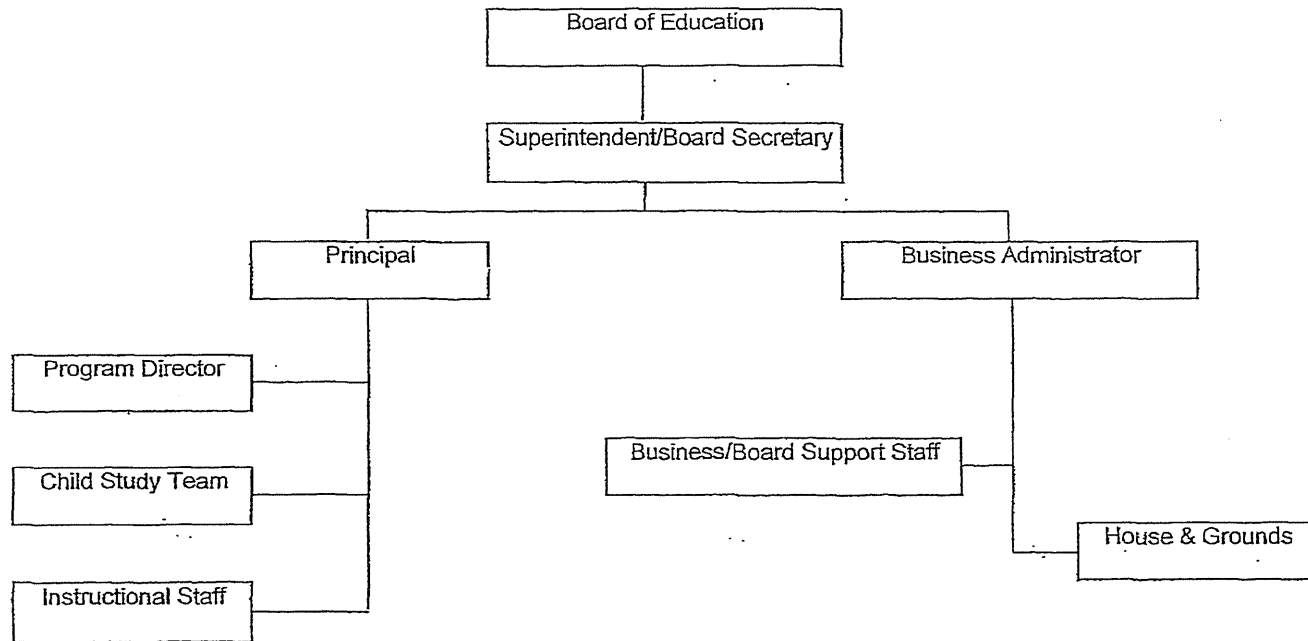
*Sean Conlon*

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, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Matthew Lehmann, President	Dec. 31, 2024
Brenda Cho, Vice President	Dec. 31, 2024
Stephen Hahm, Trustee	Dec. 31, 2026
Jennifer Helfman, Trustee	Dec. 31, 2026
Tsampicos Perides, Trustee	Dec. 31, 2025

### 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, 2024

### 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, 2024 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, 2024, 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 15, 2025 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*

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

*Andrew D. Parente*

Andrew D. Parente  
Public School Accountant  
PSA Number CS002246

Fair Lawn, New Jersey  
January 15, 2025

## **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, 2024. 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 (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 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 \$6,080,884 (net position).
- Overall District revenues were \$17,796,259. General revenues accounted for \$13,655,640 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,140,619 of total revenues.
- The School District had \$17,209,195 in expenses for governmental activities; only \$4,121,006 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$13,655,640 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 \$2,531,368 an increase of \$537,345 when compared to the ending fund balance at June 30, 2023 of \$1,994,023.
- The General Fund unassigned fund balance at June 30, 2024 was in a surplus position of \$232,618, a decrease of \$834 when compared with the ending fund balance of \$233,452 at June 30, 2023.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$543,737 which represents a decrease of \$184,742 when compared to the ending unassigned fund balance at June 30, 2023 of \$728,479.

# HARRINGTON PARK BOARD OF EDUCATION

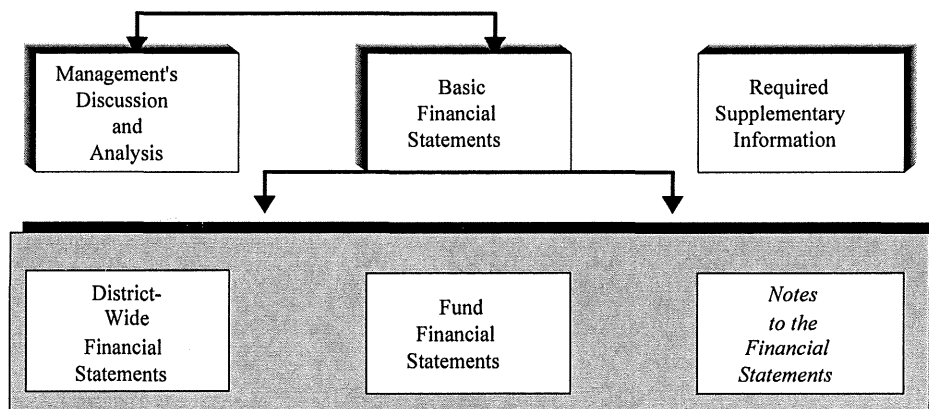
## Management's Discussion and Analysis

### 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 \$6,080,884 and \$5,529,988 as of June 30, 2024 and 2023, 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, 2024 and 2023

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>						
Current and Other Assets	\$ 2,730,095	\$ 2,200,496	\$ 23,337	\$ 38,824	\$ 2,753,432	\$ 2,239,320
Capital Assets	<u>6,686,276</u>	<u>7,006,561</u>	<u>9,628</u>	<u>10,696</u>	<u>6,695,904</u>	<u>7,017,257</u>
<b>Total Assets</b>	<u>9,416,371</u>	<u>9,207,057</u>	<u>32,965</u>	<u>49,520</u>	<u>9,449,336</u>	<u>9,256,577</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	238,045	245,306	-	-	238,045	245,306
Deferred Amounts on Refunding of Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Deferred Outflows</b>	<u>238,045</u>	<u>245,306</u>	<u>-</u>	<u>-</u>	<u>238,045</u>	<u>245,306</u>
<b>Total Assets and Deferred Outflows</b>	<u>9,654,416</u>	<u>9,452,363</u>	<u>32,965</u>	<u>49,520</u>	<u>9,687,381</u>	<u>9,501,883</u>
<b>Liabilities</b>						
Long-Term Liabilities	2,827,792	2,757,858			2,827,792	2,757,858
Other Liabilities	<u>198,727</u>	<u>206,473</u>	<u>1,390</u>	<u>1,390</u>	<u>200,117</u>	<u>207,863</u>
<b>Total Liabilities</b>	<u>3,026,519</u>	<u>2,964,331</u>	<u>1,390</u>	<u>1,390</u>	<u>3,027,909</u>	<u>2,965,721</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>578,588</u>	<u>1,006,174</u>	<u>-</u>	<u>-</u>	<u>578,588</u>	<u>1,006,174</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>3,605,107</u>	<u>3,970,505</u>	<u>1,390</u>	<u>1,390</u>	<u>3,606,497</u>	<u>3,971,895</u>
<b>Net Position</b>						
Net Investment in Capital Assets	6,686,276	7,006,561	9,628	10,696	6,695,904	7,017,257
Restricted	825,317	515,800			825,317	515,800
Unrestricted	<u>(1,462,284)</u>	<u>(2,040,503)</u>	<u>21,947</u>	<u>37,434</u>	<u>(1,440,337)</u>	<u>(2,003,069)</u>
<b>Total Net Position</b>	<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>

# HARRINGTON PARK BOARD OF EDUCATION

## Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

### Change in Net Position For the Fiscal Years Ended June 30, 2024 and 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 593,873	\$ 553,102	\$ 17,118	\$ 36,691	\$ 610,991	\$ 589,793
Operating Grants and Contributions	3,489,305	4,154,615	2,495	3,377	3,491,800	4,157,992
Capital Grants and Contributions	37,828	99,118			37,828	99,118
General Revenues						
Property Taxes	13,473,770	13,242,342			13,473,770	13,242,342
State Aid	2,325	104,350			2,325	104,350
Miscellaneous	179,545	94,705	-	-	179,545	94,705
<b>Total Revenues</b>	<u>17,776,646</u>	<u>18,248,232</u>	<u>19,613</u>	<u>40,068</u>	<u>17,796,259</u>	<u>18,288,300</u>
<b>Expenses</b>						
Instruction						
Regular	7,154,826	6,973,341			7,154,826	6,973,341
Special Education	3,656,008	3,790,569			3,656,008	3,790,569
Other Instruction	135,859	220,010			135,859	220,010
School Sponsored Activities and Athletics	209,741	201,674			209,741	201,674
Support Services						
Student and Instruction Related Services	2,514,780	2,591,234			2,514,780	2,591,234
General Administration Services	535,800	548,510			535,800	548,510
School Administration Services	437,864	445,739			437,864	445,739
Plant Operation and Maintenance	1,695,121	1,477,940			1,695,121	1,477,940
Pupil Transportation	286,508	462,147			286,508	462,147
Business Services	582,688	468,479			582,688	468,479
Interest and Other Chgs on Long-Term Debt		3,580			-	3,580
Food Service			10,483	10,946	10,483	10,946
Laptop Fund			11,408	2,426	11,408	2,426
Lightning Detection	-	-	14,277	13,111	14,277	13,111
<b>Total Expenses</b>	<u>17,209,195</u>	<u>17,183,223</u>	<u>36,168</u>	<u>26,483</u>	<u>17,245,363</u>	<u>17,209,706</u>
Change in Net Position	567,451	1,065,009	(16,555)	13,585	550,896	1,078,594
Net Position, Beginning of Year	<u>5,481,858</u>	<u>4,416,849</u>	<u>48,130</u>	<u>34,545</u>	<u>5,529,988</u>	<u>4,451,394</u>
Net Position, End 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>

# 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, 2024 and 2023.

### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2024 and 2023

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 7,154,826	\$ 6,973,341	\$ (5,577,142)	\$ (5,063,982)
Special Education	3,656,008	3,790,569	(2,179,422)	(2,397,011)
Other Instruction	135,859	220,010	(135,859)	(136,684)
School Sponsored Activities and Athletics	209,741	201,674	(92,087)	(120,045)
Support Services				
Student and Instruction Related Services	2,514,780	2,591,234	(2,127,713)	(1,904,503)
General Administration	535,800	548,510	(476,086)	(440,350)
School Administration Services	437,864	445,739	(368,612)	(369,795)
Plant Operation and Maintenance	1,695,121	1,477,940	(1,355,214)	(1,108,224)
Pupil Transportation	286,508	462,147	(206,950)	(384,896)
Business Services	582,688	468,479	(569,104)	(450,878)
Interest and Other Charges on Long-Term Debt	-	3,580	-	(20)
<b>Total</b>	<b>\$ 17,209,195</b>	<b>\$ 17,183,223</b>	<b>\$ (13,088,189)</b>	<b>\$ (12,376,388)</b>

# 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 \$2,531,368, an increase of \$537,345 from last year's fund balance of \$1,994,023.

