

**SCHOOL DISTRICT OF THE  
BOROUGH OF PALISADES PARK  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

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, 2021**

# Comprehensive Annual Financial Report

of the

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

**Year Ended June 30, 2021**

**Prepared by**

**Borough of Palisades Park Board of Education  
Finance Department**

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Not Applicable

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Not Applicable

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Not Applicable

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**INTRODUCTORY SECTION**

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Palisades Park, N.J. 07650  
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Dr. Joseph Cirillo  
Superintendent of Schools

TEL: 201-947-3550  
FAX: 973-388-2975

January 27, 2022

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, 2021, 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 Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey State Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable 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 1,700 students, which is a -7.10% decrease from the previous year's enrollment. The following chart details the changes in student enrollment over the last five (5) years:

<u>AVERAGE DAILY ENROLLMENT</u>		
<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENTAGE CHANG</u>
2016-2017	1,650	-1.45%
2017-2018	1,698	+2.91%
2018-2019	1,817	+7.01%
2019-2020	1,830	+0.72%
2020-2021	1,700	-7.10%

- 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 28.9 % Asian, 49.6% Hispanic, 16.8% White, 2.9% Black, 1.8% Other. The local population continues to grow mostly from overseas arrivals adding a strain to the school system's Bilingual, ELL, 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 reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial 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, 2021.

**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 2018 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 Wielkotz & Co., LLC was selected by the Board.*

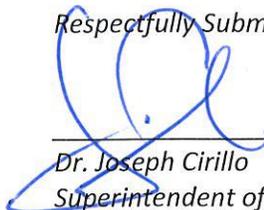
*In addition to meeting the requirements as set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance) and State Treasury Circular Letter 15-08 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,



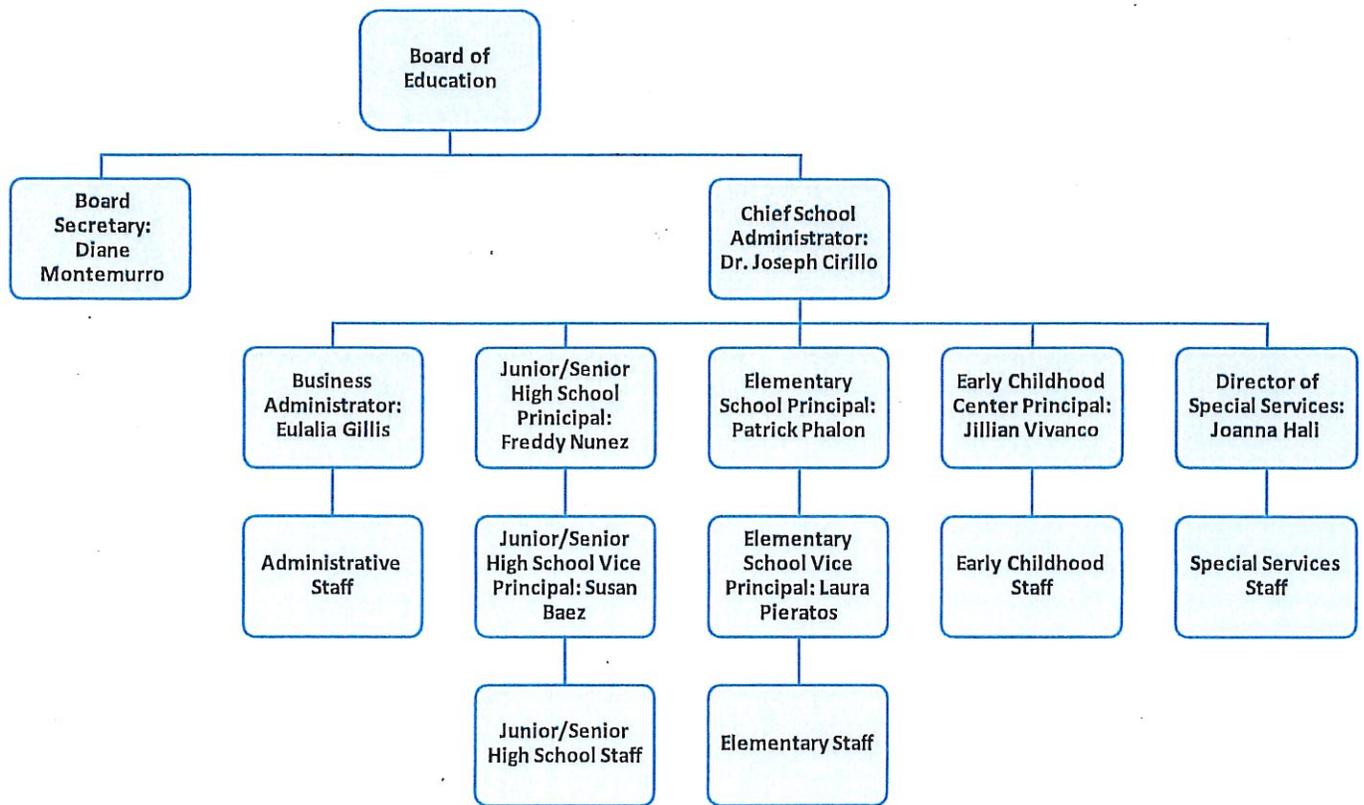
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Dr. Joseph Cirillo  
Superintendent of Schools



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Mrs. Eulalia Gillis  
Interim Business Administrator



**PALISADES PARK BOARD OF EDUCATION**  
**ROSTER OF OFFICIALS – JUNE 30, 2021**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

<i>Jason Kim, President</i>	<i>2022</i>
<i>John Mattessich, Vice-President</i>	<i>2022</i>
<i>Anieska Garcia</i>	<i>2023</i>
<i>Stephanie Jang</i>	<i>2023</i>
<i>Hyun Rebekah Lee</i>	<i>2021</i>
<i>Kevin Lim</i>	<i>2023</i>
<i>Thomas Matarazzo</i>	<i>2022</i>
<i>Eun Min</i>	<i>2021</i>
<i>Timothy Yang</i>	<i>2021</i>

**OTHER OFFICIALS**

*Joseph Cirillo, Superintendent of Schools*  
*Angela Spasevski, Business Administrator*  
*Diane Montemurro, Board Secretary*

***Palisades Park Board of Education  
Consultants and Advisors***

**Board Auditors**

*Wielkotz & Co, LLC  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442*

**Legal Counsel**

*The Choi Law Group, LLC  
100 Challenger Road, Suite 302  
Ridgefield Park, NJ 07660*

**Architects**

*Parette Somjen Architects  
439 Route 46 East  
Rockaway, New Jersey 07866*

**Official Depositories**

*PNC Bank  
264 Broad Avenue  
Palisades Park, New Jersey 07650*

*Connect One Bank  
204 Main Street  
Fort Lee, New Jersey 07024*

**FINANCIAL SECTION**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS  
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(973)-835-7900

NEWTON OFFICE  
100B MAIN STREET  
NEWTON, NEW JERSEY 07860  
(973)-835-7900

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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 audit requirements prescribed by the Office of School 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and  
Members of the Board of Education  
Page 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **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, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Note 1 to the basic financial statements, in fiscal year 2021, the Board adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. As a result, prior year balances were restated (Note 17) to reflect the implementation of this Statement. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting

Honorable President and  
Members of the Board of Education  
Page 3.

Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted 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 introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable President and  
Members of the Board of Education  
Page 4.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022 on our consideration of the Borough of Palisades Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Palisades Park Board of Education's internal control over financial reporting and compliance.

*Steven D. Wielkocz*

Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

January 27, 2022

**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, 2021**

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, 2021. 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 position increased by \$2,491,456. Net position of governmental activities increased by \$2,358,441 and net position of business-type activity increased by \$133,015.
- General revenues accounted for \$36,283,778 in revenue or 93 percent of all governmental and business-type activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,645,309 or 7 percent of total revenues of \$38,929,087.
- The School District had \$35,954,697 in expenses related to governmental activities; only \$2,029,387 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$36,283,751 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.

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

**District-Wide Financial Statements**

The *statement of net position 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 Position 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 position and changes in them. The change in net position 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.

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**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 Position 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.

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**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.

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**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 Positions provides the perspective of the District as a whole. Net position 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 positions were \$14,121,525 at June 30, 2021 and \$11,445,933 at June 30, 2020. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position for 2021 compared to 2020 (Table 1) and change in net position (Table 2) of the School District.

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>						
Current and Other Assets	7,593,465	4,395,368	415,380	310,874	8,008,845	4,706,242
Capital Assets	<u>15,828,636</u>	<u>16,058,257</u>	<u>135,882</u>	<u>144,320</u>	<u>15,964,518</u>	<u>16,202,577</u>
Total Assets	<u>23,422,101</u>	<u>20,453,625</u>	<u>551,262</u>	<u>455,194</u>	<u>23,973,363</u>	<u>20,908,819</u>
<b>Deferred Outflows of Resources</b>						
Deferred Outflows of Resources Related to PERS	<u>791,124</u>	<u>872,057</u>	_____	_____	<u>791,124</u>	<u>872,057</u>
<b>Liabilities</b>						
Other Liabilities	1,105,011	572,450	46,872	83,819	1,151,883	656,269
Noncurrent Liabilities	<u>7,721,434</u>	<u>7,946,138</u>	_____	_____	<u>7,721,434</u>	<u>7,946,138</u>
Total Liabilities	<u>8,826,445</u>	<u>8,518,588</u>	<u>46,872</u>	<u>83,819</u>	<u>8,873,317</u>	<u>8,602,407</u>
<b>Deferred Inflows of Resources</b>						
Deferred Inflows of Resources Related to PERS	<u>1,769,645</u>	<u>1,732,536</u>	_____	_____	<u>1,769,645</u>	<u>1,732,536</u>
Net Investment in Capital						
Assets	15,774,885	16,025,514	135,882	144,320	15,910,767	16,169,834
Restricted	5,410,655	3,710,376	_____	_____	5,410,655	3,710,376
Unrestricted	<u>(7,568,405)</u>	<u>(8,661,332)</u>	<u>368,508</u>	<u>227,055</u>	<u>(7,199,897)</u>	<u>(8,434,277)</u>
Total Net Position	<u>13,617,135</u>	<u>11,074,558</u>	<u>504,390</u>	<u>371,375</u>	<u>14,121,525</u>	<u>11,445,933</u>

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2021 compared to 2020.

**Table 2  
Changes in Net Position  
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales	148,754		351	250,165	149,105	250,165
Operating Grants and						
Contributions	1,880,633	1,422,277	615,571	411,206	2,496,204	1,833,483
General Revenues:						
Taxes:						
Property taxes, levied						
for general purposes	24,362,831	23,885,128			24,362,831	23,885,128
Property taxes levied						
for debt service	116,344	115,242			116,344	115,242
Federal and State Aid not						
Restricted	11,770,239	8,652,106			11,770,239	8,652,106
Federal and State Aid Restricted	3,529	10,855			3,529	10,855
Tuition		153,500			0	153,500
Miscellaneous Income	30,722	101,540			30,722	101,540
Investment Earnings	79	2,054	27	1,439	106	3,493
Investment Earnings - Restricted	7				7	0
Other Financing Sources (Uses):						
Loss on Disposal of Fixed					0	0
Assets					0	0
Transfer from After School						0
Child Care					0	0
Transfer to General Fund					0	0
Refund of Disallowed Costs					0	0
<b>Total Revenues and Transfers</b>	<u>38,313,138</u>	<u>34,342,702</u>	<u>615,949</u>	<u>662,810</u>	<u>38,929,087</u>	<u>35,005,512</u>

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	12,482,272	12,411,023			12,482,272	12,411,023
Special Instruction	2,974,697	3,455,123			2,974,697	3,455,123
Other Special Instruction	1,870,163	1,419,050			1,870,163	1,419,050
Other Instruction	481,011	556,450			481,011	556,450
Support Services:						
Tuition	1,342,122	1,429,409			1,342,122	1,429,409
Attendance & Social Work	2,648	4,793			2,648	4,793
Health Services	306,597	288,584			306,597	288,584
Student & Instruction						
Related Services	2,315,307	2,396,647			2,315,307	2,396,647
School Administrative						
Services	1,745,304	1,748,306			1,745,304	1,748,306
General Administrative						
Services	952,538	928,874			952,538	928,874
Central Services	323,466	353,404			323,466	353,404
Plant Operations and						
Maintenance	1,835,297	2,017,315			1,835,297	2,017,315
Pupil Transportation	419,080	434,533			419,080	434,533
Administration of Infor-						
mation Technology	186,305	189,292			186,305	189,292
Unallocated Benefits	8,384,826	5,156,902			8,384,826	5,156,902
Transfer of Funds to Charter						
Schools	25,512	30,972			25,512	30,972
Capital Outlay - Non-						
Depreciable	8,916	12,601			8,916	12,601
Debt Service:						
Interest and Other Charges	2,369	5,396			2,369	5,396
Unallocated Depreciation	296,267	289,359			296,267	289,359
Food Service			482,934	632,692	482,934	632,692
After School Child Care					0	0
<b>Total Expenses and Transfers</b>	<u>35,954,697</u>	<u>33,128,033</u>	<u>482,934</u>	<u>632,692</u>	<u>36,437,631</u>	<u>33,760,725</u>
Increase or (Decrease) in						
Net Position	<u>2,358,441</u>	<u>1,214,669</u>	<u>133,015</u>	<u>30,118</u>	<u>2,491,456</u>	<u>1,244,787</u>

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**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 \$36,437,631. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$24,479,175 because some of the cost was paid by those who benefitted from the programs \$149,105 by other governments and organizations who subsidized certain programs with grants and contributions \$14,269,972, and by miscellaneous sources \$30,835.

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 \$133,015.
- ✓ Charges for services provided totaled \$149,105. This represents amounts paid by consumers for daily food services, and student activity fund revenue.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$615,571.

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**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, 2021, 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 \$32,109,888. That amount is \$5,355,518 above the final amended budget of \$26,754,370. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of 5,210,423 for TPAF social security reimbursements and on-behalf pension payments, \$414,052 of excess extraordinary aid and NTE homeless reimbursement and a deficit in miscellaneous and federal revenues of \$268,957.

The actual expenditures of the general fund were \$29,674,557, including transfers which is \$1,439,826 above the final amended budget of \$28,234,731. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$5,210,423 and \$3,770,597 of unexpended budgeted funds.

