SCHOOL DISTRICT OF THE
BOROUGH OF PALISADES PARK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

School District
of the

Borough of Palisades Park

BOROUGH OF PALISADES PARK BOARD OF EDUCATION
Palisades Park, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2011

Comprehensive Annual Financial Report

of the

BOROUGH OF PALISADES PARK
BOARD OF EDUCATION
Palisades Park, New Jersey

Year Ended June 30, 2011

Prepared by

Borough of Palisades Park Board of Education
Finance Department

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INTRODUCTORY SECTION

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Dr. Mark Hayes
Interim Superintendent

TEL: 201-947-3550
FAX: 201-585-9214

November 1, 2011

Honorable President and
Members of the Board of Education
Palisades Park School District
Palisades Park, New Jersey 07650

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Palisades Park School District for the fiscal year ended June 30, 2011, 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four (4) sections: Introductory, Financial, Statistical and Single Audit.

The Introductory Section includes this transmittal letter, the District's Organizational Chart and a list of Principal Officers.

The Financial Section includes the general purpose financial statements and schedules, as well as the auditor's report thereon.

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-144, "Audits of State and Local Governments". And the State of Treasury Circular Letter 04-04 OMB, "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 appliance laws and the single audit section of this report.

1.) ***Reporting Entity and its Services:*** *The Palisades Park School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Palisades Park Board of Education and all its schools constitute the District's reporting entity.*

The District provides a full range of educational services appropriate to grade levels Kindergarten through 12. These include regular, vocational, as well as special education for students with special needs. The District completed the school year with an enrollment of 1,601 students, which is 7.16% more than the previous year's enrollment. The following chart details the changes in student enrollment over the last five (5) years:

AVERAGE DAILY ENROLLMENT

FISCAL YEAR	*STUDENT ENROLLMENT*	*PERCENTAGE CHANGE*
2006-2007	*1,436*	*4.3%*
2007-2008	*1,459*	*3.5%*
2008-2009	*1,440*	*(2.0%)*
2009-2010	*1,494*	*4.0%*
2010-2011	*1,601*	*7.16%*

2.) ***Economic Conditions and Outlook:*** *Within the last five (5) years the population of the District has shifted from predominately English speaking students to a student population comprised of 45% Asian students, 32% Hispanic, 19% English-speaking, and 4% Others. The local population continues to grow mostly from overseas arrivals adding a strain to the school system's Bilingual, ESL, and Special Education programs.*

3.) Major Initiative: *While standardized test scores continue to improve and students are excelling, these are not the only measure of a successful school district. The family atmosphere found in the District creates a nurturing environment for our diverse population, enabling students to flourish emotionally and socially. The entire educational program is also enhanced by the quality relationships that exist between the students, staff and parents.*

4.) Internal Accounting Controls: *Management of the District is 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 are 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 reasonably, 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 aid, the District also is responsible for ensuring that an adequate internal control structure is in place to guarantee compliance with applicable laws and regulations related to those programs. This 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 that 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 accounted for in the capital projects fund. The final budget amount 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 a fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reserves of a fund balance as of June 30, 2011.

6.) Accounting System and Reports: *The School District has prepared financial statements following GASB Statement 34, 'Basic Financial Statements and Management Discussion and Analysis for State and Local Governments". GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:*

District-Wide Financial Statements: *These statements are prepared on a accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The district –wide statements distinguish between those activities of the school district that are governmental and those that are considered business type activities.*

Fund Financial Statements: *These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.*

Statements of Budgetary Comparison: *These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.*

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis for the School District. This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the school district's finances for 2011 and a discussion of current issues that affect the outlook for the future.

7.) Cash Management: *The investment policy of the District is guided in large part State statute as detailed in "Notes to the Financial Statements", Note 2. 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 loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.*

8.) Risk Management: *The Board carries various forms of insurances, including but not limited to General Liability, Auto Coverage, Property & Building, Theft, Boiler & Machinery, Excess Liability and Fidelity Bonds.*

9.) Other Information: *State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board.*

In addition to meeting the requirements as set forth in State statutes, the audit also was designed to meet the requirements of OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB.

The auditor's report on the general purpose financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10.) Acknowledgements: *We would like to express our appreciation to the members of the Palisades park Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.*

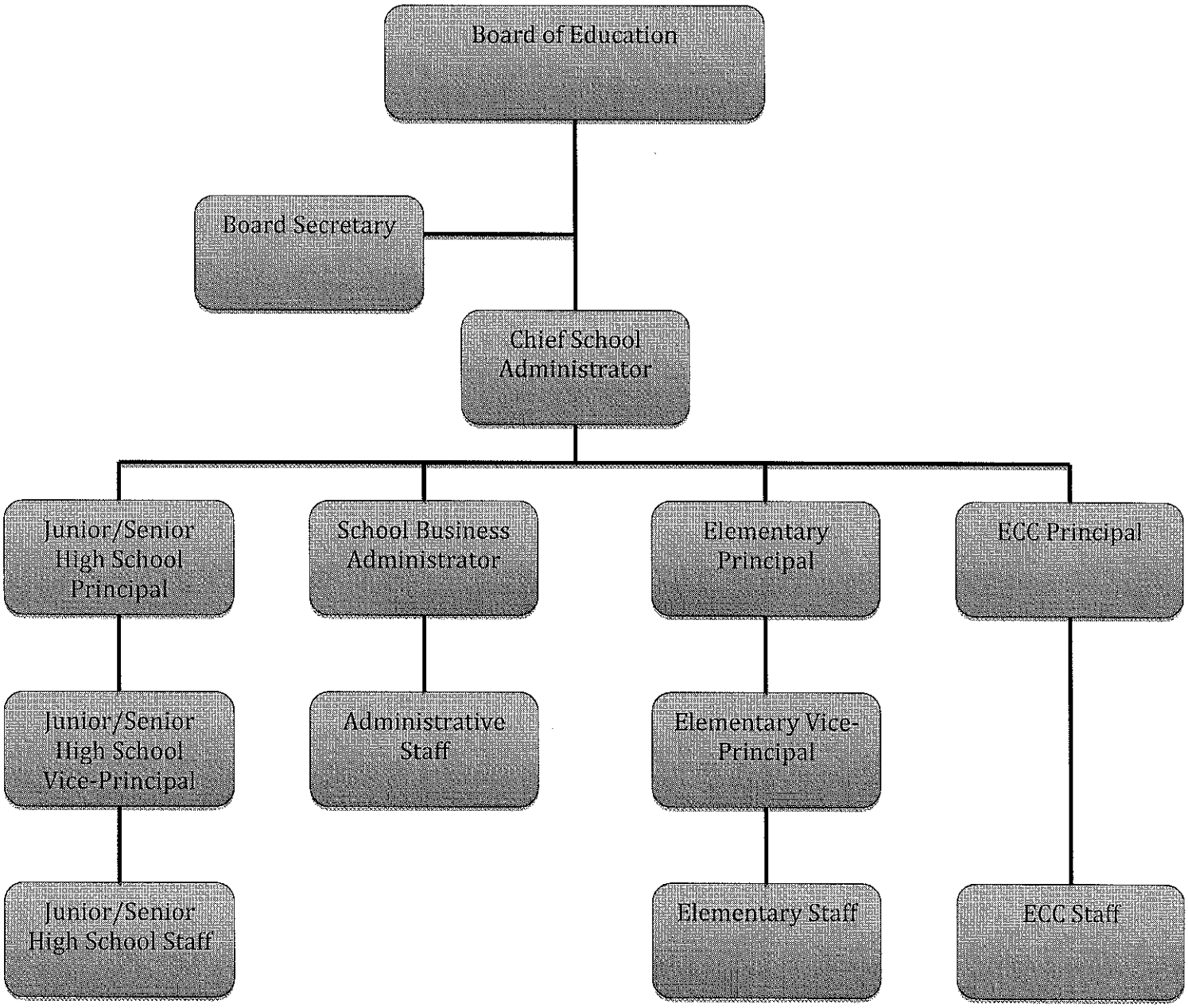
The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,

Mark Hayes
Superintendent of Schools

Eulalia Gillis
Business Administrator

PALISADES PARK BOARD OF EDUCATION
ORGANIZATIONAL CHART



PALISADES PARK BOARD OF EDUCATION

ROSTER OF OFFICIALS – JUNE 30, 2011

MEMBERS OF THE BOARD OF EDUCATION	*TERM EXPIRES*
George Beck, Jr., President	*2014*
Maria Alvarez, Vice-President	*2013*
Kenneth Bruno	*2012*
Christopher Chung	*2012*
Howard Donovan	*2014*
Thomas Matarazzo	*2013*
John Mattessich	*2013*
James Ring	*2012*
Jeffrey Woo	*2014*

OTHER OFFICIALS

Dr. Mark Hayes, Superintendent of Schools

Eulalia Gillis, Business Administrator

Diane Montemurro, Board Secretary

Richard A. Brovarone, Board Attorney

PALISADES PARK BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECTS/ENGINEERS

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Mount Vernon Group Architects
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Cranford, NJ 07016

OFFICIAL DEPOSITORY

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Bank of New Jersey
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Fort Lee, NJ 07024

FINANCIAL SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Palisades Park School District
County of Bergen, New Jersey
Palisades Park, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Palisades Park School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Palisades Park School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Palisades Park Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund, and the aggregate remaining fund information of the Borough of Palisades Park Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

FWCC

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011 on our consideration of the Borough of Palisades Park Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 22 and 55 through 61 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Palisades Park Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Steven D. Wielkotz
Licensed Public School Accountant
No. CS00816

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 29, 2011

FWCC

REQUIRED SUPPLEMENTARY INFORMATION - PART I

PALISADES PARK BOARD OF EDUCATION
PALISADES PARK , NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED

The discussion and analysis of the Palisades Park Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net assets increased by $378,730. Net assets of governmental activities increased by $360,138 and net assets of business-type activity increased by $18,592.

- General revenues accounted for $23,145,907 in revenue or 92 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $2,023,347 or 8 percent of total revenues of $25,169,254.

- The School District had $24,055,558 in expenses related to governmental activities; only $1,269,808 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of $23,195,888 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *statement of net assets and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Palisades Park Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

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

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise and After School Child Care funds are reported as business activities.

The two statements report the District's net assets and changes in them. The change in net assets can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Palisades Park Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities).

The Palisades Park Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects and debt service funds, which are considered to be major funds.

The Palisades Park Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Palisades Park Board of Education uses proprietary funds to account for its food service program and after school child care program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

USING THIS ANNUAL REPORT, (continued)

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

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

The School District's net assets were $14,474,049 at June 30, 2011 and $14,095,319 at June 30, 2010. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2011 compared to 2010 (Table 1) and change in net assets (Table 2) of the School District.

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

Net Assets
June 30,

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	1,751,541	1,049,183	143,705	115,931	1,895,246	1,165,114
Capital Assets	17,180,947	17,427,364	55,457	62,946	17,236,404	17,490,310
Total Assets	18,932,488	18,476,547	199,162	178,877	19,131,650	18,655,424
Liabilities						
Current Liabilities	153,445	172,825	23,141	21,448	176,586	194,273
Noncurrent Liabilities	4,481,015	4,365,832			4,481,015	4,365,832
Total Liabilities	4,634,460	4,538,657	23,141	21,448	4,657,601	4,560,105
Net Assets						
Invested in Capital Assets-						
Net of Related Debt	14,998,336	14,892,593	55,457	62,946	15,053,793	14,955,539
Restricted	1,158,282	328,677			1,158,282	328,677
Unrestricted	(1,858,590)	(1,283,380)	120,564	94,483	(1,738,026)	(1,188,897)
Total Net Assets	14,298,028	13,937,890	176,021	157,429	14,474,049	14,095,319

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2011 compared to 2010.

Table 2
Changes in Net Assets
Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services and Sales			453,405	443,354	453,405	443,354
Operating Grants and Contributions	1,269,808	1,524,653	300,134	287,581	1,569,942	1,812,234
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	19,330,621	18,372,404			19,330,621	18,372,404
Property taxes levied for debt service	451,048	449,078			451,048	449,078
Federal and State Aid not Restricted	3,226,076	3,713,201			3,226,076	3,713,201
Miscellaneous Income	136,258	114,712			136,258	114,712
Investment Earnings	1,885	3,903	19	68	1,904	3,971
Total Revenues and Transfers	24,415,696	24,177,951	753,558	731,003	25,169,254	24,908,954

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Functions/Program Expenses						
Instruction:						
Regular	10,662,311	10,920,716			10,662,311	10,920,716
Special Instruction	1,868,859	1,654,498			1,868,859	1,654,498
Other Special Instruction	1,151,586	1,164,576			1,151,586	1,164,576
Other Instruction	428,209	494,334			428,209	494,334
Support Services:						
Tuition	1,115,096	1,205,163			1,115,096	1,205,163
Student & Instruction Related Services	1,981,549	2,284,324			1,981,549	2,284,324
School Administrative Services	1,150,570	1,201,204			1,150,570	1,201,204
General Administrative Services	600,628	835,720			600,628	835,720
Central Administration	459,071	387,439			459,071	387,439
Plant Operations and Maintenance	1,742,288	1,774,299			1,742,288	1,774,299
Pupil Transportation	394,176	286,031			394,176	286,031
Unallocated Benefits	2,033,987	1,717,144			2,033,987	1,717,144
Charter Schools		3,404				3,404
Capital Outlay - Non-Depreciable	50,237	106,710			50,237	106,710
Debt Service:						
Interest and Other Charges	147,782	118,314			147,782	118,314
Unallocated Depreciation	269,209	273,438			269,209	273,438
Food Service			643,513	631,152	643,513	631,152
After School Child Care			91,453	93,978	91,453	93,978
Total Expenses and Transfers	24,055,558	24,427,314	734,966	725,130	24,790,524	25,152,444
Increase or (Decrease) in Net Assets	360,138	(249,363)	18,592	5,873	378,730	(243,490)

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was $24,790,524. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only $19,781,669 because some of the cost was paid by those who benefitted from the programs $453,405, by other governments and organizations who subsidized certain programs with grants and contributions $1,569,942, and by miscellaneous sources $3,364,238.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by $10,950.
- ✓ After school child care revenues exceeded expenses by $7,642.
- ✓ Charges for services provided totaled $453,405. This represents amounts paid by consumers for daily food services and after school child care.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was $300,134.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2011, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.

General Fund

The general fund actual revenue was $22,609,945. That amount is $1,767,143 above the final amended budget of $20,842,802. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of $1,486,421 for TPAF social security reimbursements and on-behalf pension payments, $133,445 of unanticipated extraordinary aid and $147,277 of various unanticipated revenues.

The actual expenditures of the general fund were $21,832,033, including transfers, is $296,960 above the final amended budget of $21,535,073. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of $1,486,421 and $1,189,461 of unexpended budgeted funds.

The General fund had total revenues of $22,609,945 and total expenditures including transfers of $21,832,033 with an ending fund balance of $1,772,167 on the budgetary basis.

Special Revenue Fund

The special revenue fund actual revenue was $1,459,212. That amount is above the original budget estimate of $1,090,017 and below the final amended budget of $1,552,023. The $462,006 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The $92,811 variance between the final amended budget and the June 30, 2011 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year and non-public aid due back to the State of New Jersey.