Revenues for the District's governmental funds were \$18,923,009; total expenditures were \$18,385,664.

**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 \$18,566,113 for the fiscal year ended June 30, 2024. State sources amounted to \$4,401,093 and local sources were \$14,165,020.

Expenditures of the General Fund were \$18,051,791. Instructional expenditures were \$11,982,914, for support services expenditures were \$6,063,882 and capital expenditures totaled \$4,995 for the fiscal year ended June 30, 2024.

**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 \$356,896 for the fiscal year ended June 30, 2024. State sources amounted to \$13,810, federal sources totaled \$222,329 and local sources were \$120,757.

Expenditures of the Special Revenue Fund were \$333,873. Instructional expenditures were \$228,234, for support services expenditures were \$67,811 and capital expenditures totaled \$37,828 for the fiscal year ended June 30, 2024.

#### 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, 2023 encumbrances.

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$6,695,904 and \$7,017,257 (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 2023-2024 amounted to \$363,108 for governmental activities and \$1,068 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

#### Capital Assets at June 30, 2024 and 2023

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 504,400	\$ 504,400			\$ 504,400	\$ 504,400
Construction in Progress	62,000	62,000			62,000	62,000
Land Improvements	249,707	258,544			249,707	258,544
Buildings & Building Impvts	5,587,696	5,925,964			5,587,696	5,925,964
Machinery and Equipment	282,473	255,653	\$ 9,628	\$ 10,696	292,101	266,349
<b>Total</b>	<u>\$ 6,686,276</u>	<u>\$ 7,006,561</u>	<u>\$ 9,628</u>	<u>\$ 10,696</u>	<u>\$ 6,695,904</u>	<u>\$ 7,017,257</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, 2024, the District's long-term liabilities consisted of compensated absences payable of \$148,926 and net pension liability of \$2,678,866 totaling \$2,827,792. This is in comparison to long-term liabilities at June 30, 2023 of \$2,757,858 or an increase of \$69,934.

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 2024-2025 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, 2024**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 2,599,493	\$ 22,453	\$ 2,621,946
Receivables, net	130,602	884	131,486
Capital Assets, net			
Not Being Depreciated	566,400		566,400
Being Depreciated	<u>6,119,876</u>	<u>9,628</u>	<u>6,129,504</u>
Total Assets	<u>9,416,371</u>	<u>32,965</u>	<u>9,449,336</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>238,045</u>	<u>-</u>	<u>238,045</u>
Total Deferred Outflows of Resources	<u>238,045</u>	<u>-</u>	<u>238,045</u>
Total Assets and Deferred Outflows of Resources	<u>9,654,416</u>	<u>32,965</u>	<u>9,687,381</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	165,676		165,676
Unearned Revenue	33,051	1,390	34,441
Noncurrent Liabilities			
Due beyond one year	<u>2,827,792</u>	<u>-</u>	<u>2,827,792</u>
Total Liabilities	<u>3,026,519</u>	<u>1,390</u>	<u>3,027,909</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>578,588</u>	<u>-</u>	<u>578,588</u>
Total Deferred Inflows of Resources	<u>578,588</u>	<u>-</u>	<u>578,588</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,605,107</u>	<u>1,390</u>	<u>3,606,497</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,686,276	9,628	6,695,904
Restricted for			
Capital Projects	475,450		475,450
Maintenance Reserve	126,125		126,125
Other Purposes	223,742		223,742
Unrestricted	<u>(1,462,284)</u>	<u>21,947</u>	<u>(1,440,337)</u>
Total Net Position	<u>\$ 6,049,309</u>	<u>\$ 31,575</u>	<u>\$ 6,080,884</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, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 7,154,826	\$ 228,177	\$ 1,336,679	\$ 12,828	\$ (5,577,142)		\$ (5,577,142)
Special Education	3,656,008		1,476,586		(2,179,422)		(2,179,422)
Other Instruction	135,859				(135,859)		(135,859)
School Sponsored Activities and Athletics	209,741	82,168	26,086	9,400	(92,087)		(92,087)
Support Services							
Student and Instruction Related Services	2,514,780		387,067		(2,127,713)		(2,127,713)
General Administration Services	535,800		59,714		(476,086)		(476,086)
School Administration Services	437,864		69,252		(368,612)		(368,612)
Business/Central Services	485,851		13,584		(472,267)		(472,267)
Administrative Info Tech	96,837				(96,837)		(96,837)
Operation and Maintenance of Facilities	1,695,121	283,528	40,779	15,600	(1,355,214)		(1,355,214)
Pupil Transportation	286,508	-	79,558	-	(206,950)		(206,950)
<b>Total Governmental Activities</b>	<b>17,209,195</b>	<b>593,873</b>	<b>3,489,305</b>	<b>37,828</b>	<b>(13,088,189)</b>	<b>-</b>	<b>(13,088,189)</b>
<b>Business-Type Activities</b>							
Food Service	10,483	6,920	2,495			\$ (1,068)	(1,068)
Laptop Fund	11,408	10,198	-	-	-	(1,210)	(1,210)
Lightening Detection	14,277	-	-	-	-	(14,277)	(14,277)
<b>Total Business-Type Activities</b>	<b>36,168</b>	<b>17,118</b>	<b>2,495</b>	<b>-</b>	<b>-</b>	<b>(16,555)</b>	<b>(16,555)</b>
<b>Total Primary Government</b>	<b>\$ 17,245,363</b>	<b>\$ 610,991</b>	<b>\$ 3,491,800</b>	<b>\$ 37,828</b>	<b>(13,088,189)</b>	<b>(16,555)</b>	<b>(13,104,744)</b>
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes					13,473,770		13,473,770
State Aid - Unrestricted					2,325		2,325
Miscellaneous Revenues					179,545		179,545
<b>Total General Revenues and Other Items</b>					<b>13,655,640</b>	<b>-</b>	<b>13,655,640</b>
Change in Net Position					567,451	(16,555)	550,896
Net Position, Beginning of Year					5,481,858	48,130	5,529,988
Net Position, End of Year					<b>\$ 6,049,309</b>	<b>\$ 31,575</b>	<b>\$ 6,080,884</b>

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, 2024**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash	\$ 2,564,801	\$ 34,673	\$ 19	\$ 2,599,493
Receivables:				
Intergovernmental	31,083	86,198		117,281
Other	2,000	11,321		13,321
Due from Other Funds	<u>79,843</u>	<u>-</u>	<u>-</u>	<u>79,843</u>
 Total Assets	 <u>\$ 2,677,727</u>	 <u>\$ 132,192</u>	 <u>\$ 19</u>	 <u>\$ 2,809,938</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 6,747			\$ 6,747
Payable to State Government				-
Payroll Deductions and Withholdings	158,929			158,929
Due to Other Funds		\$ 79,843		79,843
Unearned Revenue	<u>15,375</u>	<u>17,676</u>	<u>-</u>	<u>33,051</u>
 Total Liabilities	 <u>181,051</u>	 <u>97,519</u>	 <u>-</u>	 <u>278,570</u>
Fund Balances				
Restricted Fund Balance				
Excess Surplus	924,925			924,925
Excess Surplus - Designated for				
Subsequent Year's Expenditures	505,431			505,431
Capital Reserve	475,450			475,450
Maintenance Reserve	126,125			126,125
Emergency Reserve	111,319			111,319
Debt Service			\$ 19	19
Unemployment Compensation	77,731			77,731
Student Activities		34,673		34,673
Assigned				
Year End Encumbrances	43,077			43,077
Designated for Subsequent				
Unassigned	<u>232,618</u>	<u>-</u>	<u>-</u>	<u>232,618</u>
 Total Fund Balances	 <u>2,496,676</u>	 <u>34,673</u>	 <u>19</u>	 <u>2,531,368</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,677,727</u>	 <u>\$ 132,192</u>	 <u>\$ 19</u>	 <u>\$ 2,809,938</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, 2024**

Total Fund Balances (Exhibit B-1)	\$	2,531,368
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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 \$17,705,675 and the accumulated depreciation is \$11,019,399.

6,686,276

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.

	\$	238,045	
Deferred Outflows of Resources			
Deferred Inflows of Resources		<u>(578,588)</u>	
			(340,543)

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

		(148,926)	
Compensated Absences Payable			
Net Pension Liability		<u>(2,678,866)</u>	
			<u>(2,827,792)</u>

Net position of governmental activities	\$	<u>6,049,309</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, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Tax Levy	\$ 13,473,770		-	\$ 13,473,770
Tuition	228,177			228,177
Rentals	283,528			283,528
Miscellaneous	179,545	\$ 120,757	-	300,302
				<hr/>
Total - Local Sources	14,165,020	120,757	-	14,285,777
State Sources	4,401,093	13,810	-	4,414,903
Federal Sources	-	222,329	-	222,329
				<hr/>
Total Revenues	18,566,113	356,896	-	18,923,009
				<hr/>
<b>EXPENDITURES</b>				
Current				
Regular Instruction	7,908,499	34,087		7,942,586
Special Education Instruction	3,773,955	135,002		3,908,957
Other Instruction	134,702			134,702
School-Sponsored Activities and Athletics	165,758	59,145		224,903
Support Services				
Student and Instruction Related Services	2,663,928	67,811		2,731,739
General Administration Services	565,816			565,816
School Administration Services	487,138			487,138
Central Services	544,914			544,914
Administrative Info Tech	96,837			96,837
Plant Operations and Maintenance	1,423,004			1,423,004
Pupil Transportation	282,245			282,245
Capital Outlay	4,995	37,828	-	42,823
				<hr/>
Total Expenditures	18,051,791	333,873	-	18,385,664
				<hr/>
Net Change in Fund Balances	514,322	23,023	-	537,345
Fund Balance, Beginning of Year	1,982,354	11,650	\$ 19	1,994,023
				<hr/>
Fund Balance, End of Year	\$ 2,496,676	\$ 34,673	\$ 19	\$ 2,531,368
				<hr/>