The General fund had total revenues of \$32,109,888 and total expenditures including transfers of \$29,674,557 with an ending fund balance of \$6,757,601 on the budgetary basis.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,842,883. That amount is above the original budget estimate of \$1,191,944 and below the final amended budget of \$2,596,793. The \$1,404,849 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 \$753,910 variance between the final amended budget and the June 30, 2021 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, non-public aid due back to the State of New Jersey and the inclusion of student activity and scholarship fund revenue.

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**Special Revenue Fund, (continued)**

The actual expenditures of the special revenue fund were \$1,815,626, which is above the original budget of \$1,191,944 and below the final amended budget of \$2,596,793. The \$1,404,849 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 \$753,910 variance between the final amended budget and the June 30, 2021 actual results was due to the anticipation of fully expending federal and state grant programs, non-public aid due back to the State of New Jersey and the inclusion of student activity and scholarship fund expenses.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2021 the School District had \$25,233,652 invested in land, land improvements, construction in progress, buildings and building improvements, machinery and equipment. Of this amount, \$9,269,134 in depreciation has been taken over the years. We currently have a net book value of \$15,964,518. Total depreciable additions for the year were \$111,239 which consisted mainly of building and building improvements, and machinery and equipment purchases. Table 3 shows fiscal year 2021 balances compared to 2020.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>209</u>	<u>2021</u>	<u>2020</u>
Land	9,613,650	9,613,650			9,613,650	9,613,650
Land Improvements	96,826	102,342			96,826	102,342
Construction in Progress	11,162					
Buildings and Improvements	5,935,089	6,170,349	90,226	96,878	6,025,315	6,267,227
Furniture, Equipment and Vehicles	<u>171,909</u>	<u>171,916</u>	<u>45,656</u>	<u>47,442</u>	<u>217,565</u>	<u>219,358</u>
Total Assets	<u>15,828,636</u>	<u>16,058,257</u>	<u>135,882</u>	<u>144,320</u>	<u>15,953,356</u>	<u>16,202,577</u>

**PALISADES PARK BOARD OF EDUCATION  
PALISADES PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)**

**Debt Administration**

At June 30, 2021, the District had \$7,721,434 in long term debt. Of this amount, \$3,648,040 is for compensated absences, \$4,019,643 is for the District's net pension liability, and \$53,751 represents capital leases payable. 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 increased to the point that the legislature and governor have approved a State Aid funding bill for the 2021-2022 school year that is slightly higher than the level of the 2020-2021 school year.

The following factors were considered in preparing the 2021-2022 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. Pursuant to P.L. 2021, c.35, approved March 15, 2021, school districts other than county vocational school districts may maintain surplus at 4% or \$250,000 for 2020-2021 and 2021-2022 school years.

**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  
Interim School Business Administrator  
Palisades Park Board of Education  
270 First Street  
Palisades Park, New Jersey 07407

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

## PALISADES PARK BOARD OF EDUCATION

## Statement of Net Position

June 30, 2021

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	2,905,702	281,208	3,186,910
Receivables, net	743,999	117,806	861,805
Internal balances	(8,746)	8,746	-
Inventory		7,620	7,620
Restricted assets:			
Cash and cash equivalents	3,952,510		3,952,510
Capital assets:			
Land and construction in progress	9,624,812		9,624,812
Other Capital assets, net	6,203,824	135,882	6,339,706
Total Assets	<u>23,422,101</u>	<u>551,262</u>	<u>23,973,363</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	791,124	-	791,124
Total Deferred Outflows	<u>791,124</u>	<u>-</u>	<u>791,124</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	614,778	46,872	661,650
Payable to state government	86,102		86,102
Unearned Revenue	366,980		366,980
Payroll deductions & withholdings payable	28,392		28,392
Unemployment compensation claims payable	8,759		8,759
Noncurrent liabilities:			
Due within one year	299,953		299,953
Due beyond one year	7,421,481		7,421,481
Total liabilities	<u>8,826,445</u>	<u>46,872</u>	<u>8,873,317</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	1,769,645		1,769,645
Total Deferred Inflows	<u>1,769,645</u>	<u>-</u>	<u>1,769,645</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,774,885	135,882	15,910,767
Restricted for:			
Capital projects	2,746,673		2,746,673
Other purposes	2,663,982		2,663,982
Unrestricted (Deficit)	(7,568,405)	368,508	(7,199,897)
Total net position	<u>13,617,135</u>	<u>504,390</u>	<u>14,121,525</u>

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, 2021

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	9,775,639	2,706,633		1,639,220		(10,843,052)		(10,843,052)
Special education	2,209,678	765,019				(2,974,697)		(2,974,697)
Other special instruction	1,389,355	480,808				(1,870,163)		(1,870,163)
Other instruction	377,170	103,841				(481,011)		(481,011)
Support services:								
Tuition	1,342,122					(1,342,122)		(1,342,122)
Attendance & Social Work	1,964	684				(2,648)		(2,648)
Health Services	232,344	74,253				(306,597)		(306,597)
Student & instruction related services	1,884,352	430,955	148,754 *	241,413		(1,925,140)		(1,925,140)
School administrative services	1,298,767	446,537				(1,745,304)		(1,745,304)
General administrative services	824,265	128,273				(952,538)		(952,538)
Central Services	273,353	50,113				(323,466)		(323,466)
Information Technology	141,393	44,912				(186,305)		(186,305)
Plant operations and maintenance	1,523,519	311,778				(1,835,297)		(1,835,297)
Pupil transportation	410,715	8,365				(419,080)		(419,080)
Unallocated benefits	8,384,826					(8,384,826)		(8,384,826)
Transfer to Charter Schools	25,512					(25,512)		(25,512)
Capital outlay - non-depreciable	8,916					(8,916)		(8,916)
Interest on long term debt	2,369					(2,369)		(2,369)
Unallocated depreciation	296,267					(296,267)		(296,267)
Total governmental activities	30,402,526	5,552,171	148,754	1,880,633	-	(33,925,310)	-	(33,925,310)
Business-type activities:								
Food Service	482,934		351	615,571	-		132,988	132,988
Total business-type activities	482,934		351	615,571	-		132,988	132,988
Total primary government	30,885,460		149,105	2,496,204	-	(33,925,310)		(33,792,322)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						24,362,831		24,362,831
Taxes levied for debt service						116,344		116,344
Federal and State aid not restricted						11,770,239		11,770,239
Federal and State aid - restricted - capital outlay						3,529		3,529
Interest and Investment Earnings - Unrestricted						85	27	112
Interest and Investment Earnings - Restricted						7	**	7
Miscellaneous Income						30,716		30,716
Total general revenues, special items, extraordinary items and transfers						36,283,751	27	36,283,778
Change in Net Position						2,358,441	133,015	2,491,456
Net Position—July 1						11,074,558	371,375	11,445,933
Prior Period Adjustment						184,136	-	184,136
Net Position, July 1 (Restated)						11,258,694	371,375	11,630,069
Net Position—June 30						13,617,135	504,390	14,121,525

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

\* Student Activity revenue is reported as "charges for services"

\*\* Includes the interest earnings on the unemployment compensation bank account

**FUND FINANCIAL STATEMENTS**

**PALISADES PARK BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	2,864,330		41,372	2,905,702
Accounts Receivable -				
Intergovernmental - State	459,094			459,094
Intergovernmental - Federal		284,905		284,905
Intergovernmental - Other				-
Interfund receivables	184,525			184,525
Restricted cash and cash equivalents:				
Capital Reserve	2,705,878			2,705,878
Maintenance Reserve	1,006,982			1,006,982
Net Payroll	10,387			10,387
Payroll Deductions and Withholdings	29,817			29,817
Unemployment Compensation Trust	36,297			36,297
Student activity accounts		163,149		163,149
Total assets	<u>7,297,310</u>	<u>448,054</u>	<u>41,372</u>	<u>7,786,736</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Deferred Revenue	352,125	14,855		366,980
Accounts payable:				
Payroll deductions and withholdings	28,392			28,392
Unemployment compensation claims payable	8,759			8,759
Other	329,746			329,746
Intergovernmental Accounts Payable:				
State		85,525	577	86,102
Federal				-
Interfund payables	8,746	184,525		193,271
Total liabilities	<u>727,768</u>	<u>284,905</u>	<u>577</u>	<u>1,013,250</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,430,721			1,430,721
Maintenance reserve	1,006,982			1,006,982
Capital reserve	2,705,878			2,705,878
Unemployment compensation	48,251			48,251
Student Activities		163,149		163,149
Assigned to:				
Year End Encumbrances	154,797			154,797
Designated by the Board of Education for				
Subsequent year's expenditures	23,231			23,231
Capital projects			40,795	40,795
Unassigned:				
General fund	1,199,682			1,199,682
Total Fund balances	<u>6,569,542</u>	<u>163,149</u>	<u>40,795</u>	<u>6,773,486</u>
Total liabilities and fund balances	<u>7,297,310</u>	<u>448,054</u>	<u>41,372</u>	<u>-</u>
Amounts reported for governmental activities in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,976,437 and the accumulated depreciation is \$9,147,801.				
				15,828,636
Accounts payable for subsequent Pension payment is not a payable in the funds				
				(285,032)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.				
				791,124
				(1,769,645)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds				
				(7,721,434)
Net position of governmental activities				
				<u>13,617,135</u>

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

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	24,362,831			116,344	24,479,175
Interest Earned on Capital Reserve Funds	85				85
Other Restricted Miscellaneous Revenues	7 *				7
Miscellaneous	30,716				30,716
Student Group Receipts		148,754 **			148,754
<b>Total - Local Sources</b>	<b>24,393,639</b>	<b>148,754</b>	<b>-</b>	<b>116,344</b>	<b>24,658,737</b>
Local sources					
State sources		5,809			5,809
Federal sources	7,685,781	252,795			7,938,576
	26,802	1,625,558			1,652,360
<b>Total revenues</b>	<b>32,106,222</b>	<b>2,032,916</b>	<b>-</b>	<b>116,344</b>	<b>34,255,482</b>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	8,136,419	1,639,220			9,775,639
Special education instruction	2,209,678				2,209,678
Other special instruction	1,389,355				1,389,355
School sponsored/other instructional	377,170				377,170
Support services and undistributed costs:					
Tuition	1,342,122				1,342,122
Attendance & Social Work	1,964				1,964
Health services	232,344				232,344
Student & instruction related services	1,521,442	362,910 ***			1,884,352
School administrative services	1,298,767				1,298,767
General administrative services	824,265				824,265
Central services	273,353				273,353
Information technology	141,393				141,393
Plant operations and maintenance	1,541,845				1,541,845
Pupil transportation	410,715				410,715
Unallocated benefits	4,617,055				4,617,055
On-behalf contributions	5,210,423				5,210,423
Debt Service:					
Principal				113,000	113,000
Interest and other charges				3,344	3,344
Transfer to Charter Schools	25,512				25,512
Capital outlay	120,735	3,529			124,264
<b>Total expenditures</b>	<b>29,674,557</b>	<b>2,005,659</b>	<b>-</b>	<b>116,344</b>	<b>31,796,560</b>
Excess (Deficiency) of revenues over expenditures	2,431,665	27,257	-	-	2,458,922
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases (non-budgeted)	36,884				36,884
<b>Total other financing sources and uses</b>	<b>36,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,884</b>
<b>Net change in fund balances</b>	<b>2,468,549</b>	<b>27,257</b>	<b>-</b>	<b>-</b>	<b>2,495,806</b>
Fund balance - July 1	4,052,749		40,795		4,093,544
Prior period adjustments	48,244 ****	135,892 *****			184,136
<b>Fund Balance - July 1 (Restated)</b>	<b>4,100,993</b>	<b>135,892</b>	<b>40,795</b>	<b>-</b>	<b>4,277,680</b>
<b>Fund balance - June 30</b>	<b>6,569,542</b>	<b>163,149</b>	<b>40,795</b>	<b>-</b>	<b>6,773,486</b>

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

- \* Include interest earnings on the unemployment compensation bank account  
\*\* Special revenue fund no includes revenues from student activities  
\*\*\* Special revenue fund now includes expenditures from student activities  
\*\*\*\* Unemployment Fund Net Position as of June 30, 2020  
\*\*\*\*\* Student Activity Fund Net Position as of June 30, 2020

**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, 2021**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		2,495,806
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	(347,419)
	Non-Depreciable Capital outlays - Construction in Progress	11,162
	Depreciable Capital outlays	<u>106,636</u>
		(229,621)
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	113,000
	Principal Payments on Capital Leases	<u>15,876</u>
		128,876
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	975
	Current year	-
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Capital Lease Proceeds	(36,884)
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 (+).		
	Decrease in compensated absences payable	(175,799)
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
	District Pension Contributions	269,650
	Less: Pension Expense	<u>(94,562)</u>
	Decrease in Pension Expense	175,088
Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.		
	Increase in On-behalf State Aid TPAF Pension	1,334,420
	Increase in On-behalf TPAF Pension Expense	<u>(1,334,420)</u>
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	2,723,236
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(2,723,236)</u>
<b>Change in net position of governmental activities</b>		<u><u>2,358,441</u></u>

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

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<u>Food Service Program</u>	<u>After School Child Care</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	221,190	60,018	281,208
Accounts receivable:			
Federal	117,806		117,806
Interfund	8,746		8,746
Inventories	7,620		7,620
Total current assets	<u>355,362</u>	<u>60,018</u>	<u>415,380</u>
Noncurrent assets:			
Capital assets:			
Equipment	124,165		124,165
Site Improvements	133,050		133,050
Less accumulated depreciation:			
Equipment	(78,509)		(78,509)
Site Improvements	(42,824)		(42,824)
Total capital assets (net of accumulated depreciation)	<u>135,882</u>	<u>-</u>	<u>135,882</u>
Total assets	<u>491,244</u>	<u>60,018</u>	<u>551,262</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	46,872		46,872
Total current liabilities	<u>46,872</u>	<u>-</u>	<u>46,872</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	135,882	-	135,882
Unrestricted	308,490	60,018	368,508
Total net position	<u>444,372</u>	<u>60,018</u>	<u>504,390</u>