Special Revenue Fund, (continued)

The actual expenditures of the special revenue fund were $1,459,212, which is above the original budget of $1,090,017 and below the final amended budget of $1,552,023. The $462,006 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The $92,811 variance between the final amended budget and the June 30, 2011 actual results was due to the anticipation of fully expending federal and state grant programs and non-public aid due back to the State of New Jersey.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011 the School District had $23,985,473 invested in land, buildings and building improvements, machinery and equipment and construction in progress. Of this amount, $6,749,069 in depreciation has been taken over the years. We currently have a net book value of $17,236,404. Total depreciable additions for the year were $249,600 which consisted mainly of various building and land improvements and instructional equipment purchases. Table 3 shows fiscal year 2011 balances compared to 2010.

Table 3
Capital Assets at June 30,
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	9,613,650	9,613,650			9,613,650	9,613,650
Land Improvements	118,030	122,060			118,030	122,060
Buildings and Improvements	7,362,078	7,588,838	53,145		7,415,223	7,588,838
Furniture, Equipment and Vehicles	87,189	102,816	2,312	82,578	89,501	185,394
	17,180,947	17,427,364	55,457	82,578	17,236,404	17,509,942

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2011, the District had $4,481,015 in long term debt. Of this amount, $1,391,404 is for compensated absences, $165,504 is for economic development authority loans, $2,017,107 is for certificates of participation used to finance the construction of additions and renovations of the existing school buildings, and $907,000 is for refunding serial bonds to fund the District's unfunded pension liability with the State of New Jersey. For more detailed information, please refer to the Notes to the Financial Statements

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2011-2012 school year that is higher than the level of the 2010-2011 school year.

The following factors were considered in preparing the 2011-2012 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated Programs
- Requirements for health and safety issues

Prior to the end of fiscal 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA's and per pupil administrative costs. Any undesignated general fund balance in excess of 2% or $250,000, whichever is greater must be appropriated for tax relief.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Palisades Park Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Eulalia Gillis
School Business Administrator
Palisades Park Board of Education
270 First Street
Palisades Park, New Jersey 07407

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

PALISADES PARK BOARD OF EDUCATION
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	569,102	108,776	677,878
Receivables, net	532,321	21,540	553,861
Inventory		13,389	13,389
Restricted assets:			
Capital reserve account - cash	650,118		650,118
Capital assets:			
Land and construction in progress	9,613,650		9,613,650
Other Capital assets, net	7,567,297	55,457	7,622,754
Total Assets	18,932,488	199,162	19,131,650
LIABILITIES			
Accounts payable and accrued liabilities	44,591	23,141	67,732
Payable to federal government			-
Payable to state government	6,931		6,931
Deferred revenue	101,923		101,923
Noncurrent liabilities:			
Due within one year	427,718		427,718
Due beyond one year	4,053,297		4,053,297
Total liabilities	4,634,460	23,141	4,657,601
NET ASSETS			
Invested in capital assets, net of related debt	14,998,336	55,457	15,053,793
Restricted for:			
Debt service	(113,220)		(113,220)
Capital projects	690,913		690,913
Other purposes	580,589		580,589
Unrestricted (Deficit)	(1,858,590)	120,564	(1,738,026)
Total net assets	14,298,028	176,021	14,474,049

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

PALISADES PARK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:								
Instruction:								
Regular	8,637,040	2,047,832		971,818		(9,713,054)		(9,713,054)
Special education	1,369,246	499,613				(1,868,859)		(1,868,859)
Other special instruction	890,677	260,909				(1,151,586)		(1,151,586)
Other instruction	350,729	77,480				(428,209)		(428,209)
Support services:								
Tuition	1,115,096					(1,115,096)		(1,115,096)
Attendance & Social Work	1,275	376				(1,651)		(1,651)
Health Services	199,143	55,678				(254,821)		(254,821)
Student & instruction related services	1,419,615	317,386		266,293		(1,470,708)		(1,470,708)
School administrative services	897,986	255,292				(1,153,278)		(1,153,278)
General administrative services	526,030	75,264				(601,294)		(601,294)
Central Services	381,756	77,315				(459,071)		(459,071)
Plant operations and maintenance	1,501,487	244,544				(1,746,031)		(1,746,031)
Pupil transportation	394,176					(394,176)		(394,176)
Unallocated benefits	2,033,987					(2,033,987)		(2,033,987)
Transfer to Charter Schools						-		-
Capital outlay - non-depreciable	50,237			31,697		(18,540)		(18,540)
Interest on long term debt	147,782					(147,782)		(147,782)
Unallocated depreciation	227,607					(227,607)		(227,607)
Total governmental activities	20,143,869	3,911,689	-	1,269,808	-	(22,785,750)	-	(22,785,750)
Business-type activities:								
Food Service	643,513		354,310	300,134	-		10,931	10,931
After School Child Care	91,453		99,095				7,642	7,642
Total business-type activities	734,966		453,405	300,134	-		18,573	18,573
Total primary government	20,878,835		453,405	1,569,942	-	(22,785,750)	18,573	(22,767,177)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						19,330,621		19,330,621
Taxes levied for debt service						451,048		451,048
Federal and State aid not restricted						3,226,076		3,226,076
Investment Earnings						1,885	19	1,904
Miscellaneous Income						136,258		136,258
Total general revenues, special items, extraordinary items and transfers						23,145,888	19	23,145,907
Change in Net Assets						360,138	18,592	378,730
Net Assets—beginning, restated						13,937,890	157,429	14,095,319
Net Assets—ending						14,298,028	176,021	14,474,049

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

PALISADES PARK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	689,385		41,372		730,757
Accounts Receivable -					
Intergovernmental - State	251,763				251,763
Intergovernmental - Federal	20,528	75,166			95,694
Intergovernmental - Other	91,630				91,630
Restricted cash and cash equivalents	650,118				650,118
Total assets	1,703,424	75,166	41,372	-	1,819,962
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash overdraft		48,435		113,220	161,655
Accounts payable	15,169	11,688			26,857
Intergovernmental accounts payable:					
State		6,354	577		6,931
Interfund payables	870				870
Deferred revenue		8,689			8,689
Total liabilities	16,039	75,166	577	113,220	205,002
Fund Balances:					
Restricted for:					
Excess Surplus - current year	17,694				17,694
Capital reserve	650,118				650,118
Committed to:					
Other purposes	562,895				562,895
Assigned to:					
Debt service				(113,220)	(113,220)
Capital projects			40,795		40,795
Unassigned:					
General fund	456,678				456,678
Total Fund balances	1,687,385	-	40,795	(113,220)	1,614,960
Total liabilities and fund balances	1,703,424	75,166	41,372	-	

Amounts reported for governmental activities in the statement of net assets (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 $23,817,622 and the accumulated depreciation is $6,636,675.	17,180,947
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(16,864)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3)	(4,481,015)
Net assets of governmental activities	14,298,028

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

Exhibit B-2

PALISADES PARK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	19,330,621			451,048	19,781,669
Miscellaneous	223,277	47,192			270,469
Total - Local Sources	19,553,898	47,192	-	451,048	20,052,138
State sources	3,048,141	146,534			3,194,675
Federal sources	92,801	1,076,082			1,168,883
Total revenues	22,694,840	1,269,808	-	451,048	24,415,696
EXPENDITURES					
Current:					
Regular instruction	7,642,661	971,818			8,614,479
Special education instruction	1,369,246				1,369,246
Other special instruction	890,677				890,677
School sponsored/other instructional	350,729				350,729
Support services and undistributed costs:					
Tuition	1,115,096				1,115,096
Attendance & Social Work	1,275				1,275
Health services	199,143				199,143
Student & instruction related services	1,141,398	266,293			1,407,691
School administrative services	895,278				895,278
General administrative services	525,364				525,364
Central services	381,756				381,756
Plant operations and maintenance	1,499,721				1,499,721
Pupil transportation	394,176				394,176
Unallocated benefits	3,928,912				3,928,912
On-behalf contributions	1,486,421				1,486,421
Debt Service:					
Principal				415,161	415,161
Interest and other charges				147,782	147,782
Transfer to Charter Schools					-
Capital outlay	10,180	31,697	31,152		73,029
Total expenditures	21,832,033	1,269,808	31,152	562,943	23,695,936
Excess (Deficiency) of revenues over expenditures	862,807	-	(31,152)	(111,895)	719,760
OTHER FINANCING SOURCES (USES)					
Operating transfers in - General Fund			55,137		55,137
Capital Reserve - Transfer to Capital Projects Fund	(55,137)				(55,137)
Total other financing sources and uses	(55,137)	-	55,137	-	-
Net change in fund balances	807,670	-	23,985	(111,895)	719,760
Fund balance—July 1	879,715	-	16,810	(1,325)	895,200
Fund balance—June 30	1,687,385	-	40,795	(113,220)	1,614,960

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

Exhibit B-3

PALISADES PARK BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended June 30, 2011

Total net change in fund balances - governmental funds (from B-2)		719,760
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	(269,209)	
Depreciable Capital outlays	22,792	
		(246,417)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year , these amounts consist of:		
Principal Payments on Bond Obligations	63,000	
Principal Payments on Loan Obligations	51,513	
Principal Payments on Capital Leases	300,647	
		415,160
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an adjustment in the reconciliation.		
Prior year		18,842
Current year		(16,864)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Increase in compensated absences payable		(530,343)
Change in net assets of governmental activities		360,138

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

Exhibit B-4

PALISADES PARK BOARD OF EDUCATION
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Food Service Program	After School Child Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	52,691	56,085	108,776
Accounts receivable:			
State	673		673
Federal	19,997		19,997
Interfund	870		870
Inventories	13,389		13,389
Total current assets	87,620	56,085	143,705
Noncurrent assets:			
Capital assets:			
Equipment	108,801		108,801
Site Improvements	59,050		59,050
Less accumulated depreciation:			
Equipment	(106,489)		(106,489)
Site Improvements	(5,905)		(5,905)
Total capital assets (net of accumulated depreciation)	55,457	-	55,457
Total assets	143,077	56,085	199,162
LIABILITIES			
Current liabilities:			
Accounts payable	23,141		23,141
Total current liabilities	23,141	-	23,141
NET ASSETS			
Invested in capital assets net of related debt	55,457	-	55,457
Unrestricted	64,479	56,085	120,564
Total net assets	119,936	56,085	176,021

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

Exhibit B-5

PALISADES PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Food Service Program	After School Child Care	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	352,767		352,767
Daily sales - non-reimbursable programs	1,543		1,543
Tuition fees		99,095	99,095
Total operating revenues	354,310	99,095	453,405
Operating expenses:			
Cost of sales	256,103		256,103
Salaries	209,568	87,765	297,333
Supplies and materials	45,083	3,688	48,771
Employee benefits	67,464		67,464
Cleaning repair & maintenance	24,828		24,828
Purchased services	32,979		32,979
Depreciation	7,488		7,488
Total Operating Expenses	643,513	91,453	734,966
Operating income (loss)	(289,203)	7,642	(281,561)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	8,351		8,351
Federal sources:			
National school lunch program	228,529		228,529
National school breakfast program	32,620		32,620
Food distribution program	30,634		30,634
Interest and investment revenue	19		19
Total nonoperating revenues (expenses)	300,153	-	300,153
Change in net assets	10,950	7,642	18,592
Total net assets—beginning, restated	108,986	48,443	157,429
Total net assets—ending	119,936	56,085	176,021

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

PALISADES PARK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Food Service Program	After School Child Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	365,372	99,095	464,467
Payments to employees		(87,765)	(87,765)
Payments to Outside Food Service Management Company	(579,659)		(579,659)
Payments for repairs, maintenance	(21,453)		(21,453)
Payments for supplies	(5,462)	(3,688)	(9,150)
Net cash provided by (used for) operating activities	(241,202)	7,642	(233,560)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	8,804		8,804
Federal Sources	260,697		260,697
Net cash provided by (used for) non-capital financing activities	269,501	-	269,501
CASH FLOWS FROM INVESTING ACTIVITIES			-
Interest and dividends	19		19
Net cash provided by (used for) investing activities	19	-	19
Net increase (decrease) in cash and cash equivalents	28,318	7,642	35,960
Balances—beginning of year	24,373	48,443	72,816
Balances—end of year	52,691	56,085	108,776
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(289,203)	7,642	(281,561)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	7,488		7,488
Food Distribution Program	30,634		30,634
(Increase) decrease in accounts receivable, net	11,850		11,850
(Increase) decrease in inventories	(3,664)		(3,664)
(Increase) decrease in accounts payable	1,693		1,693
Total adjustments	48,001	-	48,001
Net cash provided by (used for) operating activities	(241,202)	7,642	(233,560)

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

Exhibit B-7

PALISADES PARK BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Funds	Agency Funds
ASSETS			
Cash and cash equivalents	15,419	4,408	152,636
Accounts Receivable	10,033		
Total assets	25,452	4,408	152,636
LIABILITIES			
Payable to student groups			107,493
Payroll deductions and withholdings			45,143
Accounts payable	673		
Total liabilities	673	-	152,636
NET ASSETS			
Held in trust for unemployment claims and other purposes	24,779		
Reserved for Scholarships		4,408	

Exhibit B-8

PALISADES PARK BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	20,977	
Employer Contributions	34,000	
Total Contributions	54,977	
Investment earnings:		
Interest	14	33
Net investment earnings	14	33
Total additions	54,991	33
DEDUCTIONS		
Unemployment claims	76,582	
Total deductions	76,582	-
Change in net assets	(21,591)	33
Net assets—beginning of the year	46,370	4,375
Net assets—end of the year	24,779	4,408

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education ("Board") of the Borough of Palisades Park School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Palisades Park School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control 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 also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

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

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Borough of Palisades Park School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation: (continued)

District-wide Financial Statements:

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government, proprietary,* and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

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

The Board's Enterprise Fund is comprised of the Food Service and After School Child Care Funds.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

Fund Financial Statements

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

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made an additional appropriation in the amount of $76,550 for regular programs undistributed instruction.

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 the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

E. Encumbrances:

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

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Cash, Cash Equivalents and Investments:

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

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

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

G. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets:

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

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of $2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Compensated Absences:

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Fund Balances: (continued)

- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

P. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

S. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2011, $-0- of the District's bank balance of $1,782,268 was exposed to custodial credit risk.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Investments

Investment Rate Risk

The District 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. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2011, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Business-Type Activities	District Wide Financial Statements
State Aid	$258,117	$673	$258,790
Federal Aid	182,574	19,997	202,571
Other	91,630	870	92,500
Gross Receivables	532,321	21,540	553,861
Less: Allowance for Uncollectibles			
Total Receivables, Net	$532,321	$21,540	$553,861

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Interfund transfers for the year ended June 30, 2011 consisted of $870 due from the General Fund to the Proprietary Fund for subsidy reimbursement receipts not turned over.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance 6/30/10	Additions	Deductions	Balance 6/30/11
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$9,613,650	$	$	$9,613,650
Total Capital Assets Not Being Depreciated	9,613,650			9,613,650
Land Improvements	132,726			132,726
Buildings and Improvements	13,078,231			13,078,231
Machinery and Equipment	970,223	22,792		993,015
Totals at Historical Cost	14,181,180	22,792		14,203,972
Less Accumulated Depreciation:				
Land Improvements	(10,666)	(4,030)		(14,696)
Buildings and Improvements	(5,489,393)	(226,760)		(5,716,153)
Machinery and Equipment	(867,407)	(38,419)		(905,826)
Total Accumulated Depreciation	(6,367,466)	(269,209)		(6,636,675)
Total Capital Assets Being Depreciated, Net of accumulated depreciation	7,813,714	(246,417)		7,567,297
Governmental Activities Capital Assets, Net	17,427,364	(246,417)		17,180,947
	Restated			
Business-Type Activities				
Equipment	108,801			108,801
Site Improvements	59,050			59,050
Totals at Historical Cost	167,851			167,851
Less Accumulated Depreciation for:				
Equipment	(106,258)	(231)		(106,489)
Site Improvements	(2,953)	(2,952)		(5,905)
Total Accumulated Depreciation	(109,211)	(3,183)		(112,394)
Business-Type Activity Capital Assets, Net	58,640	(3,183)		55,457

Depreciation expense was not allocated to governmental functions. It appears on the Statement of Activities as "Unallocated Depreciation".