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, 2024**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 537,345**

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	\$	(363,108)	
Capital Outlay		<u>42,823</u>	
			(320,285)

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		(2,938)	
Decrease in Pension Expense		<u>353,329</u>	
			<u>350,391</u>

Change in net position of governmental activities **\$ 567,451**

**HARRINGTON PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 ENTERPRISE FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2024**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightening Detection Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Current Assets				
Cash	\$ (536)	\$ 11,191	\$ 11,798	\$ 22,453
Intergovernmental Receivable Federal	<u>884</u>	<u>-</u>	<u>-</u>	<u>884</u>
Total Current Assets	<u>348</u>	<u>11,191</u>	<u>11,798</u>	<u>23,337</u>
Capital Assets				
Equipment	20,849			20,849
Less: Accumulated Depreciation	<u>(11,221)</u>	<u>-</u>	<u>-</u>	<u>(11,221)</u>
Total Capital Assets	<u>9,628</u>	<u>-</u>	<u>-</u>	<u>9,628</u>
Total Assets	<u>9,976</u>	<u>11,191</u>	<u>11,798</u>	<u>32,965</u>
<b>LIABILITIES</b>				
Current Liabilities				
Unearned Revenue	<u>-</u>	<u>-</u>	<u>1,390</u>	<u>1,390</u>
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>1,390</u>	<u>1,390</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	9,628			9,628
Unrestricted	<u>348</u>	<u>11,191</u>	<u>10,408</u>	<u>21,947</u>
Total Net Position	<u>\$ 9,976</u>	<u>\$ 11,191</u>	<u>\$ 10,408</u>	<u>\$ 31,575</u>

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

HARRINGTON PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 ENTERPRISE FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightening Detection Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for Services				
Program Fees	\$ 6,920	\$ 10,198	-	\$ 17,118
Total Operating Revenues	<u>6,920</u>	<u>10,198</u>	<u>-</u>	<u>17,118</u>
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Payroll Taxes	3,359			3,359
Cost of Sales	6,056			6,056
Maintenance & Repairs		363	\$ 14,277	14,640
Supplies		11,045		11,045
Depreciation	<u>1,068</u>	<u>-</u>	<u>-</u>	<u>1,068</u>
Total Operating Expenses	<u>10,483</u>	<u>11,408</u>	<u>14,277</u>	<u>36,168</u>
Operating (Loss)	<u>(3,563)</u>	<u>(1,210)</u>	<u>(14,277)</u>	<u>(19,050)</u>
<b>NONOPERATING REVENUES</b>				
Federal Sources				
Special Milk Program	<u>2,495</u>	<u>-</u>	<u>-</u>	<u>2,495</u>
Total Nonoperating Revenues	<u>2,495</u>	<u>-</u>	<u>-</u>	<u>2,495</u>
Change in Net Assets	(1,068)	(1,210)	(14,277)	(16,555)
Net Position, Beginning of Year	<u>11,044</u>	<u>12,401</u>	<u>24,685</u>	<u>48,130</u>
Net Position, End of Year	<u>\$ 9,976</u>	<u>\$ 11,191</u>	<u>\$ 10,408</u>	<u>\$ 31,575</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, 2024**

	<u>Special Milk Program</u>	<u>Laptop Program</u>	<u>Lightening Detection Fund</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 6,920	\$ 10,198	\$ 1,390	\$ 18,508
Cash Payments to Suppliers for Salaries and Wages, and Benefits	(3,359)	-	-	(3,359)
Cash Payments to Suppliers for Goods and Services	(6,056)	(11,408)	(14,277)	(31,741)
Net Cash Provided by (Used for) Operating Activities	(2,495)	(1,210)	(12,887)	(16,592)
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from State and Federal Subsidy Reimbursements	1,829	-	-	1,829
Net Cash Provided by Noncapital Financing Activities	1,829	-	-	1,829
Net (Decrease) in Cash and Cash Equivalents	(666)	(1,210)	(12,887)	(14,763)
Cash and Cash Equivalents, Beginning of Year	130	12,401	24,685	37,216
Cash and Cash Equivalents, End of Year	\$ (536)	\$ 11,191	\$ 11,798	\$ 22,453
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating (Loss)	\$ (3,563)	\$ (1,210)	\$ (14,277)	\$ (19,050)
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	-	-	1,390	1,390
Total Adjustments	1,068	-	1,390	2,458
Net Cash Provided by (Used for) Operating Activities	\$ (2,495)	\$ (1,210)	\$ (12,887)	\$ (16,592)

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, 2024**

**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 2024, the District adopted the following GASB statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

- GASB Statement No. 102, *Certain Risk Disclosures*, will be 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.
- 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.

**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, 2024**

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

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

**Reclassifications**

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

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

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



**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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.

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**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, 2024**

**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, 2024**

**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, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 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, 2023 audited excess surplus that was appropriated in the 2024/2025 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, 2024**

**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 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**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 2022-2023 and 2023-2024 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.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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.

**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.

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 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$163,919 and the special revenue fund by \$191,197. 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, 2024**

**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, 2024 is as follows:

Balance, July 1, 2023		\$ 300,400
Increased by		
Interest Earnings	\$ 50	
Deposits Approved by Board Resolution	<u>175,000</u>	
Total Increases		<u>175,050</u>
Decreased by:		
Withdrawals Approved in District Budget		<u>-</u>
Balance, June 30, 2024		<u>\$ 475,450</u>

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2024 is as follows:

Balance, July 1, 2023	\$ 126,000
Increased by	
Interest Earnings	<u>125</u>
Balance, June 30, 2024	<u>\$ 126,125</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$533,218. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**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, 2024 is as follows:

Balance, July 1, 2023	\$ 111,144
Increased by	
Interest Earnings	<u>175</u>
Balance, June 30, 2024	<u>\$ 111,319</u>



**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2024 is \$1,430,356. Of this amount, \$505,431 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$924,925 will be appropriated in the 2025/2026 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, 2024, the book value of the Board's deposits was \$2,621,946 and bank and brokerage firm balances of the Board's deposits amounted to \$3,371,982. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

**Depository Account**

Insured	\$ 3,149,189
Uninsured and Collateralized	<u>222,793</u>
	<u>\$ 3,371,982</u>

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2024 the Board's bank balance of \$222,793 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

\$ 222,793

**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, 2024, 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, 2024**

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

**B. Receivables**

Receivables as of June 30, 2024 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>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 86,198	\$ 884	\$ 87,082
State	\$ 31,083			31,083
Local	2,000	11,321	-	13,321
Gross Receivables	33,083	97,519	884	131,486
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 33,083</u>	<u>\$ 97,519</u>	<u>\$ 884</u>	<u>\$ 131,486</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	\$ 15,375
Special Revenue Fund	
Unencumbered Grant Draw Downs	3,959
Grant Draw Downs for Year-End Encumbrances	13,717
Total Unearned Revenue for Governmental Funds	<u>\$ 33,051</u>

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2024</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 504,400			\$ 504,400
Construction in Progress	62,000	-	-	62,000
Total Capital Assets, Not Being Depreciated	566,400	-	-	566,400
Capital Assets, Being Depreciated:				
Land Improvements	265,111			265,111
Buildings & Building Improvements	15,984,484		\$ (37,893)	15,946,591
Machinery and Equipment	846,857	\$ 42,823	37,893	927,573
Total Capital Assets Being Depreciated	17,096,452	42,823	-	17,139,275
Less Accumulated Depreciation for:				
Land Improvements	(6,567)	(8,837)		(15,404)
Buildings & Building Improvements	(10,058,520)	(300,375)		(10,358,895)
Machinery and Equipment	(591,204)	(53,896)	-	(645,100)
Total Accumulated Depreciation	(10,656,291)	(363,108)	-	(11,019,399)
Total Capital Assets, Being Depreciated, Net	6,440,161	(320,285)	-	6,119,876
Governmental Activities Capital Assets, Net	<u>\$ 7,006,561</u>	<u>\$ (320,285)</u>	<u>\$ -</u>	<u>\$ 6,686,276</u>

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Assets (Continued)**

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
<b>Business-Type Activities:</b>				
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	(10,153)	\$ (1,068)	-	(11,221)
Total Accumulated Depreciation	<u>(10,153)</u>	<u>(1,068)</u>	<u>-</u>	<u>(11,221)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,696</u>	<u>(1,068)</u>	<u>-</u>	<u>9,628</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,696</u>	<u>\$ (1,068)</u>	<u>\$ -</u>	<u>\$ 9,628</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 14,655
Special Education	743
Other Instruction	1,157
School-Sponsored/Activities and Athletics	<u>908</u>
Total Instruction	<u>17,463</u>
Support Services	
Student and Instruction Related Services	3,768
General Administrative Services	16,150
School Administrative Services	251
Plant Operations and Maintenance	321,213
Pupil Transportation	<u>4,263</u>
Total Support Services	<u>345,645</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 363,108</u>
<b>Business-Type Activities:</b>	
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, 2024**

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

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

The composition of interfund balances as of June 30, 2024, 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>\$ 79,843</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, 2024 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 35,554,580
Less: Net Debt Issued and Authorized But Not Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 35,554,580</u>

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 145,988	\$ 2,938		\$ 148,926	
Net Pension Liability	<u>2,611,870</u>	<u>314,186</u>	<u>\$ 247,190</u>	<u>2,678,866</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 2,757,858</u>	<u>\$ 317,124</u>	<u>\$ 247,190</u>	<u>\$ 2,827,792</u>	<u>\$ -</u>

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, 2024**

**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.

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 Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 13,671	\$ 5,953	\$ 77,731
2023	14,128		77,731
2022	12,143	29,760	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, 2024, 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, 2024**

**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.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

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

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

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



**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon 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 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.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the July 1, 2022 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 2024.