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

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2021**

	<u>Food Service Program</u>	<u>After School Child Care</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	-		-
Daily sales - non-reimbursable programs	351		351
Tuition fees		-	-
Total operating revenues	<u>351</u>	<u>-</u>	<u>351</u>
Operating expenses:			
Cost of sales - reimbursable programs	205,031		205,031
Cost of sales - non-reimbursable programs	-		-
Salaries	128,153		128,153
Supplies and materials	28,264		28,264
Employee benefits	55,360		55,360
Cleaning repair & maintenance	11,601		11,601
Purchased services	35,997		35,997
Miscellaneous	5,487		5,487
Depreciation	13,041		13,041
Total Operating Expenses	<u>482,934</u>	<u>-</u>	<u>482,934</u>
Operating income (loss)	<u>(482,583)</u>	<u>-</u>	<u>(482,583)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,582		2,582
Federal sources:			
Summer food school lunch program	329,098		329,098
Summer school breakfast program	166,729		166,729
Emergency operational cost program	65,269		
P-EBT administrative costs	3,063		
FY20 additional federal aid	1,067		
Food distribution program	47,763		47,763
Interest and investment revenue	27		27
Total nonoperating revenues (expenses)	<u>615,598</u>	<u>-</u>	<u>546,199</u>
Income (loss) before contributions & transfers	<u>133,015</u>	<u>-</u>	<u>63,616</u>
Transfers in (out)			-
Change in net position	<u>133,015</u>	<u>-</u>	<u>63,616</u>
Total net position—beginning	<u>311,357</u>	<u>60,018</u>	<u>371,375</u>
Total net position—ending	<u><u>444,372</u></u>	<u><u>60,018</u></u>	<u><u>434,991</u></u>

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, 2021**

	<b>Food Service Program</b>	<b>After School Child Care</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	351		351
Payments to Outside Food Service Management Company	(350,706)		(350,706)
Payments for repairs, maintenance	(11,266)		(11,266)
Payments for supplies	(15,492)		(15,492)
Payments for miscellaneous expenditures	(237)		(237)
Net cash provided by (used for) operating activities	<u>(377,350)</u>	<u>-</u>	<u>(377,350)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	2,671		2,671
Federal Sources	453,051		453,051
Net cash provided by (used for) non-capital financing activities	<u>455,722</u>	<u>-</u>	<u>455,722</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(76,398)		(76,398)
Net cash provided by (used for) capital and related financing activities	<u>(76,398)</u>	<u>-</u>	<u>(76,398)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	27		27
Net cash provided by (used for) investing activities	<u>27</u>	<u>-</u>	<u>27</u>
Net increase (decrease) in cash and cash equivalents	2,001	-	2,001
Balances—beginning of year	219,189	60,018	279,207
Balances—end of year	<u>221,190</u>	<u>60,018</u>	<u>281,208</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(482,583)	-	(482,583)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	13,041		13,041
Food Distribution Program	47,763		47,763
(Increase) decrease in inventories	9,581		9,581
(Increase) decrease in accounts payable	34,848		34,848
Total adjustments	<u>105,233</u>	<u>-</u>	<u>105,233</u>
Net cash provided by (used for) operating activities	<u>(377,350)</u>	<u>-</u>	<u>(377,350)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. 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 more significant of the board's accounting policies are described below.

**A. 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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and a junior/senior high school, located in the Borough of Palisades Park. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**B. Basis of Presentation:**

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**B. Basis of Presentation: (continued)**

**District-wide Financial Statements:**

The statement of net position 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 position 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:

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. 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 position, 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:

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. 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 position and changes in net position. 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. The District does not have any activities that are required to be included in the Fiduciary Fund.

**C. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position 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 position, 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 position. The statement of changes in fund net position 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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**D. 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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**E. 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.

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.

**F. 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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**G. 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.

**H. 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.

**I. 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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**J. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2021, 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.

**K. 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 position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**L. 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 position 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 position 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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**M. 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.

**N. Advanced Revenue:**

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

Advanced revenue in the special revenue fund represents cash that has been received but not yet earned. See NOTE 1(F) regarding the special revenue fund.

**O. 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.

**P. Accounting and Financial Reporting for Pensions:**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**P. Accounting and Financial Reporting for Pensions: (continued)**

transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**Q. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**R. 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).
- **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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**R. Fund Balances: (continued)**

- **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.

**S. Net Position:**

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position 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 position 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 position are available.

**T. 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.

**U. 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.

**V. 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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**V. Allocation of Indirect Expenses: (continued)**

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.

**W. 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.

**X. New Accounting Standards:**

During fiscal year 2021, the District adopted the following GASB Statement:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

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

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Borough of Palisades Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**X. New Accounting Standards: (continued)**

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**X. New Accounting Standards: (continued)**

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 2. 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, 2021, \$0- of the District's bank balance of \$7,839,316 was, exposed to custodial credit risk.

**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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 3. RECEIVABLES:**

Receivables at June 30, 2021, 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	\$459,094	\$	\$459,094
Federal Aid	284,905	117,806	402,711
Other Aid - Local Taxes			
Interfund Receivables	<u>184,525</u>	<u>8,746</u>	<u>          </u>
Gross Receivables	928,524	126,552	861,805
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$928,524</u>	<u>\$126,552</u>	<u>\$861,805</u>

**NOTE 4. INTERFUND BALANCES AND ACTIVITY:**

Balances due to/from other funds at June 30, 2021, consist of the following:

\$184,525	Due to the General Fund from the Special Revenue Fund for short term loans.
<u>8,746</u>	Due to the Proprietary Fund from the General Fund for Subsidy Reimbursements Revenue not transferred.
<u>\$193,271</u>	

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance <u>6/30/20</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/21</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$9,613,650	\$	\$	\$9,613,650
Construction in Progress	<u>                    </u>	<u>11,162</u>	<u>                    </u>	<u>11,162</u>
Total Capital Assets Not Being Depreciated	<u>9,613,650</u>	<u>11,162</u>	<u>                    </u>	<u>9,624,812</u>
Land Improvements	162,451			162,451
Buildings and Building Improvements	14,289,921	51,140		14,341,061
Machinery and Equipment	<u>792,617</u>	<u>55,496</u>	<u>                    </u>	<u>848,113</u>
Totals at Historical Cost	<u>15,244,989</u>	<u>106,636</u>	<u>                    </u>	<u>15,351,625</u>
Less Accumulated Depreciation:				
Land Improvements	(60,109)	(5,516)		(65,625)
Buildings and Building Improvements	(8,119,572)	(286,400)		(8,405,972)
Machinery and Equipment	<u>(620,701)</u>	<u>(55,503)</u>	<u>                    </u>	<u>(676,204)</u>
Total Accumulated Depreciation	<u>(8,800,382)</u>	<u>(347,419)</u>	<u>                    </u>	<u>(9,147,801)</u>
Total Capital Assets Being Depreciated, Net of accumulated depreciation	<u>6,444,607</u>	<u>(240,783)</u>	<u>                    </u>	<u>6,203,824</u>
Governmental Activities Capital Assets, Net	<u>\$16,058,257</u>	<u>(\$229,621)</u>	<u>\$                    </u>	<u>\$15,828,636</u>
	Balance <u>6/30/20</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/21</u>
<b>Business-Type Activities</b>				
Equipment	119,562	\$4,603	\$	124,165
Site Improvements	<u>133,050</u>	<u>                    </u>	<u>                    </u>	<u>133,050</u>
Totals at Historical Cost	<u>252,612</u>	<u>4,603</u>	<u>0</u>	<u>257,215</u>
Less Accumulated Depreciation for:				
Equipment	(72,120)	(6,389)		(78,509)
Site Improvements	<u>(36,172)</u>	<u>(6,652)</u>	<u>                    </u>	<u>(42,824)</u>
Total Accumulated Depreciation	<u>(108,292)</u>	<u>(13,041)</u>	<u>0</u>	<u>(121,333)</u>
Business-Type Activity Capital Assets, Net	<u>\$144,320</u>	<u>(\$8,438)</u>	<u>\$                    </u>	<u>\$135,882</u>

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 5. CAPITAL ASSETS: (continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$6,657
Support Services:	
Student & instruction related services	17,713
School Administration	7,827
Plant Operations and Maintenance	18,955
Unallocated Depreciation	<u>296,267</u>
	<u>\$347,419</u>

**NOTE 6. LONG-TERM OBLIGATIONS:**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
<b>Governmental Activities:</b>						
Long-term Debt Obligations:						
General Bond Obligation Debt	<u>\$113,000</u>	<u>\$</u>	<u>\$113,000</u>	<u>\$0</u>	<u>\$</u>	<u>\$</u>
Total Bonds Payable	<u>113,000</u>	<u></u>	<u>113,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Liabilities:						
Capital Leases	32,743	36,884	15,876	53,751	14,921	38,830
Compensated Absences Payable	3,472,241	491,443	315,644	3,648,040		3,648,040
Net Pension Liability PERS	<u>4,328,154</u>	<u></u>	<u>308,511</u>	<u>4,019,643</u>	<u>285,032</u>	<u>3,734,611</u>
Total Other Liabilities	<u>7,833,138</u>	<u>528,327</u>	<u>640,031</u>	<u>7,721,434</u>	<u>299,953</u>	<u>7,421,481</u>
	<u>\$7,946,138</u>	<u>\$528,327</u>	<u>\$753,031</u>	<u>\$7,721,434</u>	<u>\$299,953</u>	<u>\$7,421,481</u>

**A. Bonds Payable:**

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 6. LONG-TERM OBLIGATIONS: (continued)**

As of June 30, 2021 the Board has no general obligation bonds payable.

**B. Bonds Authorized But Not Issued:**

As of June 30, 2021 the Board has no authorized but not issued bonds.

**C. Capital Leases Payable**

During fiscal year ended June 30, 2021, the District entered into a capital lease for the purchase of a 2020 Ford F-350 pickup truck. This lease is in addition to the capital lease entered into in the preceding year for the purchase of a 2019 Ford F-250. The following is a schedule of future minimum lease payments for the capital leases and the present value of the net minimum lease payments at June 30, 2021:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$14,529	\$2,925	\$17,454
2023	15,306	2,149	17,455
2024	16,124	1,330	17,454
2025	<u>7,792</u>	<u>467</u>	<u>8,259</u>
	<u>\$53,751</u>	<u>\$6,871</u>	<u>\$60,622</u>
Total Minimum Lease Payments			\$60,622
Less: Amount representing interest			<u>(6,871)</u>
Present value of lease payments			<u>\$53,751</u>

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 7. OPERATING LEASES:**

The District has commitments to lease copying equipment and computers under operating leases which expire in November 2022. Total operating lease payments made during the year ended June 30, 2021 were \$84,663. Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$80,995
2023	42,948
2024	42,948
2025	14,346
Total Minimum lease payments	<u>\$181,237</u>

**NOTE 8. 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 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**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.

**Benefits Provided**

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS, (continued)**

The following represents the membership tiers for TPAF:

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

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

**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.

**Benefits Provided**

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

The following represents the membership tiers for PERS:

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS, (continued)**

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

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
6/30/21	\$269,650	\$4,309
6/30/20	233,652	3,508
6/30/19	235485	2342

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS, (continued)**

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement	NCGI	Long-Term
<u>Ending</u>	<u>Contributions</u>	<u>Medical</u>	<u>Premium</u>	<u>Disability</u>
		<u>Contributions</u>		<u>Insurance</u>
6/30/21	\$3,235,271	\$1,033,174	\$61,555	\$2,004
6/30/20	2,480,756	936,810	44,465	2,452
6/30/19	2,252,739	1,043,229	47,156	2,847

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$878,419 during the year ended June 30, 2021 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68**

**Public Employees Retirement System (PERS)**

At June 30, 2021, the District had a liability of \$4,019,643 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the District's proportion was 0.0246492168 percent, which was an increase of 0.00062289 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$94,562. At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS, (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$73,191	\$14,215
Changes of assumptions	130,402	1,683,062
Net difference between projected and actual earnings on pension plan investments	137,395	
Changes in proportion and differences between District contributions and proportionate share of contributions	165,104	72,368
District contributions subsequent to the measurement date	<u>285,032</u>	<u>                    </u>
Total	<u>\$791,124</u>	<u>\$1,769,645</u>

The \$285,032 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	(\$504,392)
2022	(459,852)
2023	(262,794)
2024	(106,269)
2025	(22,984)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS, (continued)**

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
District's Proportion	.0246492168%	.0240206327%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2020.

**Long-Term Rate of Return**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 8. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1 -percentage-point higher than the current rate:

	<u>June 30, 2020</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$5,068,241	\$4,019,643	\$3,129,879

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS, (continued)**

contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2021 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>74,476,184</u>
	<u>\$74,476,184</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2020. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the proportion of the TPAF net pension liability associated with the District was 0.1131018144%.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$4,631,246 from actuarial report, employer pension expense and related revenue for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 78% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**NOTE 9. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided**

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have decreased from Fiscal Year 2019 amounts. The Fiscal Year 2021 Appropriations Act includes \$1.775 billion as the State's contribution to fund “pay-as-you-go” PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASB-notices-OPEB.SHTML>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2021 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>64,484,729</u>
	<u>\$64,484,729</u>

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 9. POST-RETIREMENT BENEFITS: (continued)**

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 4.45%	3.00 - 7.00%
	based on service years	based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 9. POST-RETIREMENT BENEFITS: (continued)**

**(a) *Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**(b) *Discount Rate***

The discount rate for June 30, 2020 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

***Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate***

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

***Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:***

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2021, the board of education/board of trustees recognized on-behalf OPEB expense of \$3,756,410 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Palisades Park School District's proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 10. 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:

Black Rock	North American
Mass Mutual	Met Life
AXA Equitable	Security Benefit
Aspire	

**NOTE 11. 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.

**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 for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$7	\$26,420	\$17,661	\$57,010
2019-2020	203	28,398	42,460	48,244
2018-2019	252	27,991	45,512	62,103

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 12. 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, 2021 is \$2,705,872.

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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$1,705,793
Increased by:	
Interest earnings	85
Transfer approved by Board Resolution, June 30, 2021	<u>1,000,000</u>
Ending balance, June 30, 2021	<u>\$2,705,878</u>

**NOTE 13. MAINTENANCE RESERVE:**

The maintenance reserve is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA is amended by P.L. 2004, c.73 (S1701). Districts may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by deposits of any unanticipated revenue or unexpended line-tem appropriation by board resolution at year end.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 13. MAINTENANCE RESERVE: (continued)**

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$606,982
Increased by	
Board Transfer, June 30, 2021	<u>400,000</u>
Ending balance, June 30, 2021	<u>\$1,006,982</u>

**NOTE 14. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$6,569,542 General Fund balance at June 30, 2021, \$154,797 is reserved for encumbrances; \$1,430,721 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, 2022); \$2,705,878 has been reserved in the Capital Reserve Account; \$1,006,982 has been reserved in the maintenance reserve account; \$23,231 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; and \$1,199,682 is unreserved and undesignated.