7. RETROACTIVE RESTATEMENT DUE TO UPDATED CAPITAL ASSET INVENTORY

During fiscal year 2011, the District authorized it's capital asset appraisal firm to research and conduct a physical inventory of it's fixed assets. This resulted in business-type activities capital assets equipment being reduced for items already retired.

	Business-Type Activities
Net Assets, June 30, 2010	$82,578
Restatement of Capital Assets	(23,938)
Net Assets, June 30, 2010 - Restated	$58,640

NOTE 8. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended was as follows;:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Long-term Debt Obligations:					
General Loan Obligation Debt	$217,017	$	$51,513	$165,504	$53,258
General Bond Obligation Debt	970,000		63,000	907,000	67,000
Total Bonds Payable	1,187,017		114,513	1,072,504	120,258
Other Liabilities:					
Certificates of Participation	2,317,754		300,647	2,017,107	307,460
Compensated Absences Payable	861,061	567,160	36,817	1,391,404	
Total Other Liabilities	3,178,815	567,160	337,464	3,408,511	307,460
	$4,365,832	$567,160	$451,977	$4,481,015	$427,718

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

NOTE 8. LONG-TERM OBLIGATIONS, (continued)

A. Bonds Payable, (continued):

Outstanding bonds payable at June 30, 2011 consisted of the following:

Issue	Issue Date	Interest Rates	Date of Maturity	Principal Balance June 30, 2011
2003 Refund Pension Liability Bonds	03/01/2003	3.00%-5.35%	03/01/2021	$907,000

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2012	$67,000	$46,020	$113,020
2013	72,000	42,503	114,503
2014	77,000	38,723	115,723
2015	81,000	35,104	116,104
2016	86,000	31,255	117,255
2017-2021	524,000	86,125	610,125
	$907,000	$279,730	$1,186,730

B. Bonds Authorized But Not Issued:

As of June 30, 2011 the Board has no authorized but not issued bonds.

C. Intergovernmental Loans Payable:

The Board entered into a loan agreement with the New Jersey Economic Development Agency, for the financing relating to the school renovations. all loans are retired in serial installments within the statutory period of usefulness. Following are the remaining maturities for the outstanding principal and interest on the loans.

Principal and interest due on loans outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2012	$53,258	$6,308	$59,566
2013	55,136	3,856	58,992
2014	57,110	1,303	58,413
	$165,504	$11,467	$176,971

NOTE 8. LONG-TERM OBLIGATIONS, (continued)

D. Lease Purchase Agreements

On May 1, 2007, the Board of Education entered into a lease purchase agreement with All Points Public Funding, LLC to refinance the outstanding certificates of participation of $1,305,000 originally issued in 1993 and $1,840,000 originally issued in 1997. The Board, pursuant to satisfying all legal requirements for a lease purchase transaction set forth in N.J.S.A. 18A:20-4.2(f) and N.J.A.C. 6:22A-1.2, including the conducting of public hearings, the solicitation of proposals for an underwriter and a lessor, the adoption of resolutions approving a maximum funding level and endorsing the lease purchase financing and the receipt of approvals for the financing from the New Jersey Department of Education and the Local Finance Board in the Division of Local Government Services, New Jersey Department of Community Affairs; approved the final official statement for Certificates of Participation in the par amount of $3,087,069.

	5/1/07
Construction	$3,273,720
Costs of Issuance	75,000
	3,348,720
Accrued Interest	
Reserve Fund	(261,651)
Underwriter's Discount	
	$3,087,069

Future Minimum Lease Payments: Future minimum lease payments under the lease purchase agreements along with the present value of the minimum lease payments as of June 30, 2011 are:

Fiscal Year Ending June 30	Amount
2012	$384,790
2013	460,773
2014	472,783
2015	438,416
2016	331,307
2017	159,119
Total minimum lease payments	2,247,188
Less amount representing interest	(230,081)
Present value of lease payments	$2,017,107

Optional Prepayment

The Certificate maturities due prior to August 1, 2012 are not subject to redemption prior to maturity. The Certificate maturities due on or after May 1, 2013 are subject to redemption at the option of the Board on or after August 1, 2012, at a redemption price equal to 101% of the principal amount thereof plus accrued interest, if any.

NOTE 9. OPERATING LEASES

The district has commitments to lease copying equipment, computers and a pick-up truck under operating leases which expire in April 2012. Total operating lease payments made during the year ended June 30, 2011 were $247,480. Future minimum lease payments are as follows:

Year ending June 30,	Amount
2012	$75,990
2013	59,983
2014	41,875
2015	41,875
2016	3,490
Total Minimum lease payments	$223,213

NOTE 10. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

NOTE 10. PENSION PLANS, (continued)

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2007 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer 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.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year Ending	
6/30/11	$146,303
6/30/10	120,954
6/30/09	86,546

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

Year Ending	Post-Retirement Medical Contributions	NCGI Premium
6/30/11	$669,046	$31,499
6/30/10	670,776	35,715
6/30/09	581,496	30,481

During the year ended June 30, 2011, the State of New Jersey contributed $700,545 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $785,876 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2010, the State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

NOTE 12. DEFERRED COMPENSATION

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

Equitable	Lincoln Investments
Mass Mutual	Valic
Metropolitan Life	Putnam Investments

NOTE 13. RISK MANAGEMENT

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

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

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

NOTE 13. RISK MANAGEMENT, (continued)

New Jersey Unemployment Compensation Insurance - 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, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

Fiscal Year	Interest Earnings/ District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2011-2010	$34,014	$20,977	$76,582	$24,779
2010-2009	49	21,709	12,386	46,370
2009-2008	40	-0-	24,823	36,998

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Palisades Park Board of Education by inclusion of $1.00 on October 18, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The balance at June 30, 2011 is $650,118.

Funds placed in the capital reserve account 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	$55,213
Interest earnings	42
Deposits:	
Approved at June 15, 2011	650,000
	705,255
Withdrawals:	
Board Resolution on October 20, 2010	55,137
Ending balance, June 30, 2011	$650,118

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the $1,687,385 General Fund balance at June 30, 2011, $562,895 is reserved for encumbrances; $17,694 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 ($-0- of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); $650,118 has been reserved in the Capital Reserve Account; and $456,678 is unreserved and undesignated.

The District has an accumulated deficit of $113,220 in the Debt Service Fund as of June 30, 2011. This deficit is the result of an oversight to budget appropriations to cover the required debt service payments. As the District permanently finances these appropriations, the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004 c.73 (S1701) the designation for Reserved Fund Balance — 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 reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is $8,228. Of this amount, $8,228 is the result of the current year's operations.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	$11,910
Supplies	1,479
	$13,389

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 18. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 18. CONTINGENT LIABILITIES, (continued)

Litigation - 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.

Defalcation - The District was the subject of a defalcation in fiscal year 2009 by it's now bankrupt payroll service provider, Ameripay. Although federal tax returns were filed by the company for the fourth quarter of 2008 and the first and second quarter of 2009, Ameripay failed to remit all federal tax withholdings owed. As a result, the District has entered into a settlement agreement with the Department of the Treasury-Internal Revenue Service. Under this agreement, the District was required to pay $106,646.

In addition to the payment of the above amount of $106,646.00, the taxpayers will pay out of their fiscal budget for the years 2012 through 2016, inclusive, the Excess Surplus Funds that are still remaining in their General Fund at the end of each fiscal year, ending on June 30th. The taxpayers are to remit these Excess Surplus Funds to the Internal Revenue Service at the end of each fiscal year for the years 2012 through 2016, inclusive.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

PALISADES PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	19,330,621		19,330,621	19,330,621	
Interest Earned on Capital Reserve Funds				42	42
Unrestricted Miscellaneous Revenues	76,000		76,000	223,235	147,235
Total - Local Sources	19,406,621		19,406,621	19,553,898	147,277
Revenues from State Sources:					
Categorical Special Education Aid	247,257	619,875	867,132	867,132	
Equalization Aid	977,805	(619,875)	357,930	357,930	
Extraordinary Aid	118,318		118,318	251,763	133,445
TPAF Pension and Postretirement					
Medical Contribution (On-Behalf - Non-Budgeted)				669,046	669,046
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				31,499	31,499
Reimbursed TPAF Social Security Contributions (non-budgeted)				785,876	785,876
Total - State Sources	1,343,380		1,343,380	2,963,246	1,619,866
Revenues from Federal Sources:					
ARRA - SFSF - EJF (Education Jobs Fund)		75,660	75,660	75,660	
Special Education Medicaid Initiative	17,141		17,141	17,141	
Total - Federal Sources	17,141	75,660	92,801	92,801	
TOTAL REVENUES	20,767,142	75,660	20,842,802	22,609,945	1,767,143
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	400,390	(30,000)	370,390	362,810	7,580
Grades 1-5 - Salaries of Teachers	3,046,190	(25,000)	3,021,190	3,007,572	13,618
Grades 6-8 - Salaries of Teachers	774,235	(66,222)	708,013	688,460	19,553
Grades 9-12 - Salaries of Teachers	2,782,057	15,260	2,797,317	2,767,782	29,535
Regular Programs - Home Instruction:					
Salaries of Teachers	12,500		12,500	9,704	2,796
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	30,000	75,660	105,660	105,660	
Purchased Professional-Educational Services	2,700		2,700		2,700
Purchased Technical Services	105,679	24,392	130,071	127,865	2,206
Other Purchased Services (400-500 series)	18,000	(11,679)	6,321	5,784	537
General Supplies	529,894	(29,398)	500,496	456,282	44,214
Textbooks	66,929	(25,789)	41,140	38,995	2,145
Other Objects	95,000		95,000	71,747	23,253
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,863,574	(72,776)	7,790,798	7,642,661	148,137
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	449,544	(113,368)	336,176	313,177	22,999
General Supplies	6,000	2,500	8,500	3,485	5,015
Total Neurologically Impaired	455,544	(110,868)	344,676	316,662	28,014
Resource Room/Resource Center:					
Salaries of Teachers	574,815	(22,998)	551,817	535,549	16,268
Other Salaries for Instruction	134,990	(80,578)	54,412	47,370	7,042
Total Resource Room/Resource Center	709,805	(103,576)	606,229	582,919	23,310
Preschool Disabilities- Full-Time:					
Salaries of Teachers	250,005	85,166	335,171	333,297	1,874
Other Salaries for Instruction	62,920	77,439	140,359	130,958	9,401
Professional Svcs-Educational Services	10,000	1	10,001	2,232	7,769
General Supplies	2,500		2,500	2,079	421
Textbooks		2,500	2,500	1,099	1,401
Other Objects	2,500	(2,500)			
Total Preschool Disabilities - Full-Time	327,925	162,606	490,531	469,665	20,866
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,493,274	(51,838)	1,441,436	1,369,246	72,190

Exhibit C-1

PALISADES PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	216,360	651	217,011	200,710	16,301
General Supplies	3,000	1,603	4,603	691	3,912
Total Basic Skills/Remedial - Instruction	219,360	2,254	221,614	201,401	20,213
Bilingual Education - Instruction					
Salaries of Teachers	721,984		721,984	683,751	38,233
General Supplies	3,000	5,000	8,000	5,315	2,685
Textbooks	1,500	(500)	1,000	210	790
Total Bilingual Education - Instruction	726,484	4,500	730,984	689,276	41,708
School-Sponsored Cocurricular Activities - Instruction					
Salaries	99,000		99,000	62,006	36,994
Purchased Services (300-500 series)	3,969		3,969		3,969
Supplies and Materials	14,378	3,061	17,439	13,210	4,229
Total School-Sponsored Cocurricular Activities - Instruction	117,347	3,061	120,408	75,216	45,192
School-Sponsored Athletics - Instruction					
Salaries	206,000		206,000	200,646	5,354
Purchased Services (300-500 series)	50,000		50,000	43,000	7,000
Supplies and Materials	52,431		52,431	31,867	20,564
Total School-Sponsored Athletics - Instruction	308,431		308,431	275,513	32,918
TOTAL INSTRUCTION	10,728,470	(114,799)	10,613,671	10,253,313	360,358
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	356,079	(218,747)	137,332	119,969	17,363
Tuition to County Voc. School Dist. - Regular	238,500		238,500	193,331	45,169
Tuition to County Voc. School Dist. - Special	51,000	25,825	76,825	61,688	15,137
Tuition to CSSD & Regional Day Schools	472,114	64,433	536,547	499,900	36,647
Tuition to Private Schools for the Handicapped - Within State	138,130	128,489	266,619	240,208	26,411
Total Undistributed Expenditures - Instruction:	1,255,823		1,255,823	1,115,096	140,727
Undistributed Expend. - Attend. & Social Work					
Salaries	5,500		5,500	1,275	4,225
Total Undistributed Expend. - Attend. & Social Work	5,500		5,500	1,275	4,225
Undist. Expend. - Health Services					
Salaries	186,128	2,616	188,744	188,744	
Purchased Professional and Technical Services	2,275		2,275	1,598	677
Supplies and Materials	16,254	(4,883)	11,371	8,801	2,570
Total Undistributed Expenditures - Health Services	204,657	(2,267)	202,390	199,143	3,247
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Purchased Prof. Services-Educational Services	61,261	(13,243)	48,018	25,780	22,238
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	61,261	(13,243)	48,018	25,780	22,238
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	239,530	(36,549)	202,981	188,550	14,431
Salaries of Secretarial and Clerical Assistants	41,584	6,549	48,133	48,099	34
Supplies and Materials	9,750	(3,048)	6,702	5,229	1,473
Total Undist. Expend. - Guidance	290,864	(33,048)	257,816	241,878	15,938
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	533,411		533,411	504,631	28,780
Salaries of Secretarial and Clerical Assistants	79,222	(15,000)	64,222	58,927	5,295
Purchased Prof. Services-Educational Services	1,021		1,021		1,021
Supplies and Materials	12,378	2,539	14,917	10,920	3,997
Total Undist. Expend. - Child Study Teams	626,032	(12,461)	613,571	574,478	39,093
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	1,500		1,500	1,500	
Purchased Prof. Services-Educational Services	400		400	250	150
Other Purch Services (400-500)	400		400	199	201
Total Undist. Expend. - Improvement of Inst. Services	2,300		2,300	1,949	351