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, 2024 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 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 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>
2024	\$	247,190	\$	2,170,709	\$ 2,859
2023		218,250		2,085,632	3,986
2022		232,110		2,001,228	4,015

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$685, \$665 and \$543, 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 \$441,836 during the fiscal year ended June 30, 2024 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, 2022 through June 30, 2023. 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 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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$2,678,866 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the District's proportionate share was .01850 percent, which was an increase of .00119 percent from its proportionate share measured as of June 30, 2022 of .01731 percent.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$106,139 for PERS. The pension contribution made by the District during the current 2023/2024 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 25,613	\$ 10,950
Changes of Assumptions	5,885	162,351
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,337	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>194,210</u>	<u>405,287</u>
Total	<u>\$ 238,045</u>	<u>\$ 578,588</u>

At June 30, 2024, 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:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2025	\$ (236,515)
2026	(169,955)
2027	56,297
2028	6,902
2029	2,728
Thereafter	<u>-</u>
	<u>\$ (340,543)</u>

HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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, 2024**

**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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

**HARRINGTON PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00 percent, 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 <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>3,487,314</u>	\$ <u>2,678,866</u>	\$ <u>1,990,770</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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



**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2022 through June 30, 2023. 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, 2023, 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$630,868 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$25,679,387. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .05032 percent, which was an increase of .00238 percent from its proportionate share measured as of June 30, 2022 of .04794 percent.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	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, 2022 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, 2024**

**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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. 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, 2024**

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

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 30,280,657</u>	<u>\$ 25,679,387</u>	<u>\$ 21,804,024</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**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, 2023. 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, 2024**

**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.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</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, 2023 is \$52.4 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, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

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, 2024, 2023 and 2022 were \$590,788, \$547,891 and \$467,568, 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, 2022 through June 30, 2023. 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$984,266. 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, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$23,501,140. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .04488 percent, which was an increase of .00162 percent from its proportionate share measured as of June 30, 2022 of .04326 percent.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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% Based on Years of Service	2.75% to 4.25% Based on Years of Service

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

The actuarial assumptions used in the June 30, 2022 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 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2023 was 3.65%. 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, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 21,909,027
Changes Recognized for the Fiscal Year:	
Service Cost	981,506
Interest on the Total OPEB Liability	827,681
Differences Between Expected and Actual Experience	359,537
Changes of Assumptions	47,369
Gross Benefit Payments	(645,191)
Contributions from the Member	21,211
Net Changes	\$ 1,592,113
Balance, June 30, 2023 Measurement Date	\$ 23,501,140

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.



**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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 calculated using the discount rate of 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	<b>1% Decrease <u>(2.65%)</u></b>	<b>Current Discount Rate <u>(3.65%)</u></b>	<b>1% Increase <u>(4.65%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 27,551,052</u>	<u>\$ 23,501,140</u>	<u>\$ 20,249,531</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 19,509,569</u>	<u>\$ 23,501,140</u>	<u>\$ 28,724,120</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

**HARRINGTON PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS (Continued)**

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$1,062,807 in federal aid to address the effects of the COVID-19 pandemic.

**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, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 13,473,770		\$ 13,473,770	\$ 13,473,770	
Tuition from Individuals	150,000	\$ 56,768	206,768	228,177	\$ 21,409
Rentals	283,528	-	283,528	283,528	-
Interest	350	-	350	67,967	67,617
Unrestricted Miscellaneous Revenues	129,076	-	129,076	111,578	(17,498)
Total Local Sources	14,036,724	56,768	14,093,492	14,165,020	71,528
State Sources					
Special Education Aid	664,302		664,302	664,302	
Transportation Aid	75,414		75,414	75,414	
Equalization Aid	2,317		2,317	2,317	
Security Aid	24,352		24,352	24,352	
Extraordinary Aid				242,900	242,900
Non Public Transportation Aid				3,882	3,882
On-behalf TPAF Pension System Payments(Non-Budget)					
Normal Cost				2,146,232	2,146,232
NCGI				24,477	24,477
Long Term Disability Insurance				685	685
Post Retirement Medical Contribution				590,788	590,788
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	441,836	441,836
Total State Sources	766,385	-	766,385	4,217,185	3,450,800
Total Revenues	14,803,109	56,768	14,859,877	18,382,205	3,522,328
<b>EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	65,930	-	65,930	65,930	-
Kindergarten	545,092	(81,725)	463,367	458,054	5,313
Grades 1-5	2,284,510	96,281	2,380,791	2,380,791	-
Grades 6-8	1,439,868	(8,716)	1,431,152	1,386,558	44,594
Regular Programs - Undistributed Instruction					
Salaries of Teachers		456	456	304	152
Purchased Professional-Educational Services	37,306	(6,633)	30,673	30,673	-
Other Purchased Services	87,837	1,183	89,020	88,909	111
General Supplies	88,000	30,591	118,591	105,331	13,260
Textbooks	35,000	(10,428)	24,572	22,134	2,438
Total Regular Programs	4,583,543	21,009	4,604,552	4,538,684	65,868
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	632,107	(1,736)	630,371	610,295	20,076
Other Salaries for Instruction	748,724	(49,242)	699,482	681,058	18,424
Purchased Professional Educational Services	1,000	(955)	45		45
General Supplies	2,500	-	2,500	2,142	358
Textbooks	-	-	-	-	-
Total Resource Room/Resource Center	1,384,331	(51,933)	1,332,398	1,293,495	38,903

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Home Instruction					
Salaries of Teachers		\$ 2,536	\$ 2,536	\$ 2,536	
Purchased Professional Educational Services	\$ 6,000	(2,124)	3,876	3,876	-
Total Home Instruction	6,000	412	6,412	6,412	-
Total Special Education	1,390,331	(51,521)	1,338,810	1,299,907	\$ 38,903
Basic Skills/Remedial - Instruction					
General Supplies	-	432	432	420	12
Total Basic Skills/Remedial - Instruction	-	432	432	420	12
Bilingual Education - Instruction					
Salaries of Teachers	103,679	850	104,529	104,529	-
Other Purchased Services	-	250	250	213	37
General Supplies	2,500	909	3,409	3,409	-
Total Bilingual Education - Instruction	106,179	2,009	108,188	108,151	37
School Sponsored Co/Extra Curricular Activities					
Salaries	70,022	212	70,234	50,172	20,062
Purchased Services	3,000	(1,233)	1,767	1,558	209
Supplies and Materials	500	395	895	895	-
Total School Sponsored Co/Extra Curricular Activities	73,522	(626)	72,896	52,625	20,271
School Sponsored Athletics					
Salaries	34,895	874	35,769	35,769	-
Purchased Services	4,500	3,640	8,140	8,140	-
Supplies and Materials	4,000	(352)	3,648	3,648	-
Total School Sponsored Athletics	43,395	4,162	47,557	47,557	-
Total Instruction	6,196,970	(24,535)	6,172,435	6,047,344	125,091
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	1,433,930	15,143	1,449,073	1,309,137	139,936
Tuition to CSSD & Reg Day	-	66,413	66,413	66,413	-
Tuition to Private School for the Disabled w/ in State	372,780	(194,640)	178,140	169,742	8,398
Tuition - Other	48,000	47,377	95,377	95,377	-
Total Undistributed Expenditures - Instruction	1,854,710	(65,707)	1,789,003	1,640,669	148,334
Attendance and Social Work					
Salaries	59,533	9,889	69,422	69,422	-
Total Attendance and Social Work	59,533	9,889	69,422	69,422	-
Health Services					
Salaries	141,310	-	141,310	140,810	500
Purchased Professional and Technical Services	5,306	225	5,531	5,531	-
Other Purchased Services	-	-	-	-	-
Supplies and Materials	5,000	(679)	4,321	4,062	259
Total Health Services	151,616	(454)	151,162	150,403	759

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Speech, OT, PT & Related Services					
Salaries	\$ 238,396		\$ 238,396	\$ 233,630	\$ 4,766
Purchased Professional-Educational Services	147,247	\$ 21,043	168,290	149,130	19,160
Supplies and Materials	1,500	(202)	1,298	1,274	24
Total Speech, OT, PT & Related Services	387,143	20,841	407,984	384,034	23,950
Guidance					
Salaries of Other Professional Staff	142,510	1,751	144,261	144,261	-
Salaries of Secretarial and Clerical Assistants	20,484	-	20,484	20,204	280
Purchased Professional and Technical Services	130,000	3,900	133,900	133,900	-
Other Purchased Services	500	(500)			-
Supplies and Materials	500	(370)	130	130	-
Total Guidance	293,994	4,781	298,775	298,495	280
Child Study Teams					
Salaries of Other Professional Staff	344,704	422	345,126	345,126	-
Salaries of Secretarial and Clerical Assistants	42,725	-	42,725	31,673	11,052
Other Salaries		7,573	7,573	7,573	-
Purchased Professional-Educational Services	65,000	4,038	69,038	69,038	-
Other Purchased Services	3,000	4,615	7,615	7,611	4
Supplies and Materials	4,000	5,036	9,036	7,247	1,789
Total Child Study Teams	459,429	21,684	481,113	468,268	12,845
Improvement of Inst. Serv.					
Salaries of Other Professional Staff	102,800	2,980	105,780	105,780	-
Total Improvement of Inst. Serv.	102,800	2,980	105,780	105,780	-
Educational Media Services/School Library					
Salaries	91,780	-	91,780	91,780	-
Purchased Professional and Technical Services	130,080	-	130,080	130,072	8
Other Purchased Services	15,841	(3,149)	12,692	11,823	869
Supplies and Materials	20,832	3,014	23,846	22,658	1,188
Total Educational Media Serv./School Library	258,533	(135)	258,398	256,333	2,065
Instructional Staff Training Services					
Salaries of Other Professional Staff		304	304	304	-
Purchased Professional - Educational Services	57,500	(2,731)	54,769	54,769	-
Other Purchased Services	3,500	-	3,500	1,432	2,068
Other Objects	250	(62)	188	-	188
Total Instructional Staff Training Services	61,250	(2,489)	58,761	56,505	2,256