**NOTE 15. 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, 2021 is \$1,430,721. Of this amount, \$1,430,721 is the result of the current year's operations.

**NOTE 16. INVENTORY:**

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$5,370
Supplies	<u>2,250</u>
	<u>\$7,620</u>

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.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2021**

**NOTE 17. RESTATEMENT**

Net position for June 30, 2020 was restated to reflect the reclassification of the Unemployment Trust Fund net position from the Fiduciary Fund to the General Fund and reclassification of the Student Activity Fund to the Special Revenue Fund as per Governmental Accounting Standards Board ("GASB") number 84. This resulted in restatement of net position and/or fund balance as of June 30, 2020 as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Fiduciary Fund</u>
Net Position/Fund Balance at June 30, 2020	\$11,074,558	\$4,052,749	\$	\$48,244
Prior Period Adjustment for Implementation of GASB #84	<u>184,136</u>	<u>48,244</u>	<u>135,892</u>	<u>(48,244)</u>
Net Position/Fund Balance at June 30, 2020 - Restated	<u>\$11,258,694</u>	<u>\$4,100,993</u>	<u>\$135,892</u>	<u>\$0</u>

**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.

**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.

**NOTE 19. OTHER MATTERS**

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. During the year, the District has received grants from the federal government for increase expenditures related to the COVID-19 pandemic. The Board will continue to monitor the situation closely.

**NOTE 20. SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through January 27, 2022, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**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, 2021**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	24,362,831		24,362,831	24,362,831	
Tuition	170,000		170,000		(170,000)
Tuition - Summer School					
Interest Earned on Capital Reserve Funds	2,400		2,400	85	(2,315)
Other Restricted Miscellaneous Revenues				7 *	7
Unrestricted Miscellaneous Revenues	95,500		95,500	30,716	(64,784)
<b>Total - Local Sources</b>	<u>24,630,731</u>		<u>24,630,731</u>	<u>24,393,639</u>	<u>(237,092)</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,098,658	(70,141)	1,028,517	1,028,517	
Equalization Aid	711,969		711,969	711,969	
Categorical Security Aid	212,501		212,501	212,501	
Categorical Transportation Aid	101,852		101,852	101,852	
Adjustment Aid	10,133		10,133		
Extraordinary Aid				410,651	410,651
NTE Homeless Reimbursement				3,401	3,401
TPAF Pension (On-Behalf - Non-Budgeted)				3,235,271	3,235,271
TPAF Post Retirement Benefits (On-Behalf - Non-Budgeted)				1,033,174	1,033,174
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				61,555	61,555
TPAF LTDI (On-Behalf - Non-Budgeted)				2,004	2,004
Reimbursed TPAF Social Security Contributions (non-budgeted)				878,419	878,419
<b>Total - State Sources</b>	<u>2,135,113</u>	<u>(70,141)</u>	<u>2,064,972</u>	<u>7,689,447</u>	<u>5,624,475</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	58,667		58,667	22,695	(35,972)
Medicaid Administrative Claiming (MAC)				1,815	1,815
FFRCA-SEMI				2,292	2,292
<b>Total - Federal Sources</b>	<u>58,667</u>		<u>58,667</u>	<u>26,802</u>	<u>(31,865)</u>
<b>TOTAL REVENUES</b>	<u>26,824,511</u>	<u>(70,141)</u>	<u>26,754,370</u>	<u>32,109,888</u>	<u>5,355,518</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool - Salaries of Teachers	60,696	(26,129)	34,567		34,567
Kindergarten - Salaries of Teachers	353,829	(2,151)	351,678	351,678	
Grades 1-5 - Salaries of Teachers	3,029,443	(8,584)	3,020,859	3,020,859	
Grades 6-8 - Salaries of Teachers	950,259	(25,608)	924,651	923,209	1,442
Grades 9-12 - Salaries of Teachers	3,129,881	54,008	3,183,889	3,169,297	14,592
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	12,500		12,500		12,500
Purchased Professional-Educational Services	15,000		15,000	1,780	13,220
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	360,832	(70,141)	290,691	290,691	
Purchased Professional-Educational Services					
Purchased Technical Services	106,444	6,878	113,322	102,173	11,149
Other Purchased Services (400-500 series)	92,575	12,008	104,583	92,334	12,249
General Supplies	281,428	(22,384)	259,044	182,672	76,372
Textbooks	6,000		6,000	1,726	4,274
Other Objects	500		500		500
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>8,399,387</u>	<u>(82,103)</u>	<u>8,317,284</u>	<u>8,136,419</u>	<u>180,865</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	187,933	26,240	214,173	214,173	
Other Salaries for Instruction	144,200	(10,147)	134,053	106,517	27,536
General Supplies	15,477	(5,790)	9,687	7,595	2,092
<b>Total Learning and/or Language Disabilities</b>	<u>347,610</u>	<u>10,303</u>	<u>357,913</u>	<u>328,285</u>	<u>29,628</u>
<b>Behavioral Disabilities:</b>					
General Supplies	1,000		1,000	449	551
<b>Total Behavioral Disabilities</b>	<u>1,000</u>		<u>1,000</u>	<u>449</u>	<u>551</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,595,822	(29,736)	1,566,086	1,566,086	
Other Salaries for Instruction	76,199	5,708	81,907	81,907	
<b>Total Resource Room/Resource Center</b>	<u>1,672,021</u>	<u>(24,028)</u>	<u>1,647,993</u>	<u>1,647,993</u>	

Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2021**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	122,507	(5,708)	116,799	69,173	47,626
Other Salaries for Instruction	158,620	1,057	159,677	159,677	
Professional Svcs-Educational Services	11,000	(1,057)	9,943		9,943
General Supplies	6,165		6,165	4,101	2,064
<b>Total Preschool Disabilities - Full-Time</b>	<u>298,292</u>	<u>(5,708)</u>	<u>292,584</u>	<u>232,951</u>	<u>59,633</u>
<b>Home Instruction:</b>					
Salaries of Teachers	3,000	(1,551)	1,449		1,449
<b>Total Home Instruction</b>	<u>3,000</u>	<u>(1,551)</u>	<u>1,449</u>		<u>1,449</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>2,321,923</u>	<u>(20,984)</u>	<u>2,300,939</u>	<u>2,209,678</u>	<u>91,261</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	74,759	4,974	79,733	79,733	
General Supplies	11,523	(3,281)	8,242	8,226	16
<b>Total Basic Skills/Remedial - Instruction</b>	<u>86,282</u>	<u>1,693</u>	<u>87,975</u>	<u>87,959</u>	<u>16</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	1,207,914	93,481	1,301,395	1,301,396	(1)
General Supplies	2,500	550	3,050		3,050
Textbooks	1,536		1,536		1,536
<b>Total Bilingual Education - Instruction</b>	<u>1,211,950</u>	<u>94,031</u>	<u>1,305,981</u>	<u>1,301,396</u>	<u>4,585</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	97,434		97,434	79,249	18,185
Purchased Services (300-500 series)	4,000		4,000		4,000
Supplies and Materials	19,850		19,850	(7,380)	27,230
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>121,284</u>		<u>121,284</u>	<u>71,869</u>	<u>49,415</u>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	290,624	(34,553)	256,071	181,523	74,548
Purchased Services (300-500 series)	50,000		50,000	27,000	23,000
Supplies and Materials	74,118		74,118	59,264	14,854
<b>Total School-Sponsored Athletics - Instruction</b>	<u>414,742</u>	<u>(34,553)</u>	<u>380,189</u>	<u>267,787</u>	<u>112,402</u>
<b>Before/After School Programs - Instruction</b>					
Salaries of Teachers	20,000		20,000	13,743	6,257
<b>Total Before/After School Programs - Instruction</b>	<u>20,000</u>		<u>20,000</u>	<u>13,743</u>	<u>6,257</u>
<b>Summer School - Instruction</b>					
Salaries of Teachers	50,000		50,000	23,771	26,229
<b>Total Summer School - Instruction</b>	<u>50,000</u>		<u>50,000</u>	<u>23,771</u>	<u>26,229</u>
<b>TOTAL INSTRUCTION</b>	<u>12,625,568</u>	<u>(41,916)</u>	<u>12,583,652</u>	<u>12,112,622</u>	<u>471,030</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular					
Tuition to Other LEAs Within the State - Special	503,301	(82,807)	420,494	420,494	
Tuition to County Voc. School Dist. - Regular	445,050		445,050	403,254	41,796
Tuition to CSSD & Regional Day Schools	189,580	1,051	190,631	174,361	16,270
Tuition to Private Schools for the Handicapped - Within State	277,821	81,735	359,556	344,013	15,543
<b>Total Undistributed Expenditures - Instruction:</b>	<u>1,415,752</u>	<u>(21)</u>	<u>1,415,731</u>	<u>1,342,122</u>	<u>73,609</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	4,050		4,050	1,964	2,086
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>4,050</u>		<u>4,050</u>	<u>1,964</u>	<u>2,086</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	205,794	7,500	213,294	213,294	
Purchased Prof. & Tech Svc.	13,400	4,500	17,900	14,155	3,745
Supplies and Materials	10,297		10,297	4,895	5,402
<b>Total Undistributed Expenditures - Health Services</b>	<u>229,491</u>	<u>12,000</u>	<u>241,491</u>	<u>232,344</u>	<u>9,147</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries	211,181	(53,563)	157,618	157,618	
Purchased Prof. Services-Educational Services	551,958	(67,717)	484,241	251,676	232,565
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<u>763,139</u>	<u>(121,280)</u>	<u>641,859</u>	<u>409,294</u>	<u>232,565</u>
<b>Other Support Services - Students - Extra Srvc</b>					
Purchased Prof. Services-Educational Services	95,000		95,000	54,827	40,173
<b>Total Other Support Services - Students - Extra Srvc.</b>	<u>95,000</u>		<u>95,000</u>	<u>54,827</u>	<u>40,173</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	296,528	(3,021)	293,507	277,782	15,725
Salaries of Secretarial and Clerical Assistants	52,824	3,021	55,845	55,845	
Supplies and Materials	5,400		5,400	1,645	3,755
<b>Total Undist. Expend. - Guidance</b>	<u>354,752</u>		<u>354,752</u>	<u>335,272</u>	<u>19,480</u>

Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2021**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	491,999	55,177	547,176	546,850	326
Salaries of Secretarial and Clerical Assistants	101,810	10,942	112,752	112,752	
Supplies and Materials	15,193	(5,005)	10,188	5,919	4,269
Other Objects	1,149	305	1,454	1,305	149
<b>Total Undist. Expend. - Child Study Teams</b>	<u>610,151</u>	<u>61,419</u>	<u>671,570</u>	<u>666,826</u>	<u>4,744</u>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Other Purchased Professional and Technical Services	500	1,007	1,507		1,507
Other Purch Services (400-500)	5,000	(751)	4,249	1,749	2,500
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<u>5,500</u>	<u>256</u>	<u>5,756</u>	<u>1,749</u>	<u>4,007</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	60,000	15,000	75,000	36,200	38,800
Supplies and Materials	16,091	181	16,272	16,104	168
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>76,091</u>	<u>15,181</u>	<u>91,272</u>	<u>52,304</u>	<u>38,968</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	3,000	(1,000)	2,000	1,170	830
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>3,000</u>	<u>(1,000)</u>	<u>2,000</u>	<u>1,170</u>	<u>830</u>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	358,340	10,127	368,467	368,467	
Legal Services	50,000	34,927	84,927	71,890	13,037
Audit Fees	45,000	2,800	47,800	47,800	
Architectural/Engineering Services	20,000		20,000	18,690	1,310
Other Purchased Professional Services	53,725	(2,523)	51,202	51,202	
Communications/Telephone	166,000	(11,725)	154,275	128,995	25,280
BOE Other Purchased Services	5,500		5,500	78	5,422
Misc. Purch Services (400-500 Series)	137,450		137,450	122,279	15,171
General Supplies	1,000		1,000	528	472
Judgements Against the School District	5,000		5,000		5,000
Misc. Expenditures	3,030		3,030	922	2,108
BOE Membership Dues and Fees	14,600		14,600	13,414	1,186
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>859,645</u>	<u>33,606</u>	<u>893,251</u>	<u>824,265</u>	<u>68,986</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	734,001	(14,700)	719,301	719,257	44
Salaries of Other Professional Staff	103,570	(28,600)	74,970	74,928	42
Salaries of Secretarial and Clerical Assistants	439,588	26,431	466,019	466,019	
Purchased Prof. and Tech. Services	18,785		18,785	18,781	4
Other Purchased Services (400-500 series)	600		600	542	58
Supplies and Materials	29,750		29,750	8,792	20,958
Other Objects	36,400		36,400	10,448	25,952
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>1,362,694</u>	<u>(16,869)</u>	<u>1,345,825</u>	<u>1,298,767</u>	<u>47,058</u>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	186,702	(42,749)	143,953	143,953	
Purchased Professional Services	13,350	55,525	68,875	68,875	
Purchased Technical Services	38,384	635	39,019	38,951	68
Misc. Pur Services (400-500 Series)	8,600	(2,100)	6,500	6,380	120
Supplies and Materials	6,632	(882)	5,750	4,419	1,331
Miscellaneous Expenditures	14,912	(3,618)	11,294	10,775	519
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<u>268,580</u>	<u>6,811</u>	<u>275,391</u>	<u>273,353</u>	<u>2,038</u>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	124,606	5,128	129,734	129,010	724
Purchased Technical Services	15,000	(1,762)	13,238	12,238	1,000
Supplies and Materials	7,500	(4,544)	2,956	145	2,811
<b>Total Undist. Expend. - Support Serv. - Administrative Information Technology</b>	<u>147,106</u>	<u>(1,178)</u>	<u>145,928</u>	<u>141,393</u>	<u>4,535</u>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Cleaning, Repair and Maintenance Services	123,972	74,815	198,787	119,066	79,721
General Supplies	10,000		10,000	3,785	6,215
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<u>133,972</u>	<u>74,815</u>	<u>208,787</u>	<u>122,851</u>	<u>85,936</u>

Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2021**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Custodial Services (262)</b>					
Salaries	701,891	47,882	749,773	741,365	8,408
Salaries of Non-Instructional Aides	101,108		101,108	99,773	1,335
Cleaning, Repair and Maintenance Services	148,935	(41,124)	107,811	78,248	29,563
Other Purchased Property Services	45,780	9,908	55,688	55,688	
Insurance	144,944	(7,951)	136,993	136,898	95
General Supplies	91,570	30,703	122,273	34,297	87,976
Energy (Natural Gas)	214,200	(4,186)	210,014	78,051	131,963
Energy (Electricity)	217,474		217,474	164,173	53,301
Energy (Gasoline)	27,800	(7,800)	20,000	6,201	13,799
Other Objects	3,000	(2,098)	902		902
<b>Total Undist. Expend. - Custodial Services (262)</b>	<u>1,696,702</u>	<u>25,334</u>	<u>1,722,036</u>	<u>1,394,694</u>	<u>327,342</u>
<b>Security</b>					
Purchased Professional and Technical Services	68,720	(35,892)	32,828	23,675	9,153
General Supplies	7,000		7,000	625	6,375
<b>Total Undistributed Expenditures - Security</b>	<u>75,720</u>	<u>(35,892)</u>	<u>39,828</u>	<u>24,300</u>	<u>15,528</u>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of Non-Instructional Aides	61,800		61,800	24,031	37,769
Other Purchased Prof. and Tech. Services	1,740	128	1,868	1,584	284
Cleaning, Repair and Maintenance Services	4,000		4,000		4,000
Contract Services (Bet. Home and Sch.) - Vendors	30,000		30,000	2,847	27,153
Contract Services (Bet. Home and Sch.) - Joint Agreements		116,100	116,100	116,100	
Contract Services (Other than Between Home & School)-Vendors	75,000	(16,497)	58,503	33,000	25,503
Contract Services (Sp. Ed. Students)-Vendors	400,929	(122,101)	278,828	233,137	45,691
Other Objects	500	(128)	372	16	356
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>573,969</u>	<u>(22,498)</u>	<u>551,471</u>	<u>410,715</u>	<u>140,756</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	300,000		300,000	293,173	6,827
Other Retirement Contributions-PERS	396,407	(126,355)	270,052	270,052	
Unemployment Compensation	5,000		5,000		5,000
Workmen's Compensation	136,500	(801)	135,699	112,403	23,296
Health Benefits	5,780,684	50,237	5,830,921	3,761,023	2,069,898
Tuition Reimbursement	27,000	(534)	26,466	18,722	7,744
Other Employee Benefits	75,233	534	75,767	75,767	
Unused Sick Payment to Terminated/Retired Staff	99,748		99,748	85,915	13,833
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>6,820,572</u>	<u>(76,919)</u>	<u>6,743,653</u>	<u>4,617,055</u>	<u>2,126,598</u>
TPAF Pension (On-Behalf - Non-Budgeted)				3,235,271	(3,235,271)
TPAF Post Retirement Benefits (On-Behalf - Non-Budgeted)				1,033,174	(1,033,174)
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				61,555	(61,555)
TPAF LTDI (On-Behalf - Non-Budgeted)				2,004	(2,004)
Reimbursed TPAF Social Security Contributions (non-budgeted)				878,419	(878,419)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>5,210,423</u>	<u>(5,210,423)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>6,820,572</u>	<u>(76,919)</u>	<u>6,743,653</u>	<u>9,827,478</u>	<u>(3,083,825)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>15,495,886</u>	<u>(46,235)</u>	<u>15,449,651</u>	<u>17,415,688</u>	<u>(1,966,037)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>28,121,454</u>	<u>(88,151)</u>	<u>28,033,303</u>	<u>29,528,310</u>	<u>(1,495,007)</u>
<b>CAPITAL OUTLAY</b>					
<b>Undist. Expenditures:</b>					
Care and Upkeep of Grounds		11,046	11,046	8,948	2,098
Non-Instructional Services		24,332	24,332	11,162	13,170
<b>Total Undist. Expend.</b>		<u>35,378</u>	<u>35,378</u>	<u>20,110</u>	<u>15,268</u>
<b>Undist. Exp. Student Transp. - Non-Instructional Equipment</b>					
School Buses - Special		6,000	6,000		6,000
<b>Total Undist. Exp. Student Transp. - Non-Instructional Equipment</b>		<u>6,000</u>	<u>6,000</u>		<u>6,000</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services		116,781	116,781	51,140	65,641
Assessment for Debt Service on SDA Funding	12,601		12,601	12,601	
<b>Total Facilities Acquisition and Construction Services</b>	<u>12,601</u>	<u>116,781</u>	<u>129,382</u>	<u>63,741</u>	<u>65,641</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>Undistributed Expenditures:</b>					
Custodial Services				36,884	(36,884)
<b>Total Assets Acquired Under Capital Leases (non-budgeted)</b>				<u>36,884</u>	<u>(36,884)</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>12,601</u>	<u>158,159</u>	<u>170,760</u>	<u>120,735</u>	<u>50,025</u>

Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Transfer of Funds to Charter Schools	44,862	(14,194)	30,668	25,512	5,156
<b>TOTAL EXPENDITURES</b>	<u>28,178,917</u>	<u>55,814</u>	<u>28,234,731</u>	<u>29,674,557</u>	<u>(1,439,826)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,354,406)	(125,955)	(1,480,361)	2,435,331	3,915,692
Other Financing Sources/(Uses): Capital Leases (non-budgeted)				36,884	36,884
<b>Total Other Financing Sources/(Uses):</b>				<u>36,884</u>	<u>36,884</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,354,406)	(125,955)	(1,480,361)	2,472,215	3,952,576
Fund Balance, July 1	4,237,142		4,237,142	4,237,142	
Prior Period Adjustment				48,244	**
Fund Balance, July 1 (Restated)	4,237,142		4,237,142	4,285,386	
Fund Balance, June 30	<u>2,882,736</u>	<u>(125,955)</u>	<u>2,756,781</u>	<u>6,757,601</u>	<u>3,952,576</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(894,701)		(894,701)	(894,701)	
Increase in Maintenance Reserve:				400,000	400,000
Increase in Capital Reserve:					
Principal				1,000,000	1,000,000
Interest Deposit to Capital Reserve	2,400		2,400	85	(2,315)
Withdrawal from Maintenance Reserve		(125,955)	(125,955)	(125,955)	
Budgeted Fund Balance	<u>(462,105)</u>		<u>(462,105)</u>	<u>2,092,786</u>	<u>2,554,891</u>
	<u>(1,354,406)</u>	<u>(125,955)</u>	<u>(1,480,361)</u>	<u>2,472,215</u>	<u>3,952,576</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				2,705,878	
Maintenance Reserve				1,006,982	
Unemployment Compensation				48,251	
Excess Surplus				1,430,721	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				23,231	
Year-end Encumbrances				154,797	
<b>Unassigned Fund Balance</b>				<u>1,387,741</u>	
				6,757,601	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>(188,059)</u>	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>6,569,542</u>	

\* Include interest earnings on the unemployment compensation bank account

\*\* Represents Unemployment Fund Net Position as of June 30, 2020

**Budgetary Comparison Schedule  
Special Revenue Fund  
Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>REVENUES:</b>						
Local Sources	12,000	5,809	17,809	154,563	136,754	Note (1)
State Sources	252,786	49,782	302,568	219,782	(82,786)	
Federal Sources	927,158	1,349,258	2,276,416	1,468,538	(807,878)	
<b>Total Revenues</b>	<b>1,191,944</b>	<b>1,404,849</b>	<b>2,596,793</b>	<b>1,842,883</b>	<b>(753,910)</b>	
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	421,926	246,286	668,212	434,885	233,327	
Purchased Professional - Educational Services	168,003	29,954	197,957	103,928	94,029	
Other Purchased Services (400-500 series)	317,568	277,192	594,760	529,617	65,143	
General Supplies	102,207	421,064	523,271	423,013	100,258	
Textbooks	15,000	4,976	19,976	19,800	176	
<b>Total instruction</b>	<b>1,024,704</b>	<b>979,472</b>	<b>2,004,176</b>	<b>1,511,243</b>	<b>492,933</b>	
<b>Support services:</b>						
Salaries of Program Directors	1,680	7,320	9,000	360	8,640	
Salaries of Other Professional Staff		46,519	46,519	-	46,519	
Personal Services - Employee Benefits	29,903	91,604	121,507	21,436	100,071	
Purchased Professional - Educational Services	61,784	134,071	195,855	70,885	124,970	
Other Purchased Services	32,867	30,477	63,344	18,299	45,045	
Supplies & Materials	41,006	68,225	109,231	92,531	16,700	
Other Objects		2,474	2,474	-	2,474	
Student Activity Disbursements		-		121,497	(121,497)	Note (1)
<b>Total support services</b>	<b>167,240</b>	<b>380,690</b>	<b>547,930</b>	<b>325,008</b>	<b>222,922</b>	
<b>Facilities acquisition and const. serv.:</b>						
Instructional Equipment		24,416	24,416	-	24,416	
Noninstructional Equipment		20,271	20,271	(20,625)	40,896	
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>44,687</b>	<b>44,687</b>	<b>(20,625)</b>	<b>65,312</b>	
<b>Total Expenditures</b>	<b>1,191,944</b>	<b>1,404,849</b>	<b>2,596,793</b>	<b>1,815,626</b>	<b>781,167</b>	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						
	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,257</b>	<b>27,257</b>	
Fund Balance, July 1						
Prior Period Adjustment				135,892		
Fund Balance, July 1 (Restated)				135,892		
Fund Balance, June 30				163,149		
<b>Recapitulation:</b>						
<b>Restricted:</b>						
Scholarships				-		
Student Activities				163,149		
<b>Total Fund Balance</b>				<b>163,149</b>		

Note 1 - Not Required to budget for these funds.

**PALISADES PARK BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2021**

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

		General Fund	Special Revenue Fund
		<u>          </u>	<u>          </u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	32,109,888	1,842,883
Differences - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			235,659
Current Year			(45,626)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		184,393	
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).		(188,059)	
		<u>          </u>	<u>          </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>32,106,222</u>	<u>2,032,916</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	29,457,449	1,815,626
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.			
Prior Year			235,659
Current Year			(45,626)
		<u>          </u>	<u>          </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>29,457,449</u>	<u>2,005,659</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

**PALISADES PARK BOARD OF EDUCATION**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Share of Net Pension Liability - PERS**  
*Last 10 Fiscal Years\**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0259576351%	\$ 4,859,979	\$ 1,700,413	285.81%	52.08%
2016	0.0242951347%	\$ 5,453,771	\$ 1,712,076	318.55%	47.93%
2017	0.0244283531%	\$ 7,234,978	\$ 1,608,685	449.74%	59.86%
2018	0.0242765167%	\$ 5,651,185	\$ 1,721,717	328.23%	48.10%
2019	0.0236745200%	\$ 4,661,395	\$ 1,715,233	271.76%	53.60%
2020	0.0240206327%	\$ 4,328,154	\$ 1,808,547	239.32%	56.27%
2021	0.0246492168%	\$ 4,019,643	\$ 1,639,998	245.10%	58.32%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**PALISADES PARK BOARD OF EDUCATION**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Contributions - PERS**  
*Last 10 Fiscal Years\**

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	\$		\$				
2015	\$ 213,991	\$	(213,991)	\$ -	\$ 1,700,413	12.58%	
2016	208,873		(208,873)	-	1,712,076	12.20%	
2017	217,018		(217,018)	-	1,608,685	13.49%	
2018	224,896		(224,896)	-	1,721,717	13.06%	
2019	235,485		(235,485)	-	1,715,233	13.73%	
2020	233,652		(233,652)	-	1,808,547	12.92%	
2021	269,650		(269,650)	0.00	1,639,998	16.44%	

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**PALISADES PARK BOARD OF EDUCATION**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Share of Net Pension Liability - TPAF**  
*Last 10 Fiscal Years\**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's		District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
			Proportionate Share of the Net Pension Liability Associated with the District (Asset)	\$			
2015	0.1030691358%		\$ 55,087,099	\$	10,216,526	0.00%	33.64%
2016	0.1077074691%		68,075,720		11,180,935	0.00%	28.71%
2017	0.1029186239%		80,962,342		11,883,703	0.00%	22.33%
2018	0.1001415840%		67,519,067		12,039,990	0.00%	25.41%
2019	0.1080491144%		68,738,526		12,073,861	0.00%	26.49%
2020	0.1145407150%		70,294,718		12,284,692	0.00%	26.95%
2021	0.1131018144%		74,476,184		12,125,532	0.00%	24.60%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**PALISADES PARK BOARD OF EDUCATION**  
**Note to Required Schedules of Supplementary Information - Part III**  
**Fiscal Year Ended June 30, 2021**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 6.28% to 7.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 5.60% to 5.40%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

**PALISADES PARK BOARD OF EDUCATION**  
**Schedule of Required Supplementary Information**  
**Schedule of Changes in the District's Proportionate Share of the State OPEB Liability**  
*Last 10 Fiscal Years\**

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Costs	2,096,346	2,008,844	2,219,564	\$ 2,687,346
Interest on Total OPEB Liability	1,404,324	1,675,438	1,837,177	1,580,742
Differences between Expected and Actual Experiences	11,726,686	(6,396,766)	(5,954,074)	(6,854,117)
Changes in Assumptions	11,779,144	575,035	(4,802,849)	(6,854,117)
Gross Benefit Payments	(1,122,626)	(1,183,887)	(1,119,136)	(1,149,622)
Contribution from the Member	34,027	35,094	38,679	42,332
<b>Net Changes in total Share of OPEB Liability</b>	25,917,901	(3,286,242)	(7,780,639)	(3,693,319)
<b>Total OPEB Liability - Beginning</b>	\$ 38,566,828	\$ 41,853,070	\$ 49,633,709	53,327,028
<b>Total OPEB Liability - Ending</b>	<u>\$ 64,484,729</u>	<u>\$ 38,566,828</u>	<u>\$ 41,853,070</u>	<u>\$ 49,633,709</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	\$ 64,484,729	\$ 38,566,828	\$ 41,853,070	49,633,709
Total OPEB Liability - Ending	<u>\$ 64,484,729</u>	<u>\$ 38,566,828</u>	<u>\$ 41,853,070</u>	<u>\$ 49,633,709</u>
District's Covered Employee Payroll	<u>\$ 13,765,530</u>	<u>\$ 14,093,239</u>	<u>\$ 13,789,094</u>	<u>\$ 13,761,707</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

**Notes to Schedule:**

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

Change in benefit terms                      None

Change in assumptions                      Assumptions used in calculating the OPEB liability are presented in Note 8.

\* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**Supplementary Schedules**

**SPECIAL REVENUE FUND**

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**June 30, 2021**

	Total Brought Forward (Ex. E-1a)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Handicapped Services, Chp. 193 Supplemental Instruction	Examination & Classification	Corrective Speech	Totals 2021
<b>REVENUES</b>							
Local Sources	154,563						154,563
State Sources	129,974	19,800	32,529	10,280	11,887	15,312	219,782
Federal Sources	1,468,538						1,468,538
<b>Total Revenues</b>	<b>1,753,075</b>	<b>19,800</b>	<b>32,529</b>	<b>10,280</b>	<b>11,887</b>	<b>15,312</b>	<b>1,842,883</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	402,356		32,529				434,885
Purchased Professional - Educational Services	66,449			10,280	11,887	15,312	103,928
Other Purchased Services (400-500 series)	529,617						529,617
General Supplies	423,013						423,013
Textbooks	-	19,800					19,800
<b>Total instruction</b>	<b>1,421,435</b>	<b>19,800</b>	<b>32,529</b>	<b>10,280</b>	<b>11,887</b>	<b>15,312</b>	<b>1,511,243</b>
<b>Support services:</b>							
Salaries of Program Directors	360						360
Personal Services - Employee Benefits	21,436						21,436
Purchased Professional - Technical Services	-						-
Purchased Professional - Educational Services	70,885						70,885
Other Purchased Services	18,299						18,299
Supplies & Materials	92,531						92,531
Student Activities	121,497						121,497
<b>Total support services</b>	<b>325,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>325,008</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	-						-
Non-instructional Equipment	(20,625)						(20,625)
<b>Total facilities acquisition and const. serv.</b>	<b>(20,625)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,625)</b>
<b>Total Expenditures</b>	<b>1,725,818</b>	<b>19,800</b>	<b>32,529</b>	<b>10,280</b>	<b>11,887</b>	<b>15,312</b>	<b>1,815,626</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>27,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,257</b>
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	135,892						135,892
Fund Balance, July 1 (Restated)	135,892						135,892
Fund Balance, June 30	163,149	-	-	-	-	-	163,149

\*\* - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2021**

	Total Brought Forward (Ex. E-1b)	N.J. Nonpublic Auxiliary Services, Chp. 192 Compensatory Education	English as a Second Language	Nonpublic Digital Divide	Title I, Improving Basic Skills	Total Carried Forward
<b>REVENUES</b>						
Local Sources	154,563					154,563
State Sources	57,225	48,770	23,979			129,974
Federal Sources	1,154,533			14,225	299,780	1,468,538
<b>Total Revenues</b>	<b>1,366,321</b>	<b>48,770</b>	<b>23,979</b>	<b>14,225</b>	<b>299,780</b>	<b>1,753,075</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	119,949					119,949
Purchased Professional - Educational Services	200	48,770	23,979		282,407	402,356
Other Purchased Services (400-500 series)	529,617				(6,500)	66,449
General Supplies	404,576			14,225	4,212	529,617
Textbooks	-					423,013
<b>Total instruction</b>	<b>1,054,342</b>	<b>48,770</b>	<b>23,979</b>	<b>14,225</b>	<b>280,119</b>	<b>1,421,435</b>
<b>Support services:</b>						
Salaries of Program Directors	360					360
Personal Services - Employee Benefits	1,775				19,661	21,436
Purchased Professional - Technical Services	-					-
Purchased Professional - Educational Services	70,885					70,885
Other Purchased Services	18,299					18,299
Supplies & Materials	92,531					92,531
Student Activities	121,497					121,497
<b>Total support services</b>	<b>305,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,661</b>	<b>325,008</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional Equipment	-					-
Non-instructional Equipment	(20,625)					(20,625)
<b>Total facilities acquisition and const. serv.</b>	<b>(20,625)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,625)</b>
<b>Total Expenditures</b>	<b>1,339,064</b>	<b>48,770</b>	<b>23,979</b>	<b>14,225</b>	<b>299,780</b>	<b>1,725,818</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>27,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,257</b>
Fund Balance, July 1	-					-
Prior Period Adjustment	135,892					135,892
Fund Balance, July 1 (Restated)	135,892					135,892
Fund Balance, June 30	163,149					163,149

\*\* - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2021**

	Total Brought Forward (Ex. E-1c)	Title I - SIA Part A	Title II, Part A Teacher and Principal Training and Recruiting Fund	Title III - Immigrant	Title III, English Language Acquisition and Language Enhancement	Title IV, Student Support & Academic Enrichment	Total Carried Forward
<b>REVENUES</b>							
Local Sources	154,563						154,563
State Sources	57,225						57,225
Federal Sources	912,150	148,453	52,335	3,383	35,229	2,983	1,154,533
<b>Total Revenues</b>	<b>1,123,938</b>	<b>148,453</b>	<b>52,335</b>	<b>3,383</b>	<b>35,229</b>	<b>2,983</b>	<b>1,366,321</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	-	119,949					119,949
Purchased Professional - Educational Services	-					200	200
Other Purchased Services (400-500 series)	501,720	25,247				2,650	529,617
General Supplies	368,494	2,897		3,383	29,669	133	404,576
Textbooks	-						-
<b>Total instruction</b>	<b>870,214</b>	<b>148,093</b>	<b>-</b>	<b>3,383</b>	<b>29,669</b>	<b>2,983</b>	<b>1,054,342</b>
<b>Support services:</b>							
Salaries of Program Directors	-	360					360
Personal Services - Employee Benefits	-		1,775				1,775
Purchased Professional - Technical Services	28,901		36,484				65,385
Purchased Professional - Educational Services	4,223		14,076		5,500		23,800
Other Purchased Services	92,471						92,471
Supplies & Materials	121,497				60		121,557
Student Activities	-						-
<b>Total support services</b>	<b>247,092</b>	<b>360</b>	<b>52,335</b>	<b>-</b>	<b>5,560</b>	<b>-</b>	<b>305,347</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	-						-
Non-instructional Equipment	(20,625)						(20,625)
<b>Total facilities acquisition and const. serv.</b>	<b>(20,625)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,625)</b>
<b>Total Expenditures</b>	<b>1,096,681</b>	<b>148,453</b>	<b>52,335</b>	<b>3,383</b>	<b>35,229</b>	<b>2,983</b>	<b>1,339,064</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>27,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,257</b>
Fund Balance, July 1	-						-
Prior Period Adjustment	135,892						135,892
Fund Balance, July 1 (Restated)	135,892						135,892
Fund Balance, June 30	163,149						163,149

\*\* - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**PALISADES PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2021

	Total Brought Forward (Ex. E-1d)	I.D.E.A Part B, Basic	I.D.E.A Part B, Preschool	(ESSER) CARES Emergency Relief Act	COVID Relief Fund	Total Carried Forward
<b>REVENUES</b>						
Local Sources	154,563					154,563
State Sources	57,225					57,225
Federal Sources	100,666	434,860	10,781	205,840	160,003	912,150
<b>Total Revenues</b>	<b>312,454</b>	<b>434,860</b>	<b>10,781</b>	<b>205,840</b>	<b>160,003</b>	<b>1,123,938</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	-					-
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-	405,959	10,781	84,980		501,720
General Supplies	106,475			102,016	160,003	368,494
Textbooks	-					-
<b>Total Instruction</b>	<b>106,475</b>	<b>405,959</b>	<b>10,781</b>	<b>186,996</b>	<b>160,003</b>	<b>870,214</b>
<b>Support services:</b>						
Salaries of Program Directors	-					-
Personal Services - Employee Benefits	-					-
Purchased Professional - Technical Services	-	28,901				28,901
Purchased Professional - Educational Services	-			4,223		4,223
Other Purchased Services	57,225			35,246		92,471
Supplies & Materials	121,497					121,497
Student Activities						
<b>Total support services</b>	<b>178,722</b>	<b>28,901</b>	<b>-</b>	<b>39,469</b>	<b>-</b>	<b>247,092</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional Equipment	-				(20,625)	(20,625)
Non-instructional Equipment	-					-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,625)</b>	<b>-</b>	<b>(20,625)</b>
<b>Total Expenditures</b>	<b>285,197</b>	<b>434,860</b>	<b>10,781</b>	<b>205,840</b>	<b>160,003</b>	<b>1,096,681</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>27,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,257</b>
Fund Balance, July 1	-					-
Prior Period Adjustment	135,892					135,892
Fund Balance, July 1 (Restated)	135,892					135,892
Fund Balance, June 30	163,149					163,149

\*\*\* - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**PALISADES PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2021

	Total Brought Forward (Ex. E-1e)	Bergen County CARES Act	N.J. Nonpublic Security Aid	Korean Consulate	Italian American Committee Grant	Total Carried Forward
<b>REVENUES</b>						
Local Sources	148,754	-	-	809	5,000	154,563
State Sources	-	-	57,225	-	-	57,225
Federal Sources	-	100,666	-	-	-	100,666
<b>Total Revenues</b>	<b>148,754</b>	<b>100,666</b>	<b>57,225</b>	<b>809</b>	<b>5,000</b>	<b>312,454</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	100,666	-	809	5,000	106,475
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>100,666</b>	<b>-</b>	<b>809</b>	<b>5,000</b>	<b>106,475</b>
<b>Support services:</b>						
Salaries of Program Directors	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services	-	-	57,225	-	-	57,225
Supplies and Materials	121,497	-	-	-	-	121,497
Student Activities	-	-	-	-	-	-
<b>Total support services</b>	<b>121,497</b>	<b>-</b>	<b>57,225</b>	<b>-</b>	<b>-</b>	<b>178,722</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional Equipment	-	-	-	-	-	-
Non-instructional Equipment	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>121,497</b>	<b>100,666</b>	<b>57,225</b>	<b>809</b>	<b>5,000</b>	<b>285,197</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>27,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,257</b>
Fund Balance, July 1	-	-	-	-	-	-
Prior Period Adjustment	135,892	-	-	-	-	135,892
Fund Balance, July 1 (Restated)	135,892	-	-	-	-	135,892
Fund Balance, June 30	163,149	-	-	-	-	163,149

\*\* - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**PALISADES PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2021

	Palisades Park High School Student Activity Fund	Cultural Arts Student Activity Fund	Student Aid Fund	Lindbergh School Student Activity Fund	Palisades Park High School Athletic Account	Total Carried Forward
<b>REVENUES</b>						
Local Sources	39,844		38,300	10,602	60,008	148,754
State Sources						-
Federal Sources						-
<b>Total Revenues</b>	<b>39,844</b>	<b>-</b>	<b>38,300</b>	<b>10,602</b>	<b>60,008</b>	<b>148,754</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers						-
Purchased Professional - Educational Services						-
Other Purchased Services (400-500 series)						-
General Supplies						-
Textbooks						-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support services:</b>						
Salaries of Program Directors						-
Personal Services - Employee Benefits						-
Purchased Professional - Technical Services						-
Purchased Professional - Educational Services						-
Other Purchased Services						-
Supplies and Materials						-
Student Activities	41,661	144	27,632	12,744	39,316	121,497
<b>Total support services</b>	<b>41,661</b>	<b>144</b>	<b>27,632</b>	<b>12,744</b>	<b>39,316</b>	<b>121,497</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional Equipment						-
Non-instructional Equipment						-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>41,661</b>	<b>144</b>	<b>27,632</b>	<b>12,744</b>	<b>39,316</b>	<b>121,497</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(1,817)</b>	<b>(144)</b>	<b>10,668</b>	<b>(2,142)</b>	<b>20,692</b>	<b>27,257</b>
Fund Balance, July 1	-	-	-	-	-	-
Prior Period Adjustment	53,155 **	11,795 **	20,986 **	26,611 **	23,345 **	135,892
Fund Balance, July 1 (Restated)	53,155	11,795	20,986	26,611	23,345	135,892
Fund Balance, June 30	51,338	11,651	31,654	24,469	44,037	163,149

\*\* - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**CAPITAL PROJECTS FUND**

**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, 2021**

<b>Revenues</b>	
State Sources - SCC Grant	-
Certificates of Participation	-
Sale of Property	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Food Service Fund	-
Interest earnings	-
	-
	-
 <b>Expenditures</b>	
Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	-
	-
Net change in fund balance	-
Fund balance - beginning	40,795
Fund balance - ending	\$ 40,795
 <b><u>Analysis of Fund Balance</u></b>	
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

**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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
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			-	
	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>
<b>Expenditures</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	2,499,795		2,499,795	
Equipment purchases			-	
	<u>2,499,795</u>	<u>-</u>	<u>2,499,795</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>205</u>	<u>-</u>	<u>205</u>	<u>-</u>
<b>Additional project information:</b>				
Project number				
Grant Date	1997			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	2,500,000			
Additional authorized cost				
Revised authorized cost	2,500,000			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date				
Revised target completion date				

**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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
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	-
<b>Expenditures</b>				
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	-
<b>Additional project information:</b>				
Project number	3910-050-04-00RA			
Grant Date	7/15/2004			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	252,058			
Additional authorized cost				
Revised authorized cost	252,058			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date				
Revised target completion date				

**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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
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	
	<u>5,383,959</u>	<u>-</u>	<u>5,383,959</u>	<u>-</u>
<b>Expenditures</b>				
Purchased professional and technical services	209,665		209,665	
Land and improvements			-	
Construction services	5,157,726		5,157,726	
Equipment purchases			-	
	<u>5,367,391</u>	<u>-</u>	<u>5,367,391</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,568</u>	<u>-</u>	<u>16,568</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	3910-N01-03-0632			
Grant Date	7/15/2004			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	5,492,959			
Additional authorized cost	85,000			
Revised authorized cost	5,577,959			
Percentage increase over original authorized cost	0.02			
Percentage completion	96%			
Original target completion date				
Revised target completion date				

**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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
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	-
<b>Expenditures</b>				
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	-
<b>Additional project information:</b>				
Project number				
Grant Date	N/A			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	55,137			
Additional authorized cost				
Revised authorized cost	55,137			
Percentage increase over original authorized cost	-			
Percentage completion	56%			
Original target completion date				
Revised target completion date				

**PALISADES PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Fiscal Year Ended June 30, 2021**

Project Title/Issue	Date	Appropriations	Expenditures to Date		Cancelled	Unexpended Balance June 30, 2021
			Prior Years	Current Year		
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
		<u>8,385,154</u>	<u>8,150,359</u>	<u>-</u>	<u>-</u>	<u>234,795</u>
Analysis						
						<u>234,795</u>
						<u>(194,000)</u>
						<u>40,795</u>