Exhibit C-1

PALISADES PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	279,212	13,243	292,455	274,206	18,249
Supplies and Materials	16,000	8,030	24,030	23,107	923
Total Undist. Expend. - Educational Media Serv./Sch. Library	295,212	21,273	316,485	297,313	19,172
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	281,328	(11,188)	270,140	255,140	15,000
Legal Services	25,000	16,695	41,695	41,695	
Audit Fees	34,000	(1,000)	33,000	33,000	
Other Purchased Professional Services	68,630	3,482	72,112	72,112	
Communications/Telephone	72,000	14,455	86,455	86,331	124
Other Purch Services (400-500 Series)	11,500	7,104	18,604	18,604	
General Supplies	7,000	(7,000)			
Misc. Expenditures	12,085	(5,544)	6,541	6,447	94
BOE Membership Dues and Fees	13,500	(1,465)	12,035	12,035	
Total Undist. Expend. - Supp. Serv. - General Administration	525,043	15,539	540,582	525,364	15,218
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	558,198		558,198	558,198	
Salaries of Secretarial and Clerical Assistants	314,020		314,020	307,221	6,799
Other Purchased Prof. and Tech. Services					
Other Purchased Services (400-500 series)	17,252		17,252	643	16,609
Supplies and Materials	35,709	15,016	50,725	18,697	32,028
Other Objects	7,875	6,233	14,108	10,519	3,589
Total Undist. Expend. - Support Serv. - School Administration	933,054	21,249	954,303	895,278	59,025
Undist. Expend. - Support Serv. - Central Services					
Salaries	254,416	14,361	268,777	262,093	6,684
Purchased Professional Services	3,507		3,507		3,507
Purchased Technical Services	10,700		10,700	8,664	2,036
Misc. Pur Services (400-500 Series)	3,000		3,000	2,694	306
Supplies and Materials	9,250		9,250	6,723	2,527
Other Objects	122,217	(14,361)	107,856	101,582	6,274
Total Undist. Expend. - Support Serv. - Central Services	403,090		403,090	381,756	21,334
Undist. Expend. - Required Maint. for School Facilities (261)					
Cleaning, Repair and Maintenance Services		40,000	40,000	31,056	8,944
General Supplies	40,000	(26,000)	14,000	60	13,940
Other Objects	14,000	(14,000)			
Undist. Expend. - Required Maint. for School Facilities	54,000		54,000	31,116	22,884
Undist. Expend. - Custodial Services (262)					
Salaries	734,675	112,338	847,013	828,984	18,029
Cleaning, Repair and Maintenance Services	150,375		150,375	136,119	14,256
Other Purchased Property Services	1,000		1,000		1,000
Insurance	140,000	(43,490)	96,510	96,056	454
General Supplies	92,000	3,511	95,511	95,243	268
Energy (Energy and Electricity)	450,000		450,000	312,203	137,797
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,568,050	72,359	1,640,409	1,468,605	171,804
Undist. Expend. - Student Transportation Services (270)					
Contract Services (Other than Between Home & School)-Vendors	74,785	(27,035)	47,750	47,000	750
Contract Services (Sp. Ed. Students)-Vendors	300,328	64,520	364,848	347,176	17,672
Total Undist. Expend. - Student Transportation Services	375,113	37,485	412,598	394,176	18,422
UNALLOCATED BENEFITS					
Social Security Contributions	265,000	(17,793)	247,207	230,510	16,697
Other Retirement Contributions-Regular	132,940	17,866	150,806	150,806	
Unemployment Compensation	10,000	25,000	35,000	34,000	1,000
Workmen's Compensation	80,775	(38,000)	42,775	42,545	230
Health Benefits	3,554,081	(98,363)	3,455,718	3,453,829	1,889
Tuition Reimbursement	17,222		17,222	17,222	
TOTAL UNALLOCATED BENEFITS	4,060,018	(111,290)	3,948,728	3,928,912	19,816
On-behalf TPAF pension Contributions (non-budgeted)				669,046	(669,046)
On-behalf TPAF NCGI Premium (non-budgeted)				31,499	(31,499)
Reimbursed TPAF Social Security Contributions (non-budgeted)				785,876	(785,876)
TOTAL ON-BEHALF CONTRIBUTIONS				1,486,421	(1,486,421)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,060,018	(111,290)	3,948,728	5,415,333	(1,466,605)
TOTAL UNDISTRIBUTED EXPENDITURES	10,660,017	(4,404)	10,655,613	11,568,540	(912,927)
TOTAL GENERAL CURRENT EXPENSE	21,388,487	(119,203)	21,269,284	21,821,853	(552,569)

Exhibit C-1

PALISADES PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services	55,137	194,863	250,000	10,180	239,820
Other Objects	15,789		15,789		15,789
Total Facilities Acquisition and Construction Services	70,926	194,863	265,789	10,180	255,609
TOTAL CAPITAL OUTLAY	70,926	194,863	265,789	10,180	255,609
Transfer of Funds to Charter Schools					
TOTAL EXPENDITURES	21,459,413	75,660	21,535,073	21,832,033	(296,960)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(692,271)		(692,271)	777,912	1,470,183
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Capital Reserve - Transfer to Capital Projects Fund				(55,137)	55,137
Total Other Financing Sources/(Uses):				(55,137)	55,137
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(692,271)		(692,271)	722,775	1,525,320
Fund Balance, July 1	802,716		802,716	1,049,392	(246,676)
Fund Balance, June 30	110,445		110,445	1,772,167	1,278,644
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(151,333)		(151,333)	(151,333)	
Increase in Capital Reserve:					
Principal				650,000	(650,000)
Interest Deposit to Capital Reserve				42	(42)
Withdraw From Cap Res-Transfer to Capital Projects	(55,137)		(55,137)	(55,137)	
Budgeted Fund Balance	(485,801)		(485,801)	279,203	2,175,362
	(692,271)		(692,271)	722,775	1,525,320

Recapitulation:	
Restricted Fund Balance:	
Legally Restricted - Excess Surplus	17,694
Capital Reserve	650,118
Committed Fund Balance:	
Year-end Encumbrances	562,895
Unassigned Fund Balance	541,460
	1,772,167
Recapitulation to Governmental Fund Statement (GAAP):	
Less: Last State Aid Payment not Recognized GAAP Basis	(84,782)
Total Fund Balance per Governmental Funds (GAAP)	1,687,385

Exhibit C-1b

PALISADES PARK BOARD OF EDUCATION
American Recovery and Reinvestment Act - Budget and Actual
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
ARRA - SFSF - EJF (Education Jobs Fund)		75,660	75,660	75,660	-
Total - Federal Sources	-	75,660	75,660	75,660	-
TOTAL REVENUES	-	75,660	75,660	75,660	-
EXPENDITURES:					
ARRA Funds:					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		75,660	75,660	75,660	
TOTAL REGULAR PROGRAMS - INSTRUCTION	-	75,660	75,660	75,660	-

PALISADES PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		47,192	47,192	47,192	-
State Sources	154,000	(1,112)	152,888	146,534	(6,354)
Federal Sources	936,017	415,926	1,351,943	1,265,486	(86,457)
Total Revenues	**1,090,017**	**462,006**	**1,552,023**	**1,459,212**	**(92,811)**
EXPENDITURES:					
Instruction:					
Salaries of Teachers	285,928	236,373	522,301	510,315	11,986
Tuition to Other LEAs Within State	250,598	(598)	250,000	250,000	-
Other Purchased Services (400-500 series)	127,817	2,717	130,534	124,180	6,354
General Supplies	51,597	45,574	97,171	87,323	9,848
Other Objects		-		-	-
Total instruction	715,940	284,066	1,000,006	971,818	28,188
Support services:					
Salaries of Supervisors of Instruction	110,661	45,219	155,880	136,240	19,640
Personal Services - Employee Benefits	43,816	48,175	91,991	91,991	-
Purchased Professional - Educational Services	26,180	54,983	81,163	74,640	6,523
Other Purchased Professional Services	155,177	8,213	163,390	141,330	22,060
Travel	10,675	(2,579)	8,096	2,160	5,936
Supplies & Materials	12,468	(2,145)	10,323	7,282	3,041
Other Objects	6,300	(571)	5,729	2,054	3,675
Total support services	365,277	151,295	516,572	455,697	60,875
Facilities acquisition and const. serv.:					
Instructional Equipment	8,800	26,645	35,445	31,697	3,748
Total facilities acquisition and const. serv.	8,800	26,645	35,445	31,697	3,748
Total Expenditures	**1,090,017**	**462,006**	**1,552,023**	**1,459,212**	**92,811**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

PALISADES PARK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2011

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	**[C-1]&[C-2]**	22,609,945	1,459,212
Differences - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year			(189,404)
State aid payment recognized in the prior year as unexpended state awards due to the General Fund.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		169,677	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(84,782)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	**[B-2]**	22,694,840	1,269,808
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]&[C-2]**	21,832,033	1,459,212
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but the in year the supplies are received for financial reporting purposes.			
Current Year			(189,404)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	**[B-2]**	21,832,033	1,269,808

SPECIAL REVENUE FUND

Exhibit E-1

PALISADES PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
June 30, 2011

	Total Brought Forward (Ex. E-1a)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Handicapped Services, Chp. 193			Title I, Improving Basic Skills	Totals 2011
				Supplemental Instruction	Examination & Classification	Corrective Speech		
REVENUES								
Local Sources	47,192							47,192
State Sources	72,694	10,231	12,123	9,658	19,767	22,061		146,534
Federal Sources	969,030						296,456	1,265,486
Total Revenues	**1,088,916**	**10,231**	**12,123**	**9,658**	**19,767**	**22,061**	**296,456**	**1,459,212**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	296,179		12,123				202,013	510,315
Tuition to Other LEAs Within State	250,000							250,000
Other Purchased Services (400-500 series)	72,694			9,658	19,767	22,061		124,180
General Supplies	61,664	10,231					15,428	87,323
Total instruction	680,537	10,231	12,123	9,658	19,767	22,061	217,441	971,818
Support services:								
Salaries of Supervisors of Instruction	119,240						17,000	136,240
Personal Services - Employee Benefits	48,570						43,421	91,991
Purchased Professional - Educational Services	62,001						12,639	74,640
Other Purchased Professional Services	140,375						955	141,330
Travel	2,160							2,160
Supplies & Materials	2,282						5,000	7,282
Other Objects	2,054							2,054
Total support services	376,682	-	-	-	-	-	79,015	455,697
Facilities acquisition and const. serv.:								
Instructional Equipment	31,697							31,697
Total facilities acquisition and const. serv.	31,697	-	-	-	-	-	-	31,697
Total Expenditures	**1,088,916**	**10,231**	**12,123**	**9,658**	**19,767**	**22,061**	**296,456**	**1,459,212**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1a

PALISADES PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1b)	ARRA - Title I, SIA School Improvement Accountability	Implementing New Curricular Learning with Universally Designed Experiences	Implementing New Curricular Learning with Universally Designed Experiences 2009-10	Implementing New Curricular Learning with Universally Designed Experiences 2008-2009	Improving Partnerships and Active Collaboration for Teaching Grant	Improving Partnerships and Active Collaboration for Teaching Grant 09-10	Total Carried Forward
REVENUES								
Local Sources	47,192							47,192
State Sources	72,694							72,694
Federal Sources	633,708	9,946	207,911	63,533	7,288	19,904	26,740	969,030
Total Revenues	**753,594**	**9,946**	**207,911**	**63,533**	**7,288**	**19,904**	**26,740**	**1,088,916**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	228,776		56,048	1,400		4,765	5,190	296,179
Tuition to Other LEAs Within State	250,000							250,000
Other Purchased Services (400-500 series)	72,694							72,694
General Supplies	38,767		13,046	3,012		988	5,851	61,664
Total instruction	590,237	-	69,094	4,412	-	5,753	11,041	680,537
Support services:								
Salaries of Supervisors of Instruction	20,900		59,080	24,760		7,460	7,040	119,240
Personal Services - Employee Benefits	24,572		21,789			1,294	915	48,570
Purchased Professional - Educational Services	-		28,373	26,340	7,288			62,001
Other Purchased Professional Services	113,461	9,946	2,732	6,492			7,744	140,375
Travel	-		2,160					2,160
Supplies & Materials	2,282							2,282
Other Objects	-		525	1,529				2,054
Total support services	161,215	9,946	114,659	59,121	7,288	8,754	15,699	376,682
Facilities acquisition and const. serv.:								
Instructional Equipment	2,142		24,158			5,397		31,697
Total facilities acquisition and const. serv.	2,142	-	24,158	-	-	5,397	-	31,697
Total Expenditures	**753,594**	**9,946**	**207,911**	**63,533**	**7,288**	**19,904**	**26,740**	**1,088,916**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1b

PALISADES PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1c)	Title II, Part A Teacher and Principal Training and Recruiting Fund	N.J. Nonpublic Auxiliary Services, Chp. 192		Title III, English Language Acquisition and Language Enhancement	I.D.E.A Part B, Basic 10-11	I.D.E.A. Part B Preschool	Total Carried Forward
			Compensatory Education	English as a Second Language				
REVENUES								
Local Sources	47,192							47,192
State Sources	-		50,154	22,540				72,694
Federal Sources	187,643	54,302			52,202	331,877	7,684	633,708
Total Revenues	**234,835**	**54,302**	**50,154**	**22,540**	**52,202**	**331,877**	**7,684**	**753,594**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	172,735	26,042			29,999			228,776
Tuition to Other LEAs Within State	-					250,000		250,000
Other Purchased Services (400-500 series)	-		50,154	22,540				72,694
General Supplies	26,288	1,300			10,797	382		38,767
Total instruction	199,023	27,342	50,154	22,540	40,796	250,382	-	590,237
Support services:								
Salaries of Supervisors of Instruction	10,500	10,400						20,900
Personal Services - Employee Benefits	10,442	8,130			6,000			24,572
Purchased Professional - Educational Services	-							-
Other Purchased Professional Services	12,110	8,430			5,000	80,237	7,684	113,461
Travel	-							-
Supplies & Materials	618				406	1,258		2,282
Other Objects	-							-
Total support services	33,670	26,960	-	-	11,406	81,495	7,684	161,215
Facilities acquisition and const. serv.:								
Instructional Equipment	2,142							2,142
Total facilities acquisition and const. serv.	2,142	-	-	-	-	-	-	2,142
Total Expenditures	**234,835**	**54,302**	**50,154**	**22,540**	**52,202**	**331,877**	**7,684**	**753,594**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1c

PALISADES PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	ARRA - I.D.E.A Part B, Basic	ARRA - I.D.E.A. Part B Preschool	Fund for the Improvement of Education	Korean Language Association 09-10	Total Carried Forward
REVENUES					
Local Sources				47,192	47,192
State Sources					-
Federal Sources	40,038	45	147,560		187,643
Total Revenues	**40,038**	**45**	**147,560**	**47,192**	**234,835**
EXPENDITURES:					
Instruction:					
Salaries of Teachers			126,000	46,735	172,735
Tuition to Other LEAs Within State					-
Other Purchased Services (400-500 series)					-
General Supplies	25,786	45		457	26,288
Total instruction	25,786	45	126,000	47,192	199,023
Support services:					
Salaries of Supervisors of Instruction			10,500		10,500
Personal Services - Employee Benefits			10,442		10,442
Purchased Professional - Educational Services					-
Other Purchased Professional Services	12,110				12,110
Cleaning, Repair & Maintenance Services					-
Travel					-
Supplies & Materials			618		618
Other Objects					-
Total support services	12,110	-	21,560	-	33,670
Facilities acquisition and const. serv.:					
Instructional Equipment	2,142				2,142
Total facilities acquisition and const. serv.	2,142	-	-	-	2,142
Total Expenditures	**40,038**	**45**	**147,560**	**47,192**	**234,835**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