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Support Services General Administration					
Salaries	\$ 275,582	\$ (24,739)	\$ 250,843	\$ 250,843	
Legal Services	16,000	2,758	18,758	18,758	
Audit	25,000	27,282	52,282	25,782	\$ 26,500
Architectural/Engineering Services	15,000	(7,234)	7,766		7,766
Other Purchased Professional Services	5,500	1,575	7,075	7,075	-
Communications/Telephone	30,000	1,875	31,875	26,185	5,690
BOE Other Purchased Services	2,000	894	2,894	2,723	171
Miscellaneous Purchased Services	10,622	755	11,377	7,802	3,575
General Supplies	1,000	-	1,000	490	510
Miscellaneous Expenditures	9,500	3,108	12,608	12,608	-
BOE Membership Dues and Fees	9,000	8,371	17,371	15,841	1,530
Total Support Services General Administration	399,204	14,645	413,849	368,107	45,742
Support Services School Administration					
Salaries of Principal/Asst. Principals	222,657	478	223,135	220,602	2,533
Salaries of Secretarial and Clerical Assistants	46,863	280	47,143	47,143	-
Other Purchased Services	7,500	(308)	7,192	6,706	486
Supplies and Materials	9,000	3,304	12,304	9,873	2,431
Other Objects	6,300	1,963	8,263	8,146	117
Total Support Services School Administration	292,320	5,717	298,037	292,470	5,567
Central Services					
Salaries	282,235	54,217	336,452	336,452	-
Miscellaneous Purchased Services	15,000	3,258	18,258	16,558	1,700
Supplies and Materials	3,500	(1,767)	1,733	1,733	-
Miscellaneous Expenditures	2,500	(322)	2,178	2,178	-
Total Central Services	303,235	55,386	358,621	356,921	1,700
Admin. Info. Tech.					
Purchased Technical Serv.	57,934	(6,629)	51,305	47,678	3,627
Supplies and Materials	53,073	(3,914)	49,159	49,159	-
Total Admin. Info. Tech.	111,007	(10,543)	100,464	96,837	3,627
Required Maintenance for School Facilities					
Salaries	140,545	8,600	149,145	149,145	-
Cleaning, Repair and Maintenance	125,000	14,483	139,483	139,483	-
Other Purchased Services	-	600	600	600	-
General Supplies	10,000	(4,740)	5,260	5,260	-
Other Objects	900	-	900	845	55
Total Required Maintenance for School Fac.	276,445	18,943	295,388	295,333	55

**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 144,268	\$ (13,741)	\$ 130,527	\$ 130,527	
Salaries of Non-Instructional Aides	90,300	7,721	98,021	98,021	
Cleaning, Repair and Maint. Serv.	199,672	14,604	214,276	214,276	
Other Purchased Property Services	70,580	3,754	74,334	74,334	
Insurance	171,843	20,230	192,073	192,073	
General Supplies	40,000	7,392	47,392	47,288	\$ 104
Energy (Natural Gas)	45,000	(7,839)	37,161	37,161	-
Energy (Electricity)	125,000	51,177	176,177	176,177	-
Other Objects	2,000	(396)	1,604	1,547	57
Total Custodial Services	888,663	82,902	971,565	971,404	161
Student Transportation Services					
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	4,000	4,155	8,155	7,572	583
Contracted Services (Between Home and School)- Vendors	4,500	-	4,500	4,016	484
Contracted Services (Other than Between Home and School)-Vendors	17,500	13,824	31,324	25,824	5,500
Contracted Services (Between Home and School)- Joint Agreements	500	5,894	6,394	6,394	-
Contracted Services (Sp. Ed. Students) Joint Agreements	320,000	(44,357)	275,643	237,164	38,479
Lease Purchase Payments - School Buses	-	-	-	-	-
Misc. Purchased Services - Transportation	-	1,750	1,750	1,275	475
Total Student Transportation Services	346,500	(18,734)	327,766	282,245	45,521
Unallocated Benefits - Employee Benefits					
Social Security Contributions	160,000	49,487	209,487	203,011	6,476
Other Retirement Contributions -PERS	239,027	8,163	247,190	247,190	-
Other Retirement Contributions - Regular	4,500	(1,500)	3,000	2,859	141
Unemployment Compensation	10,000	(5,244)	4,756	-	4,756
Workmen's Compensation	57,360	(13,117)	44,243	44,243	-
Health Benefits	2,324,329	(72,782)	2,251,547	2,077,738	173,809
Tuition Reimbursement	10,000	(1,000)	9,000	9,000	-
Other Employee Benefits	55,847	28,050	83,897	72,647	11,250
Total Unallocated Benefits - Employee Benefits	2,861,063	(7,943)	2,853,120	2,656,688	196,432
On-behalf TPAF Pension System Payments(Non-Budget)					
Normal Cost				2,146,232	(2,146,232)
NCGI				24,477	(24,477)
Long Term Disability Insurance				685	(685)
Post Retirement Medical Contribution				590,788	(590,788)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	441,836	(441,836)
Total Undistributed Expenditures	9,107,445	131,763	9,239,208	11,953,932	(2,714,724)
Interest - Earned on Maintenance Reserve	125	-	125	-	125
Interest - Earned on Emergency Reserve	175	-	175	-	175
	300	-	300	-	300
Total Expenditures - Current Expenditures	15,304,715	107,228	15,411,943	18,001,276	(2,589,333)



**HARRINGTON PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>EXPENDITURES</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget To Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>CAPITAL OUTLAY</b>					
Equipment					
Required Maintenance for School Facilities	-	\$ 4,995	\$ 4,995	\$ 4,995	-
Total Equipment	-	4,995	4,995	4,995	-
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	19,439	4,995	24,434	24,384	50
Special Schools					
Summer School - Instruction					
Salaries of Teachers		49,405	49,405	23,840	25,565
General Supplies	-	2,291	2,291	2,291	-
Total Summer School - Instruction	-	51,696	51,696	26,131	25,565
Total Expenditures	15,324,154	163,919	15,488,073	18,051,791	(2,563,718)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(521,045)	(107,151)	(628,196)	330,414	958,610
Fund Balance, Beginning of Year	2,477,381	-	2,477,381	2,477,381	-
Fund Balance, End of Year	\$ 1,956,336	\$ (107,151)	\$ 1,849,185	\$ 2,807,795	\$ 958,610
<b>Recapitulation of Fund Balance</b>					
Restricted Fund Balance					
Excess Surplus				\$ 924,925	
Excess Surplus - Designated for Subsequent Year's Expenditures				505,431	
Capital Reserve				475,450	
Maintenance Reserve				126,125	
Emergency Reserve				111,319	
Unemployment Compensation				77,731	
Assigned					
Year Encumbrances				43,077	
Unassigned				543,737	
Reconciliation to Governmental Funds Statements (GAAP):				2,807,795	
Less: State Aid Payments Not Recognized on GAAP Basis				(311,119)	
Fund Balance Per Governmental Funds (GAAP)				\$ 2,496,676	

**HARRINGTON PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 13,810	-	\$ 13,810	\$ 13,810	
Federal	234,195	\$ 99,301	333,496	223,971	\$ (109,525)
Other	<u>20,600</u>	<u>91,896</u>	<u>112,496</u>	<u>111,357</u>	<u>(1,139)</u>
Total Revenues	<u>268,605</u>	<u>191,197</u>	<u>459,802</u>	<u>349,138</u>	<u>(110,664)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	-	18,037	18,037	18,037	-
Purchased Professional Technical Services	15,000	-	15,000		15,000
Tuition	135,002	-	135,002	135,002	-
General Supplies	77,071	3,255	80,326	15,310	65,016
School Sponsored Co-Curricular	<u>-</u>	<u>82,168</u>	<u>82,168</u>	<u>59,145</u>	<u>23,023</u>
Total Instruction	<u>227,073</u>	<u>103,460</u>	<u>330,533</u>	<u>227,494</u>	<u>103,039</u>
Support Services					
Salaries	-	8,400	8,400	8,400	-
Purchased Professional and Technical Services	-	26,550	26,550	26,000	550
Other Purchased Services	20,932	-	20,932	20,932	-
General Supplies	<u>16,000</u>	<u>-</u>	<u>16,000</u>	<u>14,861</u>	<u>1,139</u>
Total Support Services	<u>36,932</u>	<u>34,950</u>	<u>71,882</u>	<u>70,193</u>	<u>1,689</u>
Facilities and Construction Services					
Buildings		44,559	44,559	15,600	28,959
Non-Instructional Equipment	<u>4,600</u>	<u>8,228</u>	<u>12,828</u>	<u>12,828</u>	<u>-</u>
Total Facilities and Construction Services	<u>4,600</u>	<u>52,787</u>	<u>57,387</u>	<u>28,428</u>	<u>28,959</u>
Total Expenditures	<u>268,605</u>	<u>191,197</u>	<u>459,802</u>	<u>326,115</u>	<u>133,687</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,023</u>	<u>23,023</u>
Fund Balances, Beginning of Year	<u>11,650</u>	<u>-</u>	<u>11,650</u>	<u>11,650</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 11,650</u>	<u>\$ -</u>	<u>\$ 11,650</u>	<u>\$ 34,673</u>	<u>\$ 23,023</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, 2024**

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.

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (Exhibits C-1, C-2)	\$ 18,382,205	\$ 349,138
<b>Difference - budget to GAAP:</b>		
State Aid payments not recognized for budgetary purposes, recognized for GAAP purposes, 2022/2023 State Aid	495,027	
State Aid payments recognized for budgetary purposes, not recognized for GAAP purposes, 2023/2024 State Aid	(311,119)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, Prior Year		21,475
Encumbrances, Current Year	-	(13,717)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 18,566,113</u>	<u>\$ 356,896</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules ( Exhibit C-1, C-2)	\$ 18,051,791	\$ 326,115
<b>Differences - budget to GAAP</b>		
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	-	21,475
Encumbrances, Current Year	-	(13,717)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 18,051,791</u>	<u>\$ 333,873</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>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>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.01850%	0.01731%	0.01982%	0.02100%	0.02030%	0.02141%	0.01964%	0.01968%	0.01781%	0.01779%
District's Proportionate Share of the Net Pension Liability (Asset)	<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>	<u>\$ 3,330,066</u>
District's Covered Payroll	<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>	<u>\$ 1,186,541</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	195.17%	196.34%	185.50%	225.22%	245.73%	296.47%	323.47%	435.66%	303.33%	280.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

\* 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>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>	<u>2015</u>
Contractually Required Contribution	\$ 247,190	\$ 218,250	\$ 232,110	\$ 231,253	\$ 197,505	\$ 212,980	\$ 181,951	\$ 174,810	\$ 153,154	\$ 146,783
Contributions in Relation to the Contractually Required Contribution	<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>	<u>146,783</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>\$ 1,368,401</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>
Contributions as a Percentage of Covered Payroll	18.06%	15.90%	17.45%	18.27%	12.99%	14.31%	12.80%	12.37%	11.45%	11.13%

**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>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>	<u>2015</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>\$ 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>	<u>\$ 24,817,038</u>
Total	<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>	<u>\$ 24,817,038</u>
District's Covered Payroll	<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>	<u>\$ 4,934,879</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	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