**PROPRIETARY FUNDS**

**PALISADES PARK BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2021**

	<u>Food Service Program</u>	<u>After School Child Care</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	221,190	60,018	281,208
Accounts receivable:			
Federal	117,806		117,806
Interfund	8,746		8,746
Inventories	7,620		7,620
Total current assets	<u>355,362</u>	<u>60,018</u>	<u>415,380</u>
Noncurrent assets:			
Capital assets:			
Equipment	124,165		124,165
Site Improvements	133,050		133,050
Less accumulated depreciation:			
Equipment	(78,509)		(78,509)
Site Improvements	(42,824)		(42,824)
Total capital assets (net of accumulated depreciation)	<u>135,882</u>	<u>-</u>	<u>135,882</u>
Total assets	<u>491,244</u>	<u>60,018</u>	<u>551,262</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	46,872		46,872
Total current liabilities	<u>46,872</u>	<u>-</u>	<u>46,872</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	135,882	-	135,882
Unrestricted	308,490	60,018	368,508
Total net position	<u>444,372</u>	<u>60,018</u>	<u>504,390</u>

**PALISADES PARK BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2021**

	<u>Food Service Program</u>	<u>After School Child Care</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs			-
Daily sales - non-reimbursable programs	351		351
Tuition fees			-
Total operating revenues	351	-	351
Operating expenses:			
Cost of sales - reimbursable programs	205,031		205,031
Cost of sales - non-reimbursable programs	-		-
Salaries	128,153		128,153
Supplies and materials	28,264		28,264
Employee benefits	55,360		55,360
Cleaning repair & maintenance	11,601		11,601
Legal and professional services			-
Purchased services	35,997		35,997
Miscellaneous	5,487		5,487
Depreciation	13,041		13,041
Total Operating Expenses	482,934	-	482,934
Operating income (loss)	(482,583)	-	(482,583)
Nonoperating revenues (expenses):			
State sources:			
FY20 additional state aid	2,582		2,582
Federal sources:			
Summer food school lunch program	329,098		329,098
Summer school breakfast program	166,729		166,729
Emergency operational cost program	65,269		65,269
P-EBT administrative costs	3,063		3,063
FY20 additional federal aid	1,067		1,067
Food distribution program	47,763		47,763
Miscellaneous Income			-
Interest and investment revenue	27		27
Total nonoperating revenues (expenses)	615,598	-	615,598
Income (loss) before contributions & transfers	133,015	-	133,015
Transfers in (out)			-
Change in net position	133,015	-	133,015
Total net position—beginning	311,357	60,018	371,375
Total net position—ending	444,372	60,018	504,390

**PALISADES PARK BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2021**

	<b>Food Service Program</b>	<b>After School Child Care</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	351	-	351
Payments to outside food service management company	(350,706)		(350,706)
Payments for repairs, maintenance	(11,266)		(11,266)
Payments for supplies	(15,492)	-	(15,492)
Payments for miscellaneous expenditures	(237)		(237)
Net cash provided by (used for) operating activities	<u>(377,350)</u>	<u>-</u>	<u>(377,350)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	2,671		2,671
Federal Sources	453,051		453,051
Net cash provided by (used for) non-capital financing activities	<u>455,722</u>	<u>-</u>	<u>455,722</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(76,398)		(76,398)
Net cash provided by (used for) capital and related financing activities	<u>(76,398)</u>	<u>-</u>	<u>(76,398)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	27		27
Net cash provided by (used for) investing activities	<u>27</u>	<u>-</u>	<u>27</u>
Net increase (decrease) in cash and cash equivalents	2,001	-	2,001
Transfers in (out)			-
Balances—beginning of year	219,189	60,018	279,207
Balances—end of year	<u>221,190</u>	<u>60,018</u>	<u>281,208</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(482,583)	-	(482,583)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	13,041		13,041
Food Distribution Program	47,763		47,763
(Increase) decrease in inventories	9,581		9,581
Increase (decrease) in accounts payable	34,848		34,848
Total adjustments	<u>105,233</u>	<u>-</u>	<u>105,233</u>
Net cash provided by (used for) operating activities	<u>(377,350)</u>	<u>-</u>	<u>(377,350)</u>

**LONG-TERM DEBT**

**PALISADES PARK BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Obligations under Bonds and Loans Payable**  
**June 30, 2021**

SERIES	Amount of Original Issues	Annual Maturities		Interest Rate Payable	Amount Outstanding on July 1, 2020	Retired in Current Year	Amount Outstanding on June 30, 2021
		Date	Amount				
2012 Refunding Bonds - Bergen County Improvement Authority - Unfunded Pension Liability	827,000	03/15/21	113,000	2.959%	113,000	113,000	-
<b>TOTAL</b>					<b>\$ 113,000</b>	<b>113,000</b>	<b>-</b>

**PALISADES PARK BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Obligations under Capital Leases**  
**June 30, 2021**

SERIES	Amount of Original Issues	Annual Maturities		Interest Rate Payable	Amount Outstanding on July 1, 2020	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2021
		Date	Amount					
2019 Ford F-250	41,770	01/09/21	7,617	4.820%	32,743		7,617	25,126
		01/09/22	7,984					
		01/09/23	8,369					
		01/09/24	8,773					
2020 Ford F-350	36,884	10/08/21	6,544	5.900%		36,884	8,259	28,625
		10/08/22	6,937					
		10/08/23	7,352					
		10/08/24	7,792					
TOTAL					32,743	36,884	15,876	53,751

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	116,344	-	116,344	116,344	-
Total - State Sources	116,344	-	116,344	116,344	-
<b>Total Revenues</b>	<b>116,344</b>	<b>-</b>	<b>116,344</b>	<b>116,344</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Early Retirement Bonds	3,344	-	3,344	3,344	-
Redemption of Principal - Early Retirement Bonds	113,000	-	113,000	113,000	-
Total Regular Debt Service	116,344	-	116,344	116,344	-
<b>Total expenditures</b>	<b>116,344</b>	<b>-</b>	<b>116,344</b>	<b>116,344</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	-	-	-	-	-

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

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- J-5 General Fund Other Local Revenue by Source

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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> 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.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> 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.	<b>J-16 to J-20</b>
<b>Sources:</b> 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.	

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 15,429,884	\$ 16,029,450	\$ 16,613,576	\$ 16,723,598	\$ 16,784,618	\$ 16,707,727	\$ 16,406,094	\$ 16,289,159	\$ 16,025,514	\$ 15,774,885
Restricted	2,091,983	1,450,132	1,479,824	1,470,536	2,116,251	2,717,241	2,263,139	2,215,933	3,710,376	5,410,655
Unrestricted	(1,713,404)	(1,479,517)	(4,009,752)	(8,479,601)	(8,860,937)	(9,596,353)	(9,154,903)	(8,645,203)	(8,661,332)	(7,568,405)
Total governmental activities net position	\$ 15,808,463	\$ 16,000,065	\$ 14,083,648	\$ 9,714,533	\$ 10,039,932	\$ 9,828,615	\$ 9,514,330	\$ 9,859,889	\$ 11,074,558	\$ 13,617,135
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 52,276	\$ 49,093	\$ 45,910	\$ 42,727	\$ 39,544	\$ 42,211	\$ 38,378	\$ 42,980	\$ 144,320	\$ 135,882
Unrestricted	170,521	210,101	279,719	243,529	244,442	298,822	245,248	298,277	227,055	368,508
Restricted	(222,797)	(259,194)	(325,629)	(286,256)	(283,986)	(341,033)	(283,626)	(341,257)	(371,375)	(504,390)
Total business-type activities net position	\$ 52,276	\$ 49,093	\$ 45,910	\$ 42,727	\$ 39,544	\$ 42,211	\$ 38,378	\$ 42,980	\$ 144,320	\$ 135,882
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 15,482,160	\$ 16,078,543	\$ 16,659,486	\$ 16,766,325	\$ 16,824,162	\$ 16,749,938	\$ 16,444,472	\$ 16,332,139	\$ 16,169,834	\$ 15,910,767
Restricted	2,091,983	1,450,132	1,479,824	1,470,536	2,116,251	2,717,241	2,263,139	2,215,933	3,710,376	5,410,655
Unrestricted	(1,542,883)	(1,269,416)	(3,730,033)	(8,236,072)	(8,616,495)	(9,297,531)	(8,909,655)	(8,346,926)	(8,434,277)	(7,199,897)
Total district net position	\$ 16,031,260	\$ 16,259,259	\$ 14,409,277	\$ 10,000,789	\$ 10,323,918	\$ 10,169,648	\$ 9,797,956	\$ 10,201,146	\$ 11,445,933	\$ 14,121,525

Source: CAFR Schedule A-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 10,341,592	\$ 10,965,082	\$ 10,861,600	\$ 11,525,979	\$ 11,631,054	\$ 11,487,024	\$ 12,237,293	12,955,509	12,411,023	12,482,272
Special education	2,054,862	2,349,262	2,271,235	2,507,327	2,765,830	2,779,715	2,819,475	3,355,386	3,455,123	2,974,697
Other special education	1,057,891	1,130,595	987,753	864,562	860,482	1,023,609	1,082,831	1,171,257	1,419,050	1,870,163
Other instruction	373,956	463,745	435,634	407,524	441,448	429,877	562,925	592,432	556,450	481,011
Support Services:										
Tuition	1,005,019	1,125,426	1,083,590	1,151,383	1,229,077	1,098,530	1,462,839	1,461,072	1,429,409	1,342,122
Attendance & Social Work				3,324	3,319	2,000	2,453	4,379	4,793	2,648
Health Services				292,826	268,640	232,561	289,594	323,339	288,584	306,597
Student & instruction related services	1,687,292	1,911,931	2,131,185	2,061,899	2,058,446	2,292,088	2,707,516	2,867,883	2,396,647	2,315,307
School administrative services	1,190,789	1,292,560	1,241,805	1,298,130	1,412,144	1,442,504	1,521,676	1,661,232	1,748,306	1,745,304
General administrative services	544,426	620,596	707,186	700,945	896,399	877,883	885,459	1,035,893	928,874	952,538
Central Services	421,032	424,693	390,943	401,785	291,514	261,395	259,505	327,560	353,404	323,466
Plant operations and maintenance	1,776,438	1,878,796	1,744,208	1,709,712	1,769,579	1,782,125	1,986,627	1,936,785	2,017,315	1,835,297
Pupil transportation	352,095	305,943	305,563	311,896	333,313	385,142	397,734	523,293	434,533	419,080
Administration of Information Technology				106,058	126,676	170,964	234,217	182,646	189,292	186,305
Unallocated Benefits	1,566,083	2,179,899	4,558,274	4,765,636	6,701,000	4,231,356	6,215,623	5,514,211	4,734,732	8,384,826
Charter Schools		28,679	50,333	51,148	50,809	37,291	34,363	45,642	30,972	25,512
Interest on long-term debt	147,657	74,445	37,860	42,421	26,409	15,263	7,996	5,396	5,369	2,369
Unallocated depreciation	230,796	246,553	277,747	277,747	277,747	280,202	280,202	296,054	289,359	296,267
Capital Outlay - nondepreciable	19,507	18,094	15,455	32,533	27,021	41,812	47,399	12,601	12,601	8,916
Total governmental activities expenses	22,769,435	25,016,299	27,100,371	28,512,835	31,170,907	28,871,341	33,037,610	34,275,170	32,705,863	35,954,697
Business-type activities:										
Food service	676,450	685,672	696,434	724,018	762,950	812,485	806,638	791,427	632,692	482,934
After School Child Care	82,784	84,307	82,508	83,894	90,073	116,355	124,905	99,165		
Total business-type activities expense	759,234	769,979	778,942	807,912	853,023	928,840	931,543	890,592	632,692	482,934
Total district expenses	\$ 23,528,669	\$ 25,786,278	\$ 27,879,313	\$ 29,320,747	\$ 32,023,930	\$ 29,800,181	\$ 33,969,153	\$ 35,165,762	\$ 33,338,555	\$ 36,437,631
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)										
Student & Instruction related services										
Pupil transportation										
Business and other support services										
Operating grants and contributions	917,517	932,275	975,368	1,210,627	1,429,135	1,144,036	1,485,154	1,485,718	1,422,277	1,880,633
Capital grants and contributions										
Total governmental activities program revenues	917,517	932,275	975,368	1,210,627	1,429,135	1,144,036	1,485,154	1,485,718	1,422,277	2,029,387

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-type activities:</b>										
<b>Changes for services</b>										
Food service	367,758	328,595	341,732	320,233	309,782	354,426	342,360	345,777	250,165	351
Child care	107,554	113,264	135,641	101,740	111,285	125,236	129,120	73,610		
Operating grants and contributions	330,682	364,346	367,996	346,558	429,680	506,861	531,987	527,932	411,206	615,571
Capital grants and contributions										
Total business-type activities program revenues	805,994	806,205	845,369	768,531	850,747	986,523	1,003,467	947,319	661,371	615,922
Total district program revenues	\$ 1,723,511	\$ 1,738,480	\$ 1,820,737	\$ 1,979,158	\$ 2,279,882	\$ 2,130,559	\$ 2,488,621	\$ 2,433,037	\$ 2,083,648	\$ 2,645,309
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (21,851,918)	\$ (24,084,024)	\$ (26,125,003)	\$ (27,302,208)	\$ (29,741,772)	\$ (27,727,305)	\$ (31,552,456)	\$ (32,789,452)	\$ (31,283,586)	\$ (33,925,310)
Business-type activities	46,760	36,226	66,427	(39,381)	(2,276)	57,683	71,924	56,727	28,679	132,988
Total district-wide net expense	\$ (21,805,158)	\$ (24,047,798)	\$ (26,058,576)	\$ (27,341,589)	\$ (29,744,048)	\$ (27,669,622)	\$ (31,480,532)	\$ (32,732,725)	\$ (31,254,907)	\$ (33,792,322)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 19,330,621	\$ 19,330,621	\$ 19,533,309	\$ 20,065,548	\$ 21,425,623	\$ 22,018,486	\$ 22,690,643	23,253,255	23,885,128	24,362,831
Taxes levied for debt service	557,377	557,377	752,448	611,767	439,987	271,624	112,506	113,718	115,242	116,344
Unrestricted grants and contributions	3,521,810	4,243,345	3,836,595	6,756,966	8,007,804	5,064,472	8,237,269	9,495,682	8,229,936	11,770,239
Restricted grants and contributions - Capital Outlay								9,000	10,855	3,529
Tuition Received						108,519	165,166	131,060	153,500	-
Payments in lieu of taxes										
Investment earnings	1,093	1,513	1,158	907	593	251	638	2,765	2,054	86
Miscellaneous income	102,082	140,770	85,076	140,861	193,164	52,636	35,380	129,531	101,540	30,722
Loss on Disposal of Fixed Assets							(3,431)			
State Aid- State Facilities Grant										
Retirement of Debt - Refinancing Credit										
Additional Debt Issued via Refinancing	(59,000)									
Tax Levy Receivable Cancelled	(91,630)									
Transfer from After School Child Care										
Refund of Disallowed Costs										
Total governmental activities	23,362,353	24,275,626	24,208,586	27,576,049	30,067,171	27,515,988	31,238,171	33,135,011	32,498,255	36,283,751
Business-type activities:										
Investment earnings	16	171	8	8	6	14	195	904	1,439	27
Transfers							(129,526)			
Total business-type activities	16	171	8	8	6	14	(129,331)	904	1,439	27
Total district-wide	\$ 23,362,369	\$ 24,275,797	\$ 24,208,594	\$ 27,576,057	\$ 30,067,177	\$ 27,516,002	\$ 31,108,840	\$ 33,135,915	\$ 32,499,694	\$ 36,283,778
<b>Change in Net Position</b>										
Governmental activities	\$ 1,510,435	\$ 191,602	\$ (1,916,417)	\$ 273,841	\$ 325,399	\$ (211,317)	\$ (314,285)	\$ 345,559	\$ 1,214,669	\$ 2,358,441
Business-type activities	46,776	36,397	66,435	(39,373)	(2,270)	57,697	(57,407)	57,631	30,118	133,015
Total district	\$ 1,557,211	\$ 227,999	\$ (1,849,982)	\$ 234,468	\$ 323,129	\$ (153,620)	\$ (371,692)	\$ 403,190	\$ 1,244,787	\$ 2,491,456