CAPITAL PROJECTS FUND

Exhibit F-1

PALISADES PARK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2011

Revenues		
State Sources - SCC Grant		-
Certificates of Participation		-
Sale of Property		-
Transfers from Capital Reserve		55,137
Transfers from Capital Outlay		-
Transfers from Food Service Fund		-
Interest earnings		-
		55,137
Expenditures		
Purchased professional and technical services		15,656
Land and improvements		-
Construction services		15,496
Equipment purchases		-
		31,152
Net change in fund balance		23,985
Fund balance - beginning		16,810
Fund balance - ending	$	40,795
Analysis of Fund Balance		
Assigned to:		
1997 School Renovation Project		205
Roof Replacement - Jr./Sr. High School		37
Early Childhood Center		16,568
Board Office Conversion to Classrooms		23,985
	$	40,795

Exhibit F-1a

PALISADES PARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
1997 School Renovation Project
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State Sources - SCC Grant	1,000,000		1,000,000	
Certificates of Participation	1,500,000		1,500,000	
Sale of Property			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
Donations			-	
	2,500,000	-	2,500,000	-
Expenditures				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	2,499,795		2,499,795	
Equipment purchases			-	
	2,499,795	-	2,499,795	-
Excess (deficiency) of revenues over (under) expenditures	205	-	205	-
Additional project information:				
Project number				
Grant Date	1997			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	2,500,000.00			
Additional authorized cost				
Revised authorized cost	2,500,000.00			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date				
Revised target completion date				

Exhibit F-1b

PALISADES PARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Jr./Sr. High School Roof Replacement
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State Sources - SCC Grant	100,823		100,823	
Certificates of Participation			-	
Sale of Property			-	
Transfers from Capital Reserve	135,266		135,266	
Transfers from Capital Outlay	15,969		15,969	
Donations			-	
	252,058	-	252,058	-
Expenditures				
Purchased professional and technical services	-		-	
Land and improvements			-	
Construction services	252,021		252,021	
Equipment purchases			-	
	252,021	-	252,021	-
Excess (deficiency) of revenues over (under) expenditures	37	-	37	-
Additional project information:				
Project number	3910-050-04-00RA			
Grant Date	7/15/2004			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	252,058.00			
Additional authorized cost				
Revised authorized cost	252,058.00			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date				
Revised target completion date				

Exhibit F-1c

PALISADES PARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Early Childhood Center
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State Sources - SCC Grant	1,343,959		1,343,959	
Certificates of Participation			-	
Sale of Property	3,840,000		3,840,000	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
Transfers from Food Service Fund	150,000		150,000	
Donations	50,000		50,000	
	5,383,959	-	5,383,959	-
Expenditures				
Purchased professional and technical services	209,665		209,665	
Land and improvements			-	
Construction services	5,157,726		5,157,726	
Equipment purchases			-	
	5,367,391	-	5,367,391	-
Excess (deficiency) of revenues over (under) expenditures	16,568	-	16,568	-
Additional project information:				
Project number	3910-N01-03-0632			
Grant Date	7/15/2004			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	5,492,959.00			
Additional authorized cost	85,000.00			
Revised authorized cost	5,577,959.00			
Percentage increase over original authorized cost	0.02			
Percentage completion	96%			
Original target completion date				
Revised target completion date				

Exhibit F-1d

PALISADES PARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Board Office Conversion to Classrooms
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State Sources - SCC Grant			-	
Certificates of Participation			-	
Sale of Property			-	
Transfers from Capital Reserve		55,137	55,137	
Transfers from Capital Outlay			-	
Transfers from Food Service Fund			-	
Donations			-	
	-	55,137	55,137	-
Expenditures				
Purchased professional and technical services		15,656	15,656	
Land and improvements			-	
Construction services		15,496	15,496	
Equipment purchases			-	
	-	31,152	31,152	-
Excess (deficiency) of revenues over (under) expenditures	-	23,985	23,985	-
Additional project information:				
Project number				
Grant Date	N/A			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	55,137.00			
Additional authorized cost				
Revised authorized cost	55,137.00			
Percentage increase over original authorized cost	-			
Percentage completion	56%			
Original target completion date				
Revised target completion date				

Exhibit F-2

PALISADES PARK BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2011

Project Title/Issue	Date	Appropriations	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Cancelled	Unexpended Balance June 30, 2010
1997 - School renovation project	1997	2,500,000	2,499,795			205
Roof Replacement - Jr./Sr. High School	2004	252,058	252,021			37
Early Childhood Center	2005	5,577,959	5,367,391			210,568
Board Office Conversion to Classrooms	2011	55,137		31,152		23,985
		8,385,154	8,119,207	31,152	-	234,795

Analysis	
Project Balance - June 30, 2011	234,795
Unfunded Authorizations	(194,000)
Fund Balance (Deficit) - June 30, 2011	40,795

PROPRIETARY FUNDS

Exhibit G-1

PALISADES PARK BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2011

	Food Service Program	After School Child Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	52,691	56,085	108,776
Accounts receivable:			
State	673		673
Federal	19,997		19,997
Other			-
Interfund	870		870
Inventories	13,389		13,389
Total current assets	87,620	56,085	143,705
Noncurrent assets:			
Capital assets:			
Equipment	108,801		108,801
Site Improvements	59,050		59,050
Less accumulated depreciation:			
Equipment	(106,489)		(106,489)
Site Improvements	(5,905)		(5,905)
Total capital assets (net of accumulated depreciation)	55,457	-	55,457
Total assets	143,077	56,085	199,162
LIABILITIES			
Current liabilities:			
Accounts payable	23,141		23,141
Total current liabilities	23,141	-	23,141
NET ASSETS			
Invested in capital assets net of related debt	55,457	-	55,457
Unrestricted	64,479	56,085	120,564
Total net assets	119,936	56,085	176,021

Exhibit G-2

PALISADES PARK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2011

	Food Service Program	After School Child Care	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	352,767		352,767
Daily sales - non-reimbursable programs	1,543		1,543
Tuition fees		99,095	99,095
Total operating revenues	354,310	99,095	453,405
Operating expenses:			
Cost of sales	256,103		256,103
Salaries	209,568	87,765	297,333
Supplies and materials	45,083	3,688	48,771
Employee benefits	67,464		67,464
Cleaning repair & maintenance	24,828		24,828
Purchased services	32,979		32,979
Depreciation	7,488		7,488
Total Operating Expenses	643,513	91,453	734,966
Operating income (loss)	(289,203)	7,642	(281,561)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	8,351		8,351
Federal sources:			
National school lunch program	228,529		228,529
National school breakfast program	32,620		32,620
Food distribution program	30,634		30,634
Interest and investment revenue	19		19
Total nonoperating revenues (expenses)	300,153	-	300,153
Income (loss) before contributions & transfers	10,950	7,642	18,592
Transfers in (out)			-
Change in net assets	10,950	7,642	18,592
Total net assets—beginning, restated	108,986	48,443	157,429
Total net assets—ending	119,936	56,085	176,021

Exhibit G-3

PALISADES PARK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2011

	Food Service Program	After School Child Care	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	365,372	99,095	464,467
Payments to employees		(87,765)	(87,765)
Payments to Outside Food Service Management Company	(579,659)		(579,659)
Payments for repairs, maintenance	(21,453)		(21,453)
Payments for supplies	(5,462)	(3,688)	(9,150)
Net cash provided by (used for) operating activities	(241,202)	7,642	(233,560)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	8,804		8,804
Federal Sources	260,697		260,697
Net cash provided by (used for) non-capital financing activities	269,501	-	269,501
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	19		19
Net cash provided by (used for) investing activities	19	-	19
Net increase (decrease) in cash and cash equivalents	28,318	7,642	35,960
Balances—beginning of year	24,373	48,443	72,816
Balances—end of year	52,691	56,085	108,776
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(289,203)	7,642	(281,561)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	7,488		7,488
Food Distribution Program	30,634		30,634
(Increase) decrease in accounts receivable, net	11,850		11,850
(Increase) decrease in inventories	(3,664)		(3,664)
Increase (decrease) in accounts payable	1,693		1,693
Total adjustments	48,001	-	48,001
Net cash provided by (used for) operating activities	(241,202)	7,642	(233,560)

FIDUCIARY FUND

Exhibit H-1

PALISADES PARK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Funds	Agency Funds
ASSETS			
Cash and cash equivalents	15,419	4,408	152,636
Accounts Receivable	10,033		
Total assets	25,452	4,408	152,636
LIABILITIES			
Payable to student groups			107,493
Payroll deductions and withholdings			45,143
Accounts payable	673		
Total liabilities	673	-	152,636
NET ASSETS			
Held in trust for unemployment claims and other purposes	24,779		
Reserved for Scholarships		4,408	

Exhibit H-2

PALISADES PARK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	20,977	
Employer Contributions	34,000	
Total Contributions	54,977	
Investment earnings:		
Interest	14	33
Net investment earnings	14	33
Total additions	54,991	33
DEDUCTIONS		
Prior year receivables cancelled		
Unemployment claims	76,582	
Total deductions	76,582	-
Change in net assets	(21,591)	33
Net assets—beginning of the year	46,370	4,375
Net assets—end of the year	24,779	4,408

PALISADES PARK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursed	Balance June 30, 2011
Elementary Schools:				
Lindbergh School	9,882	47,300	47,785	9,397
Total Elementary Schools	9,882	47,300	47,785	9,397
High School:				
High School	44,093	82,345	91,121	35,317
Student Aid	40,316	26,725	30,525	36,516
Athletic Fund	23,950	104,581	108,369	20,162
Cultural Arts	5,250	5,550	4,699	6,101
Total High School	113,609	219,201	234,714	98,096
Total All Schools	123,491	266,501	282,499	107,493

Exhibit H-4

PALISADES PARK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursed	Balance June 30, 2011
Net Payroll	34,656	8,780,213	8,776,055	38,814
Payroll Deductions and Withholdings	3,193	5,901,928	5,898,792	6,329
	37,849	14,682,141	14,674,847	45,143

LONG-TERM DEBT

PALISADES PARK BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Obligations under Bonds and Loans Payable
June 30, 2011

SERIES	Amount of Original Issues	Annual Maturities Date	Annual Maturities Amount	Interest Rate Payable	Amount Outstanding on July 1, 2010	Retired in Current Year	Amount Outstanding on June 30, 2011
1993 Safe Program Loan	207,750	07/15/11-12	10,934	1.500%	$ 43,739	10,934	32,805
		07/15/13	10,937				
1993 Small Project Loan	370,417	7/14/2011	42,324	5.288%	173,278	40,579	132,699
		7/14/2012	44,202				
		7/14/2013	46,173				
2003 Refund Pension Liability	1,324,000	03/01/12	67,000	5.25%	970,000	63,000	907,000
		03/01/13	72,000	5.25%			
		03/01/14	77,000	4.70%			
		03/01/15	81,000	4.75%			
		03/01/16	86,000	4.80%			
		03/01/17	93,000	4.85%			
		03/01/18	98,000	4.90%			
		03/01/19	104,000	5.35%			
		03/01/20	111,000	5.35%			
		03/01/21	118,000	5.35%			
TOTAL					$ 1,187,017	114,513	1,072,504

PALISADES PARK BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Obligations under Capital Leases
June 30, 2011

SERIES	Amount of Original Issues	Annual Maturities Date	Annual Maturities Amount	Interest Rate Payable	Amount Outstanding on July 1, 2010	Retired in Current Year	Amount Outstanding on June 30, 2011
2007 School Renovations	3,084,069	08/01/11	307,460	4.150%	2,317,754	300,647	2,017,107
		08/01/12	398,083				
		08/01/13	427,217				
		08/01/14	410,228				
		08/01/15	318,235				
		08/01/16	155,884				
TOTAL					2,317,754	300,647	2,017,107

Exhibit I-5

PALISADES PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	451,048	-	451,048	449,078	(1,970)
				-	
Total - State Sources	451,048	-	451,048	451,048	(1,970)
Total Revenues	**451,048**	**-**	**451,048**	**451,048**	**(1,970)**
EXPENDITURES:					
Regular Debt Service:					
Princ. Paymnts - Comm. Approved Lease Purchase Agrm.	300,647	-	300,647	300,647	-
Int for Commissioner Approved Lease Purchase Agrm.	89,948	-	89,948	89,948	-
Interest on Early Retirement Bonds	49,170	-	49,170	49,170	-
Redemption of Principal-Early Retirement Bonds	63,000	-	63,000	63,000	-
Interest on Bonds	8,665	-	8,665	8,664	(1)
Amounts Paid Into Sinking Fund	51,514	-	51,514	51,514	-
Total Regular Debt Service	562,944	-	562,944	562,943	(1)
Total expenditures	**562,944**	**-**	**562,944**	**562,943**	**(1)**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,896)	-	(111,896)	(111,895)	(1,969)
Fund Balance, July 1	(1,325)		(1,325)	(1,325)	-
Fund Balance, June 30	(113,221)	-	(113,221)	(113,220)	(1,969)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(111,896)		(111,896)		111,896

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes 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 sources, 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 to 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 comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

J-1 Net Assets by Component
J-2 Changes in Net Assets
J-3 Fund Balances - Governmental Funds
J-4 Changes in Fund Balances - Governmental Funds
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Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property
J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

J-10 Ratios of Outstanding Debt by Type
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Operating Information

J-16 Full-time Equivalent District Employees by Function/Program
J-17 Operating Statistics
J-18 School Building Information*
J-19 Schedule of Allowable Maintenance Expenditures by School Facility
J-20 Insurance Schedule

Exhibit J-1

Palisades Park Board of Education
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	$ 8,542,910	$ 8,612,256	$ 12,990,376	$ 13,557,604	$ 13,873,642	$ 14,625,782	$ 14,764,638	$ 14,892,593	$ 14,998,336
Restricted	783,738	1,085,699	1,251,830	934,617	590,342	399,811	717,770	328,677	1,158,282
Unrestricted	(799,396)	(1,054,560)	(883,612)	(678,270)	(744,311)	(1,205,505)	(1,295,155)	(1,283,380)	(1,858,590)
Total governmental activities net assets	$ 8,527,252	$ 8,643,395	$ 13,358,594	$ 13,813,951	$ 13,719,673	$ 13,820,088	$ 14,187,253	$ 13,937,890	$ 14,298,028
Business-type activities									
Invested in capital assets, net of related debt	$ 72,616	$ 64,640	$ 77,346	$ 42,294	$ 36,850	$ 32,545	$ 28,241	$ 82,578	$ 55,457
Restricted	-	-	-	-	-	-			
Unrestricted	154,523	187,496	205,926	243,972	116,254	146,184	142,947	94,483	120,564
Total business-type activities net assets	$ 227,139	$ 252,136	$ 283,272	$ 286,266	$ 153,104	$ 178,729	$ 171,188	$ 177,061	$ 176,021
District-wide									
Invested in capital assets, net of related debt	$ 8,615,526	$ 8,676,896	$ 13,067,722	$ 13,599,898	$ 13,910,492	$ 14,658,327	$ 14,792,879	$ 14,975,171	$ 15,053,793
Restricted	783,738	1,085,699	1,251,830	934,617	590,342	399,811	717,770	328,677	1,158,282
Unrestricted	(644,873)	(867,064)	(677,686)	(434,298)	(628,057)	(1,059,321)	(1,152,208)	(1,188,897)	(1,738,026)
Total district net assets	$ 8,754,391	$ 8,895,531	$ 13,641,866	$ 14,100,217	$ 13,872,777	$ 13,998,817	$ 14,358,441	$ 14,114,951	$ 14,474,049