\* 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, 2024**

**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 Six Fiscal Years\***

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

**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, 2024**

	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>ESSER III</u>	<u>ARP Accel. Learning</u>	<u>Summer Learning</u>	<u>SDA Emergency Needs</u>	<u>Other Programs</u>	<u>E-Sports/ Student Activities</u>	<u>2024</u>
<b>REVENUES</b>									
Intergovernmental									
State						\$ 13,810			\$ 13,810
Federal	\$ 143,932	\$ 12,002	\$ 15,600	\$ 23,000	\$ 29,437				223,971
Other	-	-	-	-	-	-	\$ 29,189	\$ 82,168	111,357
Total Revenues	143,932	12,002	15,600	23,000	29,437	13,810	29,189	82,168	349,138
<b>EXPENDITURES</b>									
Instruction									
Salaries					18,037				18,037
Tuition	123,000	12,002							135,002
General Supplies						13,810	1,500		15,310
School Sponsored Co-Curricular	-	-	-	-	-	-	-	59,145	59,145
Total Instruction	123,000	12,002	-	-	18,037	13,810	1,500	59,145	227,494
Support Services									
Salaries				8,400					8,400
Purchased Professional Technical Services				14,600	11,400				26,000
Other Purchased Services	20,932								20,932
General Supplies	-	-	-	-	-	-	14,861	-	14,861
Total Support Services	20,932	-	-	23,000	11,400	-	14,861	-	70,193
Facilities and Construction Services									
Buildings			15,600						15,600
Non-Instructional Equipment	-	-	-	-	-	-	12,828	-	12,828
Total Facilities and Constructions Svcs	-	-	15,600	-	-	-	12,828	-	28,428
Total Expenditures	143,932	12,002	15,600	23,000	29,437	13,810	29,189	59,145	326,115
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	23,023	23,023
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	11,650	11,650
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,673	\$ 34,673

**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, 2024**

**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, 2024**

**NOT APPLICABLE**

**ENTERPRISE FUND**

**EXHIBIT G-1**

**HARRINGTON PARK BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

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, 2024**

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, 2024**

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, 2024**

**NOT APPLICABLE**

**HARRINGTON PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOT APPLICABLE**

**HARRINGTON PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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



## 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)*

	2015	2016	2017	2018	Fiscal Year Ended June 30		2021 (2)	2022	2023	2024
					2019	2020 (1)				
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 5,064,058	\$ 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
Restricted	558,360	177,582	177,707	177,883	178,077	273,401	423,586	566,945	515,800	825,317
Unrestricted	(2,032,786)	(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)
<b>Total Governmental Activities Net Position</b>	<b>\$ 3,589,632</b>	<b>\$ 3,669,890</b>	<b>\$ 3,053,202</b>	<b>\$ 2,951,161</b>	<b>\$ 2,919,931</b>	<b>\$ 3,139,715</b>	<b>\$ 3,561,924</b>	<b>\$ 4,416,849</b>	<b>\$ 5,481,858</b>	<b>\$ 6,049,309</b>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 2,349	\$ 1,908	\$ 9,129	\$ 15,865	\$ 21,208	\$ 19,709	\$ 17,985	\$ 11,764	\$ 10,696	\$ 9,628
Unrestricted	3,253	9,532	7,124	9,997	1,488	18,318	22,109	22,781	37,434	21,947
<b>Total Business-Type Activities Net Position</b>	<b>\$ 5,602</b>	<b>\$ 11,440</b>	<b>\$ 16,253</b>	<b>\$ 25,862</b>	<b>\$ 22,696</b>	<b>\$ 38,027</b>	<b>\$ 40,094</b>	<b>\$ 34,545</b>	<b>\$ 48,130</b>	<b>\$ 31,575</b>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 5,066,407	\$ 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
Restricted	558,360	177,582	177,707	177,883	178,077	273,401	423,586	566,945	515,800	825,317
Unrestricted	(2,029,533)	(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)
<b>Total District Net Position</b>	<b>\$ 3,595,234</b>	<b>\$ 3,681,330</b>	<b>\$ 3,069,455</b>	<b>\$ 2,977,023</b>	<b>\$ 2,942,627</b>	<b>\$ 3,177,742</b>	<b>\$ 3,602,018</b>	<b>\$ 4,451,394</b>	<b>\$ 5,529,988</b>	<b>\$ 6,080,884</b>

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)*

	2015	2016	2017	2018	Fiscal Year Ended June 30		2021	2022	2023	2024
					2019	2020				
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 5,712,168	\$ 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
Special education	3,266,950	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
Other special education										
Other instruction	131,207	118,783	199,831	208,117	217,300	251,823	98,039	206,864	220,010	135,859
School Sponsored Activities and Athletics	144,791	147,668	167,867	141,065	157,392	123,544	89,057	187,198	201,674	209,741
Support Services:										
Tuition										
Student & instruction related services	1,744,656	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
General administration services	496,322	489,569	509,829	568,788	584,760	632,311	703,280	666,308	548,510	535,800
School Administrative services	338,671	395,522	425,910	444,560	439,915	434,117	458,435	420,019	445,739	437,864
Central Services	321,499	337,395	402,902	439,495	445,322	427,850	539,741	416,521	401,696	485,851
Administrative Information Technology	46,408	21,130	69,840	52,424	37,010	54,562	109,058	73,952	66,783	96,837
Operation and maintenance of Facilities	1,283,846	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
Pupil transportation	89,243	104,020	168,198	232,525	206,051	156,592	179,336	340,610	462,147	286,508
Interest On Long-Term Debt	107,136	91,444	90,572	13,712	33,242	25,000	16,163	9,352	3,580	-
Total Governmental Activities Expenses	13,682,897	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
Business-Type Activities:										
Special Milk Fund				10,904	15,959	12,768	1,724	16,615	10,946	10,483
Laptop Fund	20,465	15,313	14,433	6,460	10,737	4,275	6,731	16,210	2,426	11,408
Lightening Detection						8,760	10,621	13,818	13,111	14,277
Total Business-Type Activities Expense	20,465	15,313	14,433	17,364	26,696	17,043	19,076	46,643	26,483	36,168
Total District Expenses	\$ 13,703,362	\$ 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
<b>Program Revenues</b>										
Governmental Activities:										
Charges For Services:										
Instruction - Regular	\$ 31,603	\$ 46,077	\$ 41,372	\$ 120,290	\$ 197,349	\$ 141,952	\$ 82,650	\$ 169,130	\$ 197,429	\$ 228,177
Instruction - Special					9,000			-	-	-
School Sponsored Activities and Athletics							4,900	47,514	54,358	82,168
Support - Operation & Maintenance of Facilities			240,000	264,000	264,000	264,000	268,752	348,590	301,315	283,528
Operating Grants And Contributions	2,814,871	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
Capital Grants And Contributions	77,760	148,240	-	-	13,566	-	-	6,820	99,118	37,828
Total Governmental Activities Program Revenues	2,924,234	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
Business-Type Activities:										
Charges For Services										
Special Milk Fund	12,673	14,045	13,932	12,011	10,805	8,456		7,484	6,501	6,920
Laptop Fund				10,150	8,220	9,343	9,593	11,269	10,665	10,198
Lightening Detection						12,460	11,550	19,110	19,525	-
Operating Grants And Contributions	7,301	7,106	5,314	4,812	4,505	2,525	-	3,231	3,377	2,495
Total Business Type Activities Program Revenues	19,974	21,151	19,246	26,973	23,530	32,784	21,143	41,094	40,068	19,613
Total District Program Revenues	\$ 2,944,208	\$ 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
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (10,758,663)	\$ (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)
Business-Type Activities	(491)	5,838	4,813	9,609	(3,166)	15,741	2,067	(5,549)	13,585	(16,555)
Total District-Wide Net Expense	\$ (10,759,154)	\$ (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)
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 10,511,796	\$ 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
Taxes Levied For Debt Service	398,722	402,586	400,358	384,291	159,467	165,079	184,131	193,006	204,957	-
Federal And State Aid - Unrestricted	27,218	29,419	31,547	37,012	70,368	81,876	97,173	98,760	104,350	2,325
Investment Earnings										
Miscellaneous Income	162,992	136,252	172,988	291,299	205,183	167,622	5,871	73,098	94,705	179,545
Gain on Disposal of Capital Assets			3,616					-	-	-
Total Governmental Activities	11,100,728	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
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District-Wide	\$ 11,100,728	\$ 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
<b>Change In Net Position</b>										
Governmental Activities	\$ 342,065	\$ 80,258	\$ (616,688)	\$ (102,041)	\$ (31,230)	\$ 124,634	\$ 382,081	\$ 854,925	\$ 1,065,009	\$ 567,451
Business-Type Activities	(491)	5,838	4,813	9,609	(3,166)	15,741	2,067	(5,549)	13,585	(16,555)
Total District	\$ 341,574	\$ 86,096	\$ (611,875)	\$ (92,432)	\$ (34,396)	\$ 140,375	\$ 384,148	\$ 849,376	\$ 1,078,594	\$ 550,896

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)*

	2015	2016	2017	2018	Fiscal Year Ended June 30		2021	2022	2023	2024
					2019	2020				
General Fund										
Restricted	\$ 1,421,420	\$ 891,291	\$ 759,515	\$ 922,399	\$ 1,001,640	\$ 1,066,985	\$ 947,281	\$ 1,021,534	\$ 1,361,919	\$ 2,220,981
Committed										
Assigned	337,486	335,121	305,250	76,772	106,785	119,409	66,218	321,506	386,983	43,077
Unassigned	224,304	224,359	82,824	87,083	61,300	52,010	500,628	510,379	233,452	232,618
Total General Fund	<u>\$ 1,983,210</u>	<u>\$ 1,450,771</u>	<u>\$ 1,147,589</u>	<u>\$ 1,086,254</u>	<u>\$ 1,169,725</u>	<u>\$ 1,238,404</u>	<u>\$ 1,514,127</u>	<u>\$ 1,853,419</u>	<u>\$ 1,982,354</u>	<u>\$ 2,496,676</u>
All Other Governmental Funds										
Restricted	\$ (116,641)	\$ 2,357	\$ 2,357	\$ 2,358	\$ 2,377	\$ 2,376	\$ 12,130	\$ 12,989	\$ 11,669	\$ 34,692
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ (116,641)</u>	<u>\$ 2,357</u>	<u>\$ 2,357</u>	<u>\$ 2,358</u>	<u>\$ 2,377</u>	<u>\$ 2,376</u>	<u>\$ 12,130</u>	<u>\$ 12,989</u>	<u>\$ 11,669</u>	<u>\$ 34,692</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$ 10,910,518	\$ 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
Tuition Charges				120,290	206,349	141,952	82,650	169,130	197,429	228,177
Rentals			240,000	264,000	264,000	264,000	268,752	273,590	301,315	283,528
Miscellaneous	194,632	185,829	247,526	244,553	232,183	197,388	67,952	243,040	164,007	300,302
State Sources	1,691,863	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
Federal Sources	145,705	151,369	162,711	165,765	177,359	210,025	299,557	328,985	1,012,004	222,329
<b>Total Revenue</b>	<b>12,942,718</b>	<b>13,512,931</b>	<b>14,246,235</b>	<b>14,847,813</b>	<b>15,548,164</b>	<b>15,928,112</b>	<b>16,539,255</b>	<b>17,926,184</b>	<b>19,213,036</b>	<b>18,923,009</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	4,921,978	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
Special Education Instruction	3,087,589	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
Other Instruction	113,173	99,935	158,574	164,703	180,888	224,562	98,039	206,656	219,324	134,702
School Sponsored Activities And Athletics	137,287	137,089	142,930	119,053	140,870	117,288	77,865	191,696	216,967	224,903
<b>Support Services:</b>										
Student & Inst. Related Services	1,590,944	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
General Administrative	468,193	453,465	410,063	476,668	493,803	580,043	621,934	686,813	533,567	565,816
School Administrative Services	299,531	338,640	333,946	351,135	385,837	394,326	399,150	438,146	500,926	487,138
Business and Other Support Services										
Central Administrative Services	312,244	320,385	348,545	369,904	395,175	403,065	468,580	450,179	484,156	544,914
Administrative Info Tech	46,408	21,130	69,840	52,424	37,010	54,562	96,574	73,952	66,783	96,837
Plant Operations And Maintenance	1,018,169	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
Pupil Transportation	84,980	99,757	163,935	228,262	198,026	152,329	175,073	336,347	457,884	282,245
Capital Outlay	218,392	594,436	1,021,864	47,872	53,871	47,022	73,209	88,214	332,825	42,823
<b>Debt Service:</b>										
Principal	328,871	349,148	554,433	601,186	446,056	469,913	498,214	317,017	308,000	-
Interest And Other Charges	113,405	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	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>12,741,164</b>	<b>13,926,372</b>	<b>15,604,265</b>	<b>15,064,457</b>	<b>15,464,674</b>	<b>15,859,434</b>	<b>16,348,928</b>	<b>17,586,033</b>	<b>19,085,421</b>	<b>18,385,664</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	201,554	(413,441)	(1,358,030)	(216,644)	83,490	68,678	190,327	340,151	127,615	537,345
<b>Other Financing Sources (Uses)</b>										
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)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,054,848</b>	<b>155,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ 201,554</b>	<b>\$ (413,441)</b>	<b>\$ (303,182)</b>	<b>\$ (61,334)</b>	<b>\$ 83,490</b>	<b>\$ 68,678</b>	<b>\$ 190,327</b>	<b>\$ 340,151</b>	<b>\$ 127,615</b>	<b>\$ 537,345</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	3.5%	3.4%	4.4%	4.3%	3.1%	3.1%	3.2%	1.9%	1.7%	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)**

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

**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)
2015	\$ 12,498,400	\$ 854,583,200	\$ 28,151,900	\$ 895,233,500		\$ 895,233,500	\$ 957,430,915	\$ 1.255
2016	12,498,400	856,178,500	27,192,100	895,869,000		895,869,000	977,108,511	1.295
2017	12,498,400	856,483,100	27,192,100	896,173,600		896,173,600	995,996,199	1.330
2018	12,498,400	856,504,400	27,192,100	896,194,900		896,194,900	993,808,185	1.355
2019	12,470,900	860,351,100	26,732,100	899,554,100		899,554,100	997,967,848	1.389
2020	12,470,900	859,526,400	30,473,600	902,470,900		902,470,900	1,020,306,460	1.412
2021	13,205,500	860,276,100	55,351,600	928,833,200		928,833,200	1,059,914,304	1.398
2022	13,205,500	859,723,150	67,926,700	940,855,350		940,855,350	1,106,039,202	1.408
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

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	
2015	\$ 1.255	\$ 0.587	\$ 0.555	\$ 0.257		\$ 2.654
2016	1.295	0.591	0.558	0.278		2.722
2017	1.330	0.610	0.582	0.280		2.802
2018	1.355	0.610	0.595	0.272		2.832
2019	1.389	0.618	0.608	0.270		2.885
2020	1.412	0.624	0.631	0.280		2.947
2021	1.398	0.646	0.639	0.277		2.960
2022	1.408	0.636	0.653	0.284		2.981
2023	1.428	0.615	0.686	0.302		3.031
2024	1.460	0.632	0.719	0.316		3.127

Source: County Abstract of Ratables



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

Taxpayer	2024	
	Taxable Assessed Value	% of Total District Net Assessed Value
The Allegro At Harrington Park LLC	\$ 53,000,000	5.60%
Suez United Water Resources (A)	10,526,000	1.11%
Resident	3,088,700	0.33%
Rockland Electric Co.	2,681,800	0.28%
100 Harrington LLC	2,200,000	0.23%
S&J Sunny Harrington Park LLC	1,440,000	0.15%
Resident	1,379,900	0.15%
Schaffer Homes 1 LLC NJ	1,200,000	0.13%
Resident	1,159,900	0.12%
Resident	1,155,200	0.12%
	<u>\$ 77,831,500</u>	<u>2.62%</u>

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
United Water Resources	\$ 20,784,500	2.32%
Quantmeyer	3,713,600	0.41%
Rockland Electric Co.	2,681,800	0.29%
76 Schaalburgh Rd.	2,312,400	0.26%
Resident	1,473,500	0.16%
Resident	1,389,800	0.15%
Resident	1,315,100	0.15%
Resident	1,203,000	0.13%
Resident	1,182,300	0.13%
Resident	1,168,400	0.13%
	<u>\$ 37,224,400</u>	<u>4.13%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	Percentage of Levy	
2015	\$	10,910,518	\$ 10,910,518	100.00%	
2016		11,236,403	11,236,133	100.00%	270
2017		11,599,055	11,599,055	100.00%	
2018		11,919,067	11,919,067	100.00%	
2019		12,139,888	12,139,888	100.00%	
2020		12,486,702	12,486,702	100.00%	
2021		12,739,865	12,739,865	100.00%	
2022		12,987,299	12,987,299	100.00%	
2023		13,242,342	13,242,342	100.00%	
2024		13,473,770	13,473,770	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Loans Payable			
2015	\$ 2,342,000		\$ 2,342,000	4,763	\$ 492
2016	2,002,000		2,002,000	4,751	421
2017	1,703,000		1,703,000	4,764	357
2018	1,308,000		1,308,000	4,743	276
2019	1,094,000		1,094,000	4,729	231
2020	860,000		860,000	4,693	183
2021	593,000		593,000	4,963	119
2022	308,000		308,000	4,954	62
2023	-		-	4,990	-
2024	-		-	4,990 (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			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Debt	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 2,342,000		\$ 2,342,000	0.26%	492
2016	2,002,000		2,002,000	0.22%	421
2017	1,703,000		1,703,000	0.19%	357
2018	1,308,000	\$ 1	1,307,999	0.15%	276
2019	1,094,000	20	1,093,980	0.12%	231
2020	860,000	19	859,981	0.10%	183
2021	593,000	19	592,981	0.06%	119
2022	308,000	19	307,981	0.03%	62
2023	-		-	0.00%	-
2024	-		-	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, 2023  
(Unaudited)**

	<u>Gross Debt</u>
Direct Debt: (1)	
Borough of Harrington Park	\$ 7,184,484
Local School District	-
Regional School District	<u>836,219</u>
	<u>8,020,703</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (2) (A)	9,012,932
Bergen County Utilities Authority (BCUA) (3) (B)	<u>1,095,690</u>
	<u>10,108,622</u>
Total Direct and Overlapping Debt	<u>\$ 18,129,325</u>

## Source:

- (1) Borough of Harrington Park's 2023 Annual Debt Statement
- (2) Bergen County Annual Debt Statement
- (3) BCUA 2023 Annual Audit

(A) The debt for this entity was apportioned to the Borough of Harrington Park by dividing the municipality's 2023 equalized value by the total 2023 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 2024**

Equalized valuation basis	
2023	\$ 1,276,498,309
2022	1,187,498,864
2021	1,091,460,870
	<u>\$ 3,555,458,043</u>
Average equalized valuation of taxable property	
	<u>\$ 1,185,152,681</u>
Debt limit (3 % of average equalization value)	
	35,554,580
Total Net Debt Applicable to Limit	
	-
Legal debt margin	
	<u>\$ 35,554,580</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 28,477,959	\$ 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
Total net debt applicable to limit	2,342,000	2,002,000	1,703,000	1,308,000	1,094,000	860,000	593,000	308,000	-	-
Legal debt margin	<u>\$ 26,135,959</u>	<u>\$ 26,748,382</u>	<u>\$ 27,587,877</u>	<u>\$ 28,336,533</u>	<u>\$ 28,728,937</u>	<u>\$ 29,176,650</u>	<u>\$ 29,804,401</u>	<u>\$ 31,066,164</u>	<u>\$ 33,083,551</u>	<u>\$ 35,554,580</u>
Total net debt applicable to the limit as a percentage of debt limit	8.22%	6.96%	5.81%	4.41%	3.67%	2.86%	1.95%	0.98%	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>
2015	4,763	\$ 77,323	3.7%
2016	4,751	78,836	3.4%
2017	4,764	81,024	3.2%
2018	4,743	85,191	2.9%
2019	4,729	88,241	2.3%
2020	4,693	91,972	7.6%
2021	4,963	97,343	4.6%
2022	4,954	97,138	2.9%
2023	4,990	N/A	3.1%
2024	4,990 (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>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE



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

<b><u>Function/Program</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Instruction										
Regular	47.0	47.0	46.0	45.0	45.0	45.0	45.0	46.0	46.0	46.0
Special education	30.0	32.0	33.0	32.0	33.0	33.0	33.0	32.0	32.0	32.0
Support Services:										
Student & instruction related services	12.4	12.4	12.1	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	2.0	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	5.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Total	<u>101.4</u>	<u>102.4</u>	<u>103.1</u>	<u>100.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>	<u>101.2</u>