Source: CAFR Schedule A-1

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten year is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Exhibit J-2

Palisades Park Board of Education
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
Instruction									
Regular	$ 7,052,976	$ 7,641,226	$ 7,913,442	$ 8,149,147	$ 8,927,524	$ 9,006,133	$ 9,667,485	$ 10,920,716	$ 10,684,872
Special education	1,154,470	1,246,748	1,337,648	1,307,026	1,492,617	1,450,922	1,885,490	1,654,498	1,868,859
Other special education	562,626	561,071	660,917	729,410	728,079	772,078	965,848	1,164,576	1,151,586
Other instruction	362,777	364,750	402,534	455,218	463,660	506,913	507,996	494,334	428,209
Support Services:									
Tuition	882,212	1,396,627	1,307,686	1,720,517	1,310,242	1,992,515	1,448,076	1,205,163	1,115,096
Student & instruction related services	1,266,851	1,406,577	1,429,322	1,193,639	1,660,142	1,938,727	2,045,320	2,284,324	1,993,473
School administrative services	883,488	942,037	953,796	977,885	982,470	1,163,737	1,204,795	1,201,204	1,153,278
General administrative services	651,142	682,801	654,180	723,899	793,932	695,312	752,281	835,720	601,294
Central Services			317,431	294,401	337,486	322,929	368,210	387,439	459,071
Plant operations and maintenance	1,401,350	1,419,105	1,589,268	1,673,920	1,808,035	1,727,801	1,922,907	1,774,299	1,746,031
Pupil transportation	473,642	573,584	521,546	486,130	442,928	565,985	369,724	286,031	394,176
Administration of Information Technology			60,030						
Business and other support services	336,890	335,244							
Unallocated Benefits	926,082	1,118,028	1,014,777	1,345,116	2,043,981	2,196,636	1,473,091	1,717,144	2,033,987
Charter Schools				16,610	17,305	18,644	24,441	3,404	
Interest on long-term debt	289,005	315,821	320,210	292,352	266,767	206,478	175,293	118,314	147,782
Bond issuance costs	7,791								
Unallocated depreciation	152,210	152,210	156,086	152,215	310,681	292,619	230,793	273,438	227,607
Capital Outlay - nondepreciable	251,886	40,626	44,832	112,703	152,047		3,729	106,710	50,237
Total governmental activities expenses	16,655,398	18,196,455	18,683,705	19,630,188	21,737,896	22,857,429	23,045,479	24,427,314	24,055,558
Business-type activities:									
Food service	500,165	525,565	494,031	486,430	522,038	558,377	585,342	631,152	643,513
After School Child Care	90,140	69,190	79,346	71,187	93,035	85,937	93,243	93,978	91,453
Total business-type activities expense	590,305	594,755	573,377	557,617	615,073	644,314	678,585	725,130	734,966
Total district expenses	$ 17,245,703	$ 18,791,210	$ 19,257,082	$ 20,187,805	$ 22,352,969	$ 23,501,743	$ 23,724,064	$ 25,152,444	$ 24,790,524
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction (tuition)									
Pupil transportation									
Business and other support services									
Operating grants and contributions	1,776,530	901,026	1,008,208	1,067,497	949,892	1,165,385	1,030,317	1,524,653	1,269,808
Capital grants and contributions									
Total governmental activities program revenues	1,776,530	901,026	1,008,208	1,067,497	949,892	1,165,385	1,030,317	1,524,653	1,269,808

Exhibit J-2

Palisades Park Board of Education
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Charges for services									
Food service	394,431	373,553	357,962	355,272	367,836	367,273	359,548	350,902	354,310
Child care	71,078	80,868	86,893	67,969	88,839	104,134	100,725	92,452	99,095
Operating grants and contributions	150,551	164,798	159,236	165,954	175,092	198,419	210,633	287,581	300,134
Capital grants and contributions									
Total business type activities program revenues	616,060	619,219	604,091	589,195	631,767	669,826	670,906	730,935	753,539
Total district program revenues	$ 2,392,590	$ 1,520,245	$ 1,612,299	$ 1,656,692	$ 1,581,659	$ 1,835,211	$ 1,701,223	$ 2,255,588	$ 2,023,347
Net (Expense)/Revenue									
Governmental activities	$ (14,878,868)	$ (17,295,429)	$ (17,675,497)	$ (18,562,691)	$ (20,788,004)	$ (21,692,044)	$ (22,015,162)	$ (22,902,661)	$ (22,785,750)
Business-type activities	25,755	24,464	30,714	31,578	16,694	25,512	(7,679)	5,805	18,573
Total district-wide net expense	$ (14,853,113)	$ (17,270,965)	$ (17,644,783)	$ (18,531,113)	$ (20,771,310)	$ (21,666,532)	$ (22,022,841)	$ (22,896,856)	$ (22,767,177)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, net	$ 13,114,646	$ 13,777,161	$ 14,488,338	$ 15,320,439	$ 16,269,671	$ 17,313,456	$ 17,922,116	$ 18,372,404	$ 19,330,621
Taxes levied for debt service	471,333	587,651	529,088	533,630	551,878	578,101	549,366	449,078	451,048
Unrestricted grants and contributions	1,353,471	2,774,368	2,797,947	2,979,420	3,661,987	3,804,281	3,793,030	3,713,201	3,226,076
Investment earnings	2,526	26,821	-	-	97,693	34,656	14,053	3,903	1,885
Miscellaneous income	64,698	156,430	3,913,118	124,899	194,616	61,915	103,763	114,712	136,258
Cost of Asset Disposal			(728,400)						
State Aid- State Facilities Grant	22,640	100,823	1,343,959						
Retirement of Debt - Refinancing Credit			46,646		57,931				
State Facility Grants Cancelled		(11,682)							
Transfers					150,000				
Refund of reserve					(290,000)				
Total governmental activities	15,029,314	17,411,572	22,390,696	18,958,388	20,693,776	21,792,409	22,382,328	22,653,298	23,145,888
Business-type activities:									
Investment earnings	363	532	422	447	144	113	138	68	19
Transfers					(150,000)				
Total business-type activities	363	532	422	447	(149,856)	113	138	68	19
Total district-wide	$ 15,029,677	$ 17,412,104	$ 22,391,118	$ 18,958,835	$ 20,543,920	$ 21,792,522	$ 22,382,466	$ 22,653,366	$ 23,145,907
Change in Net Assets									
Governmental activities	$ 150,446	$ 116,143	$ 4,715,199	$ 395,697	$ (94,228)	$ 100,365	$ 367,166	$ (249,363)	$ 360,138
Business-type activities	26,118	24,996	31,136	32,025	(133,162)	25,625	(7,541)	5,873	18,592
Total district	$ 176,564	$ 141,139	$ 4,746,335	$ 427,722	$ (227,390)	$ 125,990	$ 359,625	$ (243,490)	$ 378,730

Source: CAFR Schedule A-2

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten year is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Exhibit J-3

Palisades Park Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	$ 398,852	$ 694,671	$ 635,124	$ 644,617	$ 578,962	$ 257,025	$ 201,938	$ 313,192	
Unreserved	1,143,687	823,280	863,164	938,889	885,809	566,241	872,420	566,523	
Restricted									667,812
Committed									562,895
Unassigned									456,678
Total general fund	$ 1,542,539	$ 1,517,951	$ 1,498,288	$ 1,583,506	$ 1,464,771	$ 823,266	$ 1,074,358	$ 879,715	$ 1,687,385
All Other Governmental Funds									
Reserved	$ 290,000	$ 290,000	$ 290,000	$ 290,000					
Unreserved, reported in:									
Special revenue fund	(6,813)	-				(9,075)			
Capital projects fund	63,818	101,028	326,706	117,349	50,047	16,810	16,810	16,810	
Debt service fund	31,068	43,213	23,611	(8,964)	11,430	125,976	113,221	(1,325)	
Assigned, reported in:									
Capital projects fund									40,795
Debt service fund									(113,220)
Total all other governmental funds	$ 378,073	$ 434,241	$ 640,317	$ 398,385	$ 61,477	$ 133,711	$ 130,031	$ 15,485	$ (72,425)

Source: CAFR Schedule B-1

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten year is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Exhibit J-4

Palisades Park Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	$ 12,925,635	$ 13,585,979	$ 14,364,812	$ 15,017,426	$ 15,854,069	$ 16,821,549	$ 17,891,557	$ 18,471,482	$ 18,821,482	$ 19,781,669
Tuition							12,000			
Interest earnings										
Miscellaneous	248,608	64,698	182,527	69,066	56,262	292,309	49,915	117,816	118,615	270,469
State sources	2,218,706	2,583,458	3,042,735	3,117,488	3,301,627	3,911,846	4,302,759	3,948,752	3,636,606	3,194,675
Federal sources	507,016	546,543	632,659	688,667	745,290	700,033	666,907	874,595	1,601,248	1,168,883
Total revenue	15,899,965	16,780,678	18,222,733	18,892,647	19,957,248	21,725,737	22,923,138	23,412,645	24,177,951	24,415,696
Expenditures										
Instruction										
Regular Instruction	6,001,924	6,126,914	6,456,098	6,810,187	6,863,037	7,438,394	7,392,018	7,932,304	8,900,808	8,614,479
Special education instruction	935,513	995,080	1,035,073	1,129,845	1,070,866	1,211,684	1,124,359	1,469,066	1,247,168	1,369,246
Other special instruction	447,699	479,345	462,781	552,238	597,707	589,836	612,470	770,973	911,093	890,677
Vocational education										
Other instruction	290,255	325,579	317,665	354,363	391,988	399,601	428,132	427,533	414,660	350,729
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	1,093,191	882,212	1,396,627	1,307,686	1,714,494	1,310,242	1,992,515	1,448,076	1,205,163	1,115,096
Health services	124,161	155,633	157,726	146,153	157,825	177,106	183,641	214,082	201,925	199,143
Student & instruction related services	944,937	967,288	1,065,257	1,122,312	852,016	1,279,715	1,460,784	1,493,132	1,697,547	1,408,966
School Administrative services	676,028	761,425	793,252	802,598	804,162	818,555	923,956	969,207	946,006	895,278
General administrative services	649,980	591,642	619,810	603,045	661,539	731,317	617,571	677,534	755,516	525,364
Central services				258,366	248,742	279,687	265,842	299,736	315,056	381,756
Plant operations and maintenance	1,036,154	1,306,110	1,283,597	1,447,392	1,499,350	1,606,412	1,495,101	1,686,141	1,525,957	1,499,721
Pupil transportation	344,212	473,642	529,224	521,546	486,130	442,928	565,985	369,724	286,031	394,176
Administration of Information Technology				60,030						
Business and other support services	294,232	302,347	335,244							
Unallocated employee benefits	1,547,334	1,632,678	2,094,136	1,979,762	2,324,610	2,678,759	3,034,980	3,348,106	3,818,597	3,928,912
TPAF Pension / Social Security	549,848	888,941	1,094,358	1,118,997	1,341,456	2,018,880	2,108,686	1,372,453	1,524,832	1,486,421
Charter Schools				16,448	16,610	17,305	18,644	24,441	3,404	
Capital outlay	77,312	196,017	63,940	152,254	156,633	465,470	805,589	100,603	169,753	73,029
Debt service:										
Principal	224,296	210,344	264,522	231,086	290,987	305,365	304,631	380,299	398,351	415,161
Interest and other charges	273,727	262,035	311,708	321,656	293,855	270,124	158,924	181,822	165,273	147,782
Bond issuance costs		7,791								
Total expenditures	15,510,803	16,557,232	18,281,018	18,935,964	19,772,007	22,041,380	23,493,828	23,165,232	24,487,140	23,695,936
Excess (Deficiency) of revenues over (under) expenditures	389,162	223,446	(58,285)	(43,317)	185,241	(315,643)	(570,690)	247,413	(309,189)	719,760

Exhibit J-4

Palisades Park Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding debt	-	1,324,000	-	-	-	-	-	-	-	-
Payment of Unfunded Pension Liability	-	(1,316,209)	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	4,053	2,526	52,655	4,052	18,637	194,005	34,656	-	-	55,137
Transfers out	(24,996)	(101,000)	-	-	(151,235)	(334,005)	-	-	-	(55,137)
Total other financing sources (uses)	(20,943)	(90,683)	52,655	4,052	(132,598)	(140,000)	34,656	-	-	-
Net change in fund balances	$ 368,219	$ 132,763	$ (5,630)	$ (39,265)	$ 52,643	$ (455,643)	$ (536,034)	$ 247,413	$ (309,189)	$ 719,760
Debt service as a percentage of noncapital expenditures	3.2%	2.9%	3.2%	2.9%	3.0%	2.7%	2.0%	2.4%	2.3%	2.4%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.
Source: CAFR Schedule B-2

Exhibit J-5

Palisades Park Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Tuition Revenue	Rent	Refunds	Fines	Insurance Reimbursements	Interest on Investments	Misc.	Total
2002	56,483	-	2,780	509	-	40,943	151,946	252,661
2003	12,000	-	21,936	1,051	-	19,575	10,136	64,698
2004	12,000	-	97,298	-	-	26,097	47,132	182,527
2005	-	-	-	-	-	39,515	29,551	69,066
2006	-	-	4,700	599	8,750	37,905	4,308	56,262
2007	27,030	-	132,183	-	5,662	58,634	24,795	248,304
2008	12,000	-	-	-		34,656	49,915	96,571
2009	-	-	-	1,899	-	14,053	101,864	117,816
2010	-	-	67,184	1,190	16,017	3,903	30,321	118,615
2011	-	66,750	14,438		19,739	1,885	120,465	223,277