Source: District Personnel Records

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

Teacher/Pupil Ratio												
Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	633.0	\$ 12,080,496	\$ 19,085	10.22%	64	1:9.8	1:10.1	N/A	633	617	0.00%	97.47%
2016	632.0	12,884,566	20,387	6.82%	64	1:9.8	1:10.1	N/A	628	608	-0.79%	96.82%
2017	631.0	13,890,101	22,013	7.98%	64	1:9.8	1:10.1	N/A	624	604	-0.64%	96.79%
2018	623.0	14,376,669	23,077	4.83%	62	1:10.0	1:10.2	N/A	612	590	-1.92%	96.41%
2019	613.0	14,931,917	24,359	5.56%	62	1:9.9	1:9.9	N/A	597	575	-2.45%	96.31%
2020	609.0	15,549,915	25,534	4.82%	62	1:9.9	1:9.9	N/A	597	583	0.00%	97.65%
2021	569.0	15,760,371	27,698	8.48%	61	1:9.3	1:9.3	N/A	552	542	-7.54%	98.19%
2022	628.0	17,172,331	27,344	-1.28%	61	1:9.3	1:9.3	N/A	620	593	12.32%	95.65%
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%

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>District Building</u></b>										
<b><u>School</u></b>										
Harrington Park School										
Square Feet	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250
Capacity (students)	775	775	775	775	775	775	775	775	775	775
Enrollment	633	632	631	623	613	609	569	628	625	637
<b><u>Other</u></b>										
Administration Trailer										
Square Feet										
Storage Trailer										
Square Feet	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Number of Buildings at June 30, 2024										
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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Harrington Park School	NA	\$ 224,734	\$ 243,715	\$ 264,462	\$ 219,103	\$ 258,885	\$ 222,018	\$ 238,128	\$ 257,717	\$ 241,277	\$ 295,333
Total School Facilities		<u>\$ 224,734</u>	<u>\$ 243,715</u>	<u>\$ 264,462</u>	<u>\$ 219,103</u>	<u>\$ 258,885</u>	<u>\$ 222,018</u>	<u>\$ 238,128</u>	<u>\$ 257,717</u>	<u>\$ 241,277</u>	<u>\$ 295,333</u>

Source: District Records

## HARRINGTON PARK BOARD OF EDUCATION

## INSURANCE SCHEDULE

JUNE 30, 2024

(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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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

**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, 2024 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 15, 2025.

**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.

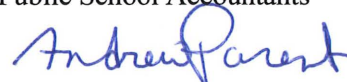
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of Harrington Park Board of Education in a separate report entitled "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 15, 2025.

### **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 15, 2025





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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JOHN CUIFFO, CPA, PSA

**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, 2024. 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, 2024.

***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, 2024, 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 15, 2025, 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 15, 2025

**HARRINGTON PARK BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal/Grantor/Pass-Through Grantor/Program Title	Federal	FAIN Number	Grant Period	Award Amount	Balance at July 1, 2023				Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2024			Memo
	A.L. Number				(Account Receivable)	Unearned Revenue	Due to Grantor	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	231NJ304N1099	7/1/22-6/30/23	\$ 3,377	\$ (218)	-	-	-	\$ 218							
Special Milk Program for Children	10.556	241NJ304N1099	7/1/23-9/30/24	2,495	-	-	-	-	1,611	\$ 2,495	-	\$ (884)	-	-	\$ (884)	
Total U.S. Department of Agriculture - Enterprise Fund					(218)	-	-	-	1,829	2,495	-	(884)	-	-	(884)	
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue																
IDEA Part B Basic Regular	84.027	H027A240100	7/1/23-9/30/24	143,932					133,931	143,932	-	(10,001)	-	-	(10,001)	
IDEA Part B Preschool	84.173	H173A240114	7/1/23-9/30/24	12,002	-	-	-	-	12,002	12,002	-	-	-	-	-	
Total Special Education (IDEA) Cluster					-	-	-	-	145,933	155,934	-	(10,001)	-	-	(10,001)	
Title I	84.010	S010A240030	7/1/23-9/30/24	78,261	-	-	-	-	-	-	-	(78,261)	\$ 78,261	-	-	
Total E.S.E.A					-	-	-	-	-	-	-	(78,261)	78,261	-	-	
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)	\$ 46,315				15,600	-	(55,975)	30,715		(25,260)	
ARP - Accel. Learning	84.425U	S425U2100027	3/13/20 - 9/30/24	50,000	(23,000)	23,000				23,000	\$ 1,500	(23,000)	1,500		(21,500)	
ARP - Summer Learning	84.425U	S425U2100027	3/13/20 - 9/30/24	40,000	(29,987)	29,987	-	-	-	29,437	-	(29,987)	550	-	(29,437)	
Total ESSER Fund Cluster					(108,962)	99,302	-	-	-	68,037	1,500	(108,962)	32,765	-	(76,197)	
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					(108,962)	99,579	-	-	145,933	223,971	1,500	(197,224)	111,303	-	(86,198)	
Total Federal Financial Awards					\$ (109,180)	\$ 99,579	\$ -	\$ -	\$ 147,762	\$ 226,466	\$ 1,500	\$ (198,108)	\$ 111,303	\$ -	\$ (87,082)	

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, 2024**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at July 1, 2023					Balance at June 30, 2024					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	23-495-034-5120-089	\$ 549,750	7/1/22-6/30/23	\$ (50,847)				\$ 50,847							
Special Educational Aid	24-495-034-5120-089	664,302	7/1/23-6/30/24					605,170	\$ 664,302		\$ (59,132)				\$ 664,302
Security Aid	23-495-034-5120-084	24,352	7/1/22-6/30/23	(2,253)				2,253			-				-
Security Aid	24-495-034-5120-084	24,352	7/1/23-6/30/24					22,184	24,352		(2,168)				24,352
Equalization Aid	23-495-034-5120-078	2,317	7/1/22-6/30/23	(214)				214			-				-
Equalization Aid	24-495-034-5120-078	2,317	7/1/23-6/30/24	-	-	-	-	2,111	2,317	-	(206)	-	-	-	2,317
Total State Aid Public Cluster				(53,314)	-	-	-	682,779	690,971	-	(61,506)	-	-	-	690,971
Transportation Aid	23-495-034-5120-014	75,414	7/1/22-6/30/23	(6,975)				6,975			-				-
Transportation Aid	24-495-034-5120-014	75,414	7/1/23-6/30/24					68,701	75,414		(6,713)				75,414
Nonpublic Transportation Aid	23-495-034-5120-014	1,554	7/1/22-6/30/23	(1,554)				1,554			-				-
Nonpublic Transportation Aid	24-495-034-5120-014	3,882	7/1/23-6/30/24	-	-	-	-	-	3,882	-	(3,882)	-	-	\$ (3,882)	3,882
Total Transportation Aid Cluster				(8,529)	-	-	-	77,230	79,296	-	(10,595)	-	-	(3,882)	79,296
Extraordinary Aid	23-495-034-5120-044	434,738	7/1/22-6/30/23	(434,738)				434,738			-				-
Extraordinary Aid	24-495-034-5120-044	242,900	7/1/23-6/30/24						242,900		(242,900)				242,900
TPAF Social Security Contrib.	23-495-034-5094-003	421,104	7/1/22-6/30/23	(25,240)				25,240			-				-
TPAF Social Security Contrib.	24-495-034-5094-003	441,836	7/1/23-6/30/24					414,635	441,836		(27,201)			(27,201)	441,836
TPAF Pension - NCGI	24-495-034-5094-004	2,146,232	7/1/23-6/30/24					2,146,232	2,146,232						2,146,232
TPAF Pension - Premium	24-495-034-5094-002	24,477	7/1/23-6/30/24					24,477	24,477						24,477
TPAF Long-Term Disability Insurance	24-495-034-5094-001	685	7/1/23-6/30/24					685	685						685
TPAF Pension Post Retirement Medical Contr.	24-495-034-5094-001	590,788	7/1/23-6/30/24	-	-	-	-	590,788	590,788	-	-	-	-	-	590,788
Total General Fund				(521,821)	-	-	-	4,396,804	4,217,185	-	(342,202)	-	-	(31,083)	4,217,185
Special Revenue Fund															
SDA Emergency Needs	N/A	13,810	7/1/23-6/30/24	-	-	-	-	13,810	13,810	-	-	-	-	-	13,810
Anti Bullying	N/A	1,113	7/1/13-6/30/21	-	\$ 75	-	-	-	-	-	-	\$ 75	-	-	-
Total Special Revenue Fund				-	75	-	-	13,810	13,810	-	-	75	-	-	13,810
Total State Financial Assistance Subject to Single Audit Determination				(521,821)	75	-	-	4,410,614	4,230,995	-	(342,202)	75	-	(31,083)	4,230,995
State Financial Assistance															
Not Subject to Single Audit Determination															
General Fund															
On-Behalf TPAF Pension System NCGI	24-495-034-5094-004	2,146,232	7/1/23-6/30/24					(2,146,232)	(2,146,232)						(2,146,232)
On-Behalf TPAF Pension System Premium	24-495-034-5094-002	24,477	7/1/23-6/30/24					(24,477)	(24,477)						(24,477)
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-001	685	7/1/23-6/30/24					(685)	(685)						(685)
On-Behalf TPAF Post-Retirement Medical Contr.	24-495-034-5094-001	590,788	7/1/23-6/30/24	-	-	-	-	(590,788)	(590,788)	-	-	-	-	-	(590,788)
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (521,821)	\$ 75	\$ -	\$ -	\$ 1,648,432	\$ 1,468,813	\$ -	\$ (342,202)	\$ 75	\$ -	\$ (31,083)	\$ 1,468,813

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, 2024**

**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 an increase of \$183,908 for the general fund and an increase of \$7,758 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		\$ 4,401,093	\$ 4,401,093
Special Revenue Fund	\$ 222,329	13,810	236,139
Food Service Fund	<u>2,495</u>	<u>-</u>	<u>2,495</u>
Total Awards and Financial Assistance	<u>\$ 224,824</u>	<u>\$ 4,414,903</u>	<u>\$ 4,639,727</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, 2024**

**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 \$441,836 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$2,170,709, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$590,788 and TPAF Long-Term Disability Insurance in the amount of \$685 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

**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, 2024**

*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:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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, 2024**

***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, 2024**

***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.

**HARRINGTON PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2023-001:**

**Condition:**

Resolutions approving individuals and amount funded by grants were not prepared and approved.

**Current Status:**

A review was performed on the prior year's recommendation and corrective action was taken.