Source: District Records

Palisades Park Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2001	$ 14,883,300	$ 603,779,800	$ -	$ -	$ 95,882,700	$ 44,402,200	$ 68,893,100	$ 827,841,100	$ 65,040,600.00	$ 589,365	$ 763,389,865	1.560	$ 1,092,295,946	69.89%
2002	$ 13,977,700	$ 636,694,100	$ -	$ -	$ 98,680,900	$ 43,990,200	$ 69,853,100	$ 863,196,000	$ 65,000,600.00	$ 548,200	$ 798,743,600	1.570	$ 1,254,282,425	63.68%
2003	$ 13,706,100	$ 664,493,500	$ -	$ -	$ 99,673,700	$ 46,228,600	$ 69,731,700	$ 893,833,600	$ 65,096,800.00	$ 522,236	$ 829,259,036	1.606	$ 1,436,168,879	57.74%
2004	$ 16,464,300	$ 699,088,800	$ -	$ -	$ 99,855,900	$ 50,028,600	$ 69,746,700	$ 935,184,300	$ 65,690,900.00	$ 453,176	$ 869,946,576	1.605	$ 1,641,127,387	53.01%
2005	$ 12,998,900	$ 741,428,900	$ -	$ -	$ 107,939,500	$ 50,405,200	$ 69,793,000	$ 982,565,500	$ 66,832,100.00	$ 399,292	$ 916,132,692	1.613	$ 1,958,481,197	46.78%
2006	$ 17,677,700	$ 801,833,900	$ -	$ -	$ 106,102,150	$ 49,883,200	$ 69,396,800	$ 1,044,893,750	$ 66,283,700.00	$ 332,336	$ 978,942,386	1.609	$ 2,235,399,181	43.79%
2007	$ 15,457,200	$ 868,270,100	$ -	$ -	$ 107,751,650	$ 51,577,700	$ 69,049,600	$ 1,112,106,250	$ 66,736,100.00	$ 322,771	$ 1,045,692,921	1.608	$ 2,588,701,699	40.39%
2008 (1)	$ 22,059,200	$ 1,932,932,700	$ -	$ -	$ 304,180,100	$ 96,438,300	$ 183,032,000	$ 2,538,642,300	$ 136,772,100.00	$ 745,639	$ 2,402,615,839	0.727	$ 2,667,106,630	90.08%
2009	$ 21,408,800	$ 1,951,482,900	$ -	$ -	$ 309,748,700	$ 92,777,100	$ 175,104,500	$ 2,550,522,000	$ 137,275,200.00	$ 869,685	$ 2,414,116,485	0.738	$ 2,690,187,471	89.74%
2010	$ 19,359,800	$ 1,676,705,200	$ -	$ -	$ 311,311,600	$ 91,504,100	$ 191,437,400	$ 2,290,318,100	$ 137,833,500.00	$ 650,098	$ 2,153,134,698	0.863	$ 2,752,790,800	78.22%

Source: Municipal Tax Assessor
(1) - Revaluation

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per $100

Palisades Park Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

Year Ended Dec. 31,	Palisades Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of Palisades Park	Bergen County	
2002	1.570	0.000	1.570	0.938	0.322	2.830
2003	1.606	0.000	1.606	0.945	0.309	2.860
2004	1.605	0.000	1.605	0.923	0.332	2.860
2005	1.613	0.000	1.613	0.955	0.342	2.910
2006	1.609	0.000	1.609	0.990	0.361	2.960
2007	1.608	0.000	1.608	1.035	0.377	3.020
2008*	0.705	0.022	0.727	0.497	0.190	1.414
2009	0.720	0.018	0.738	0.504	0.201	1.443
2010	0.842	0.021	0.863	0.599	0.236	1.698
2011	0.840	0.028	0.868	0.607	0.228	1.703

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

* Revaluation

Exhibit J-8

Palisades Park Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TARRAGON Dev. Corp., Block 429	$ 32,892,200		1.53%			
Leems Inc.	$ 16,062,600		0.75%			
411 Brinkerhoff Ave., LLC	$ 13,645,300		0.63%			
BSJ Realty LLC	$ 13,499,700		0.63%			
Marino Enterprises C/O LML Supermkt	$ 13,360,900		0.62%			
Bonnanno Real Estate Group	$ 10,998,200		0.51%			
ParkLane Inc.	$ 10,565,800		0.49%			
Ruby Realty Co.	$ 10,353,300		0.48%			
NWHF Palisades Park LLC	$ 10,307,900		0.48%			
Peter Magnone	$ 10,234,400		0.48%			
Marino Enterprises				$ 7,209,900		0.87%
Limerick Tea & Coffee				$ 5,549,800		0.67%
Bonanno Real Estate Group				$ 5,446,900		0.66%
Blvd Properties LLC				$ 5,433,100		0.66%
J & M Builders				$ 3,478,200		0.42%
Dreamland USA				$ 3,433,500		0.41%
Palisades Manor				$ 3,235,500		0.39%
Benedetto				$ 2,230,000		0.27%
Brentwood Apartments				$ 1,823,300		0.22%
Alliiots Construction				$ 1,336,000		0.16%
Total	$ 141,920,300		6.59%	$ 39,176,200		4.73%
Net Assessed Valuation:	$ 2,153,134,698					$ 828,724,138

Source: Municipal Tax Assessor.

Exhibit J-9

Palisades Park Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years

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	
2002	$12,925,635	12,925,635	100.00%	$ -
2003	$13,585,979	13,585,979	100.00%	$ -
2004	$14,364,812	14,364,812	100.00%	$ -
2005	$15,017,426	15,017,426	100.00%	$ -
2006	$15,854,069	15,635,748	98.62%	$ 218,321
2007	$16,821,549	16,821,549	100.00%	$ -
2008	$17,891,557	$17,799,927	99.49%	$ 91,630
2009	$18,471,482	$18,471,482	100.00%	$ -
2010	$18,821,482	$18,821,482	100.00%	$ -
2011	$19,781,669	$19,781,669	100.00%	$ -

Source: Municipal Tax Collector

Exhibit J-10

Palisades Park Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income [a]	Per Capita [a]
	Bonds Payable [b]	Loans Payable	Certificates of Participation	Capital Leases	Capital Leases	Total District		
2002	-	575,932	4,095,000		-	4,670,932	0.51%	$ 90
2003	1,324,000	535,588	3,925,000		-	5,784,588	0.63%	$ 113
2004	1,281,000	494,066	3,745,000		-	5,520,066	0.56%	$ 101
2005	1,236,000	451,334	3,555,000		-	5,242,334	0.50%	$ 92
2006	1,189,000	407,346	3,355,000		-	4,951,346	0.42%	$ 79
2007	1,139,000	361,981		3,087,069	-	4,588,050	0.36%	$ 68
2008	1,086,000	315,185		2,882,235	-	4,283,420	0.33%	$ 63
2009	1,030,000	266,871		2,606,250	-	3,903,121	0.31%	$ 61
2010	970,000	217,016		2,317,754	-	3,504,770	Not Available	Not Available
2011	907,000	165,501		2,017,107	-	3,089,608	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Palisades Park Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
	General Bonded Debt Outstanding				
2002	575,932	-	575,932	0.08%	$ 52,102
2003	1,859,588	-	1,859,588	0.23%	$ 51,931
2004	1,775,066	-	1,775,066	0.21%	$ 51,291
2005	1,687,334	-	1,687,334	0.19%	$ 54,669
2006	1,596,346	-	1,596,346	0.17%	$ 56,963
2007	1,500,982	-	1,500,982	0.15%	$ 63,021
2008	1,401,185	-	1,401,185	0.13%	$ 67,113
2009	1,296,871	-	1,296,871	0.05%	$ 67,696
2010	1,187,017	-	1,187,017	0.05%	$ 64,388
2011	1,072,501	-	1,072,501	0.05%	Not Available

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Exhibit J-12

Palisades Park Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit	Estimated Percentage Applicable [a]	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2011			1,072,501
Net overlapping debt of School District:			
Borough of Palisades Park	100.000%	$ 10,058,231	
Bergen County Utilities Authority	2.985%	$ 8,021,737	
County of Bergen - Borough's share	1.437%	$ 10,501,962	
Subtotal, overlapping debt			$ 28,581,930
Total direct and overlapping debt			$ 29,654,431

Sources: Borough of Palisades Park Town Administrator / Bergen County Treasurer's Office

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

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

Palisades Park Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011

		Equalized valuation basis	
		2010	$ 2,505,781,605
		2009	$ 2,731,629,003
		2008	2,666,360,991
		[A]	$ 7,903,771,599
Average equalized valuation of taxable property	**[A/3]**	$	2,634,590,533
Debt limit (4 % of average equalization value)	**[B]**		105,383,621
Net bonded school debt	**[C]**		1,072,501
Legal debt margin	**[B-C]**	$	104,311,120

a

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 38,953,555	$ 43,810,510	$ 50,421,462	$ 57,734,067	$ 67,125,370	$ 77,784,306	$ 90,424,673	$ 99,868,394	$ 103,488,435	$ 105,383,621
Total net debt applicable to limit	575,932	1,859,588	1,775,066	1,687,334	1,596,346	1,401,185	1,401,185	1,296,871	1,187,017	1,072,501
Legal debt margin	$ 38,377,623	$ 41,950,922	$ 48,646,396	$ 56,046,733	$ 65,529,024	$ 76,383,121	$ 89,023,488	$ 98,571,523	$ 102,301,418	$ 104,311,120
Total net debt applicable to the limit as a percentage of debt limit	1.48%	4.24%	3.52%	2.92%	2.38%	1.80%	1.55%	1.30%	1.15%	1.02%

Source: Abstract of Ratables and District Records.

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

Exhibit J-14

Palisades Park Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2001	17,462	$ 909,805,124	52,102	4.50%
2002	17,703	$ 919,334,493	51,931	6.10%
2003	17,872	$ 916,672,752	51,291	6.00%
2004	18,043	$ 986,392,767	54,669	6.00%
2005	18,538	$ 1,055,980,094	56,963	6.00%
2006	18,884	$ 1,190,088,564	63,021	4.50%
2007	19,125	$ 1,283,536,125	67,113	4.00%
2008	19,266	$ 1,304,231,136	67,696	5.20%
2009	19,421	$ 1,250,479,348	64,388	9.20%
2010	19,622	Not Available	Not Available	9.50%

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development

[c] Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

Palisades Park Board of Education
Principal Employers
Current Year and Nine Years Ago **

	2010			2001		
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.						
	-		0.00%	-		0.00%

Source: Borough of Palisades Park

Exhibit J-16

Palisades Park Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	N/A	N/A	N/A	N/A	124	128	133	133	132	132
Special education	N/A	N/A	N/A	N/A	20	22	23	24	24	24
Other special education	N/A	N/A	N/A	N/A	-					
Vocational	N/A	N/A	N/A	N/A	-	-	-	-		
Other instruction	N/A	N/A	N/A	N/A	4	4	4	4	4	4
Nonpublic school programs	N/A	N/A	N/A	N/A	-	-	-	-		
Adult/continuing education programs	N/A	N/A	N/A	N/A	-	-	-	-		
Support Services:										
Attendance	N/A	N/A	N/A	N/A	2	3	1	1	1	1
Student/Instr Related Services: Nurse	N/A	N/A	N/A	N/A	2	3	3	3	3	3
Student/Instr Related Services: Speech	N/A	N/A	N/A	N/A	-	-	-	-		
Student/Instr Related Services: Extraord	N/A	N/A	N/A	N/A	3	-	-	-		
Student/Instr Related Services: Guidance	N/A	N/A	N/A	N/A	6	4	4	4	4	4
Student/Instr Related Services: CST	N/A	N/A	N/A	N/A	-	8	8	8	8	8
Student/Instr Related Services: Curriculum	N/A	N/A	N/A	N/A	2	1	1	1	1	1
Student/Instr Related Services: Media	N/A	N/A	N/A	N/A	2	3	3	2	2	2
General administrative services	N/A	N/A	N/A	N/A	13	13	8	8	8	8
School administrative services	N/A	N/A	N/A	N/A	3	3	2	2	2	2
Business administrative services	N/A	N/A	N/A	N/A	15	16	9	9	9	9
Plant operations and maintenance	N/A	N/A	N/A	N/A	4	6	19	18	18	18
Lunchroom/Playground Aides	N/A	N/A	N/A	N/A	-	-	-	-		
Pupil transportation	N/A	N/A	N/A	N/A	-	-	-	-		
Special Schools	N/A	N/A	N/A	N/A	-	-	-	-		
Food Service	N/A	N/A	N/A	N/A	-	-	-	-		
Child Care	N/A	N/A	N/A	N/A	-	-	-	-		
Total	-	-	-	-	200	214	218	217	216	216

Source: District Personnel Records

NOTE: GASB requires that ten year of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2007 only two year(s) of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Palisades Park Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2002	1,520	14,935,468	9,826	#DIV/0!	128	13:1		10:1	1,520	1,456	#DIV/0!	95.79%
2003	1,489	15,881,045	10,666	8.54%	128	13:1		11:1	1,489	1,434	-2.04%	96.31%
2004	1,489	17,640,848	11,847	11.08%					1,449	1,389	-2.69%	95.86%
2005	1,449	18,230,968	12,582	6.20%	142	1		10:1	1,440	1,372	-0.62%	95.28%
2006	1,440	19,030,532	13,216	5.04%	148				1,379	1,324	-4.21%	95.98%
2007	1,426	19,273,366	13,516	2.27%	154				1,432	1,360	3.81%	94.97%
2008	1,459	22,224,684	15,233	12.70%	160				1,440	1,367	0.56%	94.93%
2009	1,421	22,502,508	15,836	3.96%	161				1,419	1,344	-1.46%	94.71%
2010	1,499	23,753,763	15,846	0.07%	160				1,494	1,408	5.29%	94.24%
2011	1,565	23,059,964	14,735	-7.01%	161				1,536	1,449	2.81%	94.34%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities.

a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Exhibit J-18

Palisades Park Board of Education
School Building Information
Last Ten Fiscal Years

District Buildings	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary										
Lindbergh School										
Square Feet	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584
Capacity: FES (students)	621	621	621	621	621	621	621	621	621	621
Enrollment	885	866	855	830	819	866	681	523	669	669
High School										
Palisades Park High School										
Square Feet	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626
Capacity: FES (students)	493	493	493	493	493	493	493	493	493	493
Enrollment	635	623	634	619	621	519	519	639	556	556
Early Childhood Center										
Charles Smith Early Childhood Center										
Square Feet						20,600	20,600	20,600	20,600	20,600
Capacity: FES (students)						360	360	360	360	360
Enrollment						239	259	259	274	274
Other										
Administration Building										
Square Feet	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500

Number of Schools at June 30, 2010
- Elementary = 1
- High School = 1
- Early Childhood Center = 1
- Other = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Exhibit J-19

Palisades Park Board of Education
General Fund
Schedule of Required Mantenance for School Facilities
Last Ten Fiscal Years
Unaudited

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

School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Palisades Park High School	N/A	16,803	25,560	26,376	32,667	32,492	63,486	57,920	24,822	44,851	43,816
Lindergh School	N/A	11,202	17,040	17,584	18,301	18,301	42,324	38,614	16,548	36,697	27,114
Early Childhood Center	N/A	3,111	4,733	4,884	5,892	5,892					
Grand Total		31,116	47,333	48,844	56,860	56,685	105,810	96,534	41,370	81,548	70,930

Exhibit J-20

Palisades Park Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2011
Unaudited

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund			
	Multi - Peril Policy:		
	Property - Blanket Building and Contents	42,256,047	1,000
	Comprehensive General Liability	5,000,000	1,000
	Employee Benefits Liability	5,000,000	1,000
	Automobile Liability	5,000,000	1,000
	Comprehensive Crime Coverage	400,000	1,000
	School Leaders		
	Liability & Employment Practices Liability	5,000,000	
	Crime Coverage		
	Employee Dishonesty w/faithful performance		
	Each Person	100,000	1,000
	Each Loss	400,000	1,000
	Forgery & Alteration	50,000	1,000
	Money & Securities (Inside and Out)	2,500,000	1,000
	Computer Fraud	50,000	1,000
	Boiler & Machinery		
	Property Damage	100,000,000	1,000
	Accidental Death & Dismemberment		
	Principal Sum	100,000	
	Aggregate	500,000	
	Environmental Impairment Liability		
	Occurrence	1,000,000	
	All Claims, Remediation Costs, or Legal Defense Expense Limit	25,000,000	
	SIR-per Pollution Condition	10,000	
	Flood & Earthquake	25,000,000	25,000
	Excess Liability	5,000,000	
	Excess Liability (CAP)	50,000,000	

Source: District Records

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Palisades Park School District in the County of Bergen as of and for the fiscal year ended June 30, 2011 which collectively comprise the basic financial statements of the Board of Education of the Borough of Palisades Park School District in the County of Bergen, and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Palisades Park School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Palisades Park School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Palisades Park School District Board of Education's internal control over financial reporting.

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

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Palisades Park School District Board of Education's financial statements are free of 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 10-1 and 10-2.

We noted certain matters that we reported to the Board of Education of the Borough of Palisades Park School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated September 29, 2011.

This report is intended solely for the information of management, the Borough of Palisades Park Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Steven D. Wielkotz
Licensed Public School Accountant
No. CS00816

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 29, 2011

FWCC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Borough of Palisades Park School District in the County of Bergen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011 Borough of Palisades Park School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Palisades Park School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Palisades Park School District Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Palisades Park School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Palisades Park School District Board of Education's compliance with those requirements.

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In our opinion, the Borough of Palisades Park School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

The management of the Borough of Palisades Park School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Palisades Park School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Palisades Park School District Board of Education's 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Borough of Palisades Park Board of Education, and the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Steven D. Wielkotz
Licensed Public School Accountant
No. CS00816

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 29, 2011

FWCC

BOROUGH OF PALISADES PARK SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2011

Federal Grantor/Pass-through Grantor/ Progam Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue/ Interfund Payable	Balance at June 30, 2011 Due to Grantor at		MEMO Cumulative Total Expenditures
US Department of Education															*	
General Fund															*	
Education Jobs Fund	84.410A	ARRA 2011	75,660	7/1/2010	6/30/2011			60,528	75,660			(15,132)			*	75,660
Medical Assistance Program (SEMI)	93.778	N/A	17,141	7/1/2010	6/30/2011			11,745	17,141			(5,396)			*	17,141
Medical Assistance Program (SEMI)	93.778	N/A	17,380	7/1/2009	6/30/2010	(5,616)		5,616							*	17,380
															*	
Total General Fund						(5,616)		77,889	92,801			(20,528)			*	110,181
US Department of Education																
Passed Through State Dept of Educatsion:																
Special Revenue Fund																
Title I, Part A - Improving Basic Programs	84.010A	NCLB391011	309,345	9/1/10	8/31/11	$	(12,142)	237,900	296,456	1		(70,697)			*	241,772
Title I, Part A - Improving Basic Programs	84.010A	NCLB391010	240,036	9/1/09	8/31/10	(12,142)	12,142								*	240,036
Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	NCLB391011	80,788	9/1/10	8/31/11		(17,398)	70,518	54,302			(1,182)			*	46,077
Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	NCLB391010	84,057	9/1/09	8/31/10	(17,398)	17,398								*	84,057
Title II, Part D - Enhancing Education Through Technology	84.318X	NCLB391011	620	9/1/10	8/31/11		(2,437)	2,437							*	
Title II, Part D - Enhancing Education Through Technology	84.318X	NCLB391010	2,437	9/1/09	8/31/10	(2,437)	2,437								*	2,437
Title III, English Language Acquistion and Language Enhancement	84.365A	NCLB391011	53,840	9/1/10	8/31/11		(1,516)	50,627	52,202	3		(3,088)			*	46,171
Title III, English Language Acquistion and Language Enhancement	84.365A	NCLB391010	38,294	9/1/09	8/31/10	(1,516)	1,516								*	38,294
Implementing New Curricular Learning with Universally Designed Experiences	84.318X	08000211	235,000	9/1/10	8/31/11			187,729	207,911			(20,182)			*	156,741
Implementing New Curricular Learning with Universally Designed Experiences	84.318X	08000211	240,000	9/1/09	8/31/10	(13,181)		62,193	63,533			(14,521)			*	240,000
Implementing New Curricular Learning with Universally Designed Experiences	84.318X	08000211	226,000	9/1/08	8/31/09				7,288			(7,288)			*	226,000
IDEA, Part B-Basic	84.027	IDEA391011	337,265	9/1/10	8/31/11		(41,685)	341,114	331,877			(32,448)			*	330,558
IDEA, Part B-Basic	84.027	IDEA391010	318,837	9/1/09	8/31/10	(41,685)	41,685								*	318,837
IDEA, Part B-Preschool	84.173	IDEA391011	8,743	9/1/10	8/31/11		(516)	5,866	7,684			(2,334)			*	7,684
IDEA, Part B-Preschool	84.173	IDEA391010	7,955	9/1/09	8/31/10	(516)	516								*	7,955
Title IV, Safe and Drug Free Schools	84.186	NCLB391010	5,050	9/1/09	8/31/10	(1,429)		1,429							*	5,050
ARRA - IDEA, Part B-Basic	84.391	ARRA391010	383,707	9/1/09	8/31/11	3,447		44,067	40,038	(3,446)			4,030		*	379,178
ARRA - IDEA, Part B-Preschool	84.392	ARRA391010	13,838	9/1/09	8/31/11	(11,353)		11,161	45			(237)			*	13,838
ARRA - Title I, Part A	84.389	ARRA391010	77,900	9/1/09	8/31/11	1,358		9,946	9,946	(1,358)					*	77,900
Improving Partnerships and Active Collaboration for Teaching Grant (IMPACT)	84.041	11000099	35,528	9/1/10	8/31/11				19,904			(19,904)			*	18,610
Improving Partnerships and Active Collaboration for Teaching Grant (IMPACT)	84.041	11000099	38,148	9/1/09	8/31/10	(9,557)		39,078	26,740	(930)			1,851		*	36,297
Funds for the Improvement of Education	84.125K		150,000	9/1/10	8/31/11			73,371	147,560			(74,189)			*	88,088
															*	
Total Special Revenue Fund						(106,409)		1,137,436	1,265,486	(5,730)		(246,070)	5,881		*	2,605,580

BOROUGH OF PALISADES PARK SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2011

Federal Grantor/Pass-through Grantor/ Progam Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue/ Interfund Payable	Balance at June 30, 2011 Due to Grantor at		MEMO Cumulative Total Expenditures
US Department of Agriculture															*	
Passed Through State Dept of Education:															*	
Enterprise Fund															*	
USDA Commodities Program	10.550		30,634	7/1/10	6/30/11			30,634	30,634						*	30,634
National School Breakfast Program	10.553		32,620	7/1/10	6/30/11			30,060	32,620			(2,560)			*	32,620
National School Breakfast Program	10.553		27,203	7/1/09	6/30/10	(2,365)		2,365							*	27,203
National School Lunch Program	10.553		228,529	7/1/10	6/30/11			211,093	228,530			(17,437)			*	228,530
National School Lunch Program	10.555		216,589	7/1/09	6/30/10	(17,170)		17,170							*	216,589
Total Enterprise Fund						(19,535)		291,322	291,784			(19,997)			*	535,576
Total Federal Financial Assistance						$ (131,560)		1,506,647	1,650,071	(5,730)		(286,595)	5,881		*	3,251,337

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

BOROUGH OF PALISADES PARK SCHOOL DISTRICT

Schedule of Expenditures of State Financial Awards

Year ended June 30, 2011

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010 Deferred Revenue (Accts Receivable)	Balance at June 30, 2010 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue/ Interfund Payable	Balance at June 30, 2011 Due to Grantor at		Memo Budgetary Receivable	Memo Cumulative Total Expenditures
State Department of Education:																	
General Fund																	
Equalization Aid	495-034-5120-078	$ 357,930	7/1/2010	6/30/2011	$			357,930	357,930						*	(24,771)	357,930
Special Education Categorical Aid	495-034-5120-089	867,132	7/1/2010	6/30/2011				867,132	867,132						*	(60,011)	867,132
Extraordinary Aid	100-034-5120-473		7/1/2009	6/30/2010	(139,198)			139,198							*		
Extraordinary Aid	495-034-5120-044	251,763	7/1/2010	6/30/2011					251,763			(251,763)			*		251,763
On Behalf TPAF Pension - Post Retirement	495-034-5095-006	669,046	7/1/2010	6/30/2011				669,046	669,046						*		669,046
On Behalf TPAF NCGI Premium	495-034-5095-006	31,499	7/1/2010	6/30/2011				31,499	31,499						*		31,499
Reimbursed TPAF Social Security Contributions	495-034-5095-002	785,876	7/1/2010	6/30/2011				785,876	785,876						*		785,876
Reimbursed TPAF Social Security Contributions	495-034-5095-002	818,341	7/1/2009	6/30/2010	(675)			675							*		
															*		
Total General Fund					(139,873)			2,851,356	2,963,246			(251,763)			*	(84,782)	2,963,246
															*		
Special Revenue Fund															*		
															*		
NJ NonPublic Aid:															*		
Textbook Aid	100-034-5120-064	10,231	7/1/2010	6/30/2011				10,231	10,231						*		10,231
Nursing Services	100-034-5120-070	12,123	7/1/2010	6/30/2011				12,123	12,123						*		12,123
Auxilliary Services (Chapter 192):															*		
Compensatory Education	100-034-5120-067	50,154	7/1/2010	6/30/2011				50,154	50,154						*		54,154
Compensatory Education	100-034-5120-067	59,213	7/1/2009	6/30/2010	3,263						3,263				*		55,950
English as a Second Language	100-034-5120-067	22,540	7/1/2010	6/30/2011				22,540	22,540						*		22,540
English as a Second Language	100-034-5120-067	21,531	7/1/2009	6/30/2010	1,174						1,174				*		20,357
Handicapped Services (Chapter 193):															*		
Exam & Classification	100-034-5120-066	19,767	7/1/2010	6/30/2011				19,767	19,767						*		19,767
Exam & Classification	100-034-5120-066	19,374	7/1/2009	6/30/2010	2,190						2,190				*		17,184
Corrective Speech	100-034-5120-066	22,061	7/1/2010	6/30/2011				22,061	22,061						*		22,061
Corrective Speech	100-034-5120-066	14,886	7/1/2009	6/30/2010	1						1				*		14,885
Supplementary Inst.	100-034-5120-066	9,657	7/1/2010	6/30/2011				9,658	9,658						*		9,658
Supplementary Inst.	100-034-5120-066	9,239	7/1/2009	6/30/2010	79						79				*		9,159
Transportation Aid		3,940	7/1/2009	6/30/2010	3,940						3,940				*		
															*		
Total Special Revenue Fund					10,647			146,534	146,534		10,647				*		268,069

BOROUGH OF PALISADES PARK SCHOOL DISTRICT

Schedule of Expenditures of State Financial Awards

Year ended June 30, 2011

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010 Deferred Revenue (Accts Receivable)	Balance at June 30, 2010 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue/ Interfund Payable	Balance at June 30, 2011 Due to Grantor at	Memo Budgetary Receivable	Memo Cumulative Total Expenditures
Enterprise Fund																
State Department of Agriculture																
National School Breakfast Program (State Share)	100-010-3350-021	2,478	7/1/2009	6/30/2010	(212)			212								2,266
National School Lunch Program (State Share)	100-010-3350-023	8,351	7/1/2010	6/30/2011				7,678	8,351			(673)				8,351
National School Lunch Program (State Share)	100-010-3350-023	11,587	7/1/2009	6/30/2010	(914)			914								10,673
Total Enterprise Fund					(1,126)			8,804	8,351			(673)				21,290
Total State Financial Assistance					(130,352)			3,006,694	3,118,131		10,647	(252,436)			(84,782)	3,252,605
Local Sources:																
Special Revenue Fund:																
Korean Language Association	N/A	50,000	7/1/2009	6/30/2010	50,000				47,192				2,808			40,482
Total Local Sources					50,000				47,192				2,808			40,482
Total State and Local Financial Assistance					(80,352)			3,006,694	3,165,323		10,647	(252,436)	2,808		(84,782)	3,293,087

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Palisades Park School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $84,895 for the general fund and $(189,404) for the special revenue fund. See Notes to Required Supplemental 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 follows:

	Federal	State	Total
General Fund	$92,801	$3,048,141	$3,140,942
Special Revenue Fund	1,076,082	146,534	1,222,616
Food Service Fund	291,784	8,351	300,135
Total Awards and Financial	$1,460,667	$3,203,026	$4,663,693

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenue and expenditures reported under the U.S.D.A. food distribution program represent current year value received and current year distributions, respectfully. TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

BOROUGH OF PALISADES PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes ___X___ none reported

2. Material weakness(es) identified? ____ yes ___X___ no

Noncompliance material to basic financial statements noted? ____ yes ___X___ no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes ___X___ none reported

2. Material weakness(es) identified? ____ yes ___X___ no

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ___X___ yes ____ no

Identification of major programs:

CFDA Number(s)		Name of Federal Program or Cluster
84.027/84.173/84.391/84.392	(A)	IDEA, Part B-Basic/IDEA, Part B-Preschool/ARRA-IDEA, Part B-Basic/ARRA-IDEA, Part B-Preschool

Note: (A) Tested as Major Type A Program

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? ____ yes ___X___ no

BOROUGH OF PALISADES PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(continued)

***Section I - Summary of Auditor's Results*, (continued)**

State Awards

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? _____ yes ____X____ no

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

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes ____X____ none reported

2. Material weakness(es) identified? _____ yes ____X____ no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? ____X____ yes _____ no

Identification of major programs:

GMIS Number(s)		Name of State Program
11-495-034-5120-078/11-495-034-5120-089	(A)	Equalization Aid/Special Education Categorical Aid
11-495-034-5095-002		Reimbursed TPAF Social Security Contributions

Note: (A) Tested as Major Type A Program

Section II – Financial Statement Findings

None

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

STATE AWARD

Finding 11-1 (10-2)

Information on the state program:
Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/09-6/30/10. Special Education Categorical Aid, NJCFS 495-034-5120-089 Grant Period 7/1/09-6/30/10. Security Aid, NJCFS 495-034-5120-084 Grant Period 07/1/09-6/30/10.

Criteria or specific requirement:
In accordance with N.J.S.A 18A:11-12, each district board of education must adopt a formal policy and procedures pertaining to travel and expense reimbursement for its employees and board members.

Condition:
Some travel expenditures were not approved prior to the actual travel dates.

Questioned Costs:
None

Context:
Travel expenditures must have prior approval by a majority of the full voting membership of the board.

Effect:
N.J.S.A. 18A:11-12 states that travel expenditures must be approved by a majority of the full voting membership of the board prior to the actual travel dates.

Cause:
Some travel expenditures were submitted and approved after the actual travel dates.

Management's response:
Reimbursements that were approved after the actual travel dates were approved to make the individual whole and the individual was reminded of the district's travel policy. All future travel expenditures will have prior approval by the board.

BOROUGH OF PALISADES PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATUS OF PRIOR YEAR FINDINGS

Finding 10-2 (9-02)

Condition:
Travel expenditures were not approved prior to the actual travel dates.

Current Status:
The corrective action plan states that "all travel expenses will have prior approval"; however, no corrective action was taken.

Finding 10-1

Condition:
Some purchases over the bid threshold were not obtained through the bidding process.

Current Status:
Corrective action was taken.