Source: CAFR Schedule A-2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	1,224,442	1,198,030	1,161,610	1,308,731	1,789,560	2,103,837	2,067,177	2,062,068	2,583,561	5,191,832
Committed	757,659									
Assigned	182,306	390,417	343,310	121,010	285,896	508,035	155,167	113,070	1,086,020	178,028
Unassigned	359,674	333,938	274,289	349,492	375,524	382,717	428,422	542,081	383,168	1,199,682
Total general fund	\$ 2,524,081	\$ 1,922,385	\$ 1,779,209	\$ 1,779,233	\$ 2,450,980	\$ 2,994,589	\$ 2,650,766	\$ 2,717,219	\$ 4,052,749	\$ 6,569,542
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										163,149
Special revenue fund										
Capital projects fund										
Debt service fund										
Assigned, reported in:										
Capital projects fund	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795
Debt service fund	(113,219)	(179,110)	(65,891)							
Total all other governmental funds	\$ (72,424)	\$ (138,315)	\$ (25,096)	\$ 40,795	\$ 40,795	\$ 40,795	\$ 40,795	\$ 40,795	\$ 40,795	\$ 203,944

Source: CAFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 19,887,998	\$ 19,887,998	\$ 20,285,757	\$ 20,677,315	\$ 21,865,610	\$ 22,290,110	\$ 22,803,149	23,366,973	24,000,370	24,479,175
Tuition						108,519	165,166	131,060	153,500	-
Interest earnings	1,093	1,513	1,158	907	593	251	638	2,765	2,054	86
Miscellaneous	152,082	140,770	85,076	140,861	193,164	52,636	35,380	129,531	101,540	30,722
Student Group Receipts										148,754
Local sources								11,663	12,648	5,809
State sources	3,619,220	4,403,617	4,002,070	4,530,719	4,863,745	5,235,611	5,902,044	6,761,561	6,825,748	7,938,576
Federal sources	770,107	774,003	809,893	1,068,970	1,240,564	972,897	1,283,349	1,296,063	1,203,723	1,652,360
Total revenue	24,430,500	25,207,901	25,183,954	26,418,772	28,163,676	28,660,024	30,189,726	31,699,616	32,299,583	34,255,482
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,503,465	8,997,019	8,894,752	9,495,434	9,501,708	9,395,705	10,013,941	9,877,767	9,455,256	9,775,639
Special education instruction	1,595,952	1,871,812	1,801,695	2,005,694	2,130,585	2,198,188	2,218,752	2,420,721	2,506,755	2,209,678
Other special instruction	841,743	900,166	785,828	692,297	679,368	813,629	853,466	846,346	1,009,841	1,389,355
Other instruction	319,126	391,780	368,463	345,893	371,422	366,169	464,516	459,437	449,141	377,170
Support Services:										
Tuition	1,005,019	1,125,426	1,083,590	1,151,383	1,229,077	1,098,530	1,462,839	1,461,072	1,429,409	1,342,122
Attendance & Social Work				2,650	2,600	2,000	1,925	3,150	3,469	1,964
Health services	218,320	236,322	233,023	235,731	212,118	232,561	229,902	236,996	211,579	232,344
Student & instruction related services	1,178,536	1,366,025	1,581,398	1,753,022	1,739,771	1,899,494	2,345,950	2,370,988	1,923,368	1,884,352
School Administrative services	945,191	1,029,631	986,468	1,034,403	1,108,504	1,138,907	1,201,583	1,206,704	1,270,569	1,298,767
General administrative services	508,287	590,662	663,021	653,230	810,236	796,030	800,466	896,003	798,921	824,265
Central services	351,369	353,051	318,668	330,959	238,442	216,535	214,751	250,970	283,065	273,353
Plant operations and maintenance	1,547,116	1,638,745	1,517,772	1,486,887	1,540,784	1,568,310	1,750,477	1,743,453	1,697,063	1,541,845
Pupil transportation	352,095	305,943	305,563	311,896	333,313	385,142	397,734	486,213	400,866	410,715
Administration of Information Technology				84,560	104,572	144,844	192,178	140,625	142,539	141,393
Business and other support services										
Unallocated employee benefits	3,400,119	3,658,904	3,619,154	3,794,627	4,287,977	4,503,244	4,610,245	4,836,857	4,861,856	4,617,055
TPAF Pension / Social Security	1,801,051	2,292,584	1,922,895	2,327,158	2,619,614	2,926,611	3,563,481	4,214,900	4,350,686	5,210,423
Charter Schools		28,679	50,333	51,148	50,809	37,291	34,363	45,642	30,972	25,512
Capital outlay	377,408	465,471	442,059	50,009	91,042	121,601	64,474	21,601	65,226	124,264
Debt service:										
Principal	427,718	542,219	577,327	503,228	413,235	255,884	102,000	105,000	109,000	113,000
Interest and other charges	129,658	81,049	61,902	42,648	26,752	15,740	10,506	8,718	6,242	3,344
Bond issuance costs										
Total expenditures	23,502,173	25,873,488	25,213,911	26,352,857	27,491,929	28,116,415	30,533,549	31,633,163	31,005,823	31,796,560
Excess (Deficiency) of revenues over (under) expenditures	928,327	(667,587)	(29,957)	65,915	671,747	543,609	(343,823)	66,453	1,293,760	2,458,922

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	41,770	36,884
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding debt	-	-	-	-	-	-	-	-	-	-
Payment of Unfunded Pension Liability	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Cancellation of tax levy receivable	(91,630)	-	-	-	-	-	-	-	-	-
Transfers in	-	254,590	383,630	-	-	-	129,526	-	-	-
Transfers out	-	(254,590)	(383,630)	-	-	-	(129,526)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(91,630)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,770</b>	<b>36,884</b>
<b>Net change in fund balances</b>	<b>\$ 836,697</b>	<b>\$ (667,587)</b>	<b>\$ (29,957)</b>	<b>\$ 65,915</b>	<b>\$ 671,747</b>	<b>\$ 543,609</b>	<b>\$ (343,823)</b>	<b>\$ 66,453</b>	<b>\$ 1,335,530</b>	<b>\$ 2,495,806</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.4%</b>	<b>2.5%</b>	<b>2.6%</b>	<b>2.1%</b>	<b>1.6%</b>	<b>1.0%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>

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

**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.	Ameripay Bankruptcy Settlement	Voided Checks	Total
2012	-	69,750	24,135	2,743	-	5,454	-	-		102,082
2013	-	28,250	66,347	1,359	-	34	44,780			140,770
2014	-	50,300	31,887	343	-	950	1,596			85,076
2015	1,852	48,250	12,690	366	9,792	996	11,992		54,923	140,861
2016	-	41,000	5,167	705		444	7,126	138,722		193,164
2017	108,519	27,500	11,335	30		106	3,166			161,155
2018	165,166	35,380				638				201,184
2019	131,060	71,300	882	381		2,765	56,968			263,356
2020	153,500	59,400				25,111	2,129		16,954	257,094
2021						1,641	29,167			30,808

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		Qfarm		Commercial		Industrial		Apartment		Total Assessed Value		Less: Tax-Exempt Property		Public Utilities <sup>a</sup>		Net Valuation Taxable		Total Direct School Tax Rate <sup>b</sup>		Estimated Actual (County Equalized Value)		% of Net Assessed to Estimated Full Cash Valuations	
2011	19,359,800	1,676,705,200	-	-	-	-	-	-	311,311,600	91,504,100	191,437,400	2,290,318,100	137,833,500	594,450	2,153,079,050	0.863	2,515,552,209	85.59%										
2012	18,322,300	1,691,121,500	-	-	-	-	-	304,918,200	89,961,100	188,178,900	2,292,502,000	139,130,200	800,355	2,154,172,155	0.868	2,411,408,481	89.33%											
2013	16,176,700	1,714,414,800	-	-	-	-	-	299,296,600	88,895,500	183,279,200	2,302,062,800	139,130,200	768,264	2,163,700,864	0.881	2,676,189,031	80.85%											
2014	11,110,300	1,747,064,600	-	-	-	-	-	303,428,798	87,836,600	163,105,100	2,312,545,398	138,685,400	659,782	2,174,519,780	0.894	2,450,292,418	88.75%											
2015	13,416,900	1,759,411,600	-	-	-	-	-	292,012,798	86,725,800	160,550,800	2,312,117,898	144,525,400	724,845	2,168,317,543	0.945	2,569,744,732	84.38%											
2016	11,152,000	1,789,792,400	-	-	-	-	-	290,131,598	83,630,300	159,898,200	2,334,604,498	144,734,700	693,067	2,190,562,865	0.955	2,795,287,869	78.37%											
2017	11,405,800	1,802,131,900	-	-	-	-	-	293,068,898	83,821,100	162,373,200	2,352,800,898	144,734,700	645,152	2,208,711,350	0.969	2,937,607,951	75.19%											
2018	15,641,600	1,823,466,500	-	-	-	-	-	289,818,898	83,876,100	161,763,400	2,374,566,498	141,388,700	621,995	2,233,799,793	0.984	2,977,015,199	75.03%											
2019	13,859,100	1,838,877,600	-	-	-	-	-	291,926,198	83,033,100	161,783,400	2,389,479,398	142,412,900	627,760	2,247,694,258	1.005	3,124,538,595	71.94%											
2020 (1)	24,006,000	2,444,266,400	-	-	-	-	-	421,949,100	117,528,200	259,908,200	3,267,657,900	171,308	807,230	3,268,293,822	0.749	3,328,699,989	98.19%											

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

Exhibit J-7

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
	General Obligation		Borough of Palisades Park	Bergen County	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>			
2012	0.840	0.028	0.626	0.228	1.722
2013	0.853	0.028	0.637	0.266	1.784
2014	0.861	0.033	0.634	0.249	1.777
2015	0.915	0.030	0.660	0.256	1.861
2016	0.935	0.020	0.677	0.269	1.901
2017	0.964	0.005	0.689	0.301	1.959
2018	0.979	0.005	0.689	0.306	1.979
2019	1.000	0.005	0.722	0.305	2.032
2020	0.746	0.003	0.549	0.245	1.543
2021	0.761	0.003	0.564	0.256	1.584

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. (Divide debt payment by total)

**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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Marino Enterprises C/O LML Supermarket	16,624,700	1	0.51%			
D&W Shin Realty Corp.	13,478,200	2	0.41%			
Blvd. East Assoc. LTD. C/O Marotta	12,409,600	3	0.38%			
Ruby Realty Company	11,684,600	4	0.36%			
Star Ridge Mgmt Corp.	11,086,100	5	0.34%			
BSJ Realty LLC	10,832,400	6	0.33%			
200 Roosevelt Place LLC	10,735,000	7	0.33%			
Smart City Real Estate LLC	10,154,100	8	0.31%			
Pine Tree Enterprise LLC	8,500,000	9	0.26%			
Leems Corp.	2,100,000	10	0.06%			
Leems Inc.				\$ 16,062,600	1	0.75%
411 Brinkerhoff Ave., LLC				13,645,300	2	0.63%
BSJ Realty LLC				13,499,700	3	0.63%
Marino Enterprises C/O LML Supermkt				13,360,900	4	0.62%
Bonnanno Real Estate Group				10,998,200	5	0.51%
Ruby Realty Co.				10,353,300	6	0.48%
NWHF Palisades Park LLC				10,307,900	7	0.48%
Magone, Peter				10,234,400	8	0.48%
Pine Tree Enterprises				9,000,000	9	0.42%
Blvd. East Assoc. LTD				8,303,600	10	0.39%
<b>Total</b>	<b>\$ 105,504,700</b>		<b>3.29%</b>	<b>\$ 115,765,900</b>		<b>5.37%</b>

Net Assessed Valuation: \$ 3,268,293,822

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	
2012	\$19,887,998	\$19,887,998	100.00%	\$ -
2013	\$19,887,998	\$19,887,998	100.00%	\$ -
2014	\$20,285,757	\$20,285,757	100.00%	\$ -
2015	\$20,677,315	\$20,677,315	100.00%	\$ -
2016	\$21,865,610	\$21,865,610	100.00%	\$ -
2017	\$22,290,110	\$22,132,080	99.29%	\$ 158,030
2018	\$22,803,149	\$22,882,421	100.35%	(\$79,272)
2019	\$23,366,973	\$23,312,752	99.77%	\$54,221
2020	\$24,000,370	\$23,946,149	99.77%	\$54,221
2021	\$24,479,175	\$24,831,300	101.44%	(\$352,125)

Source: Municipal Tax Collector

Source: A4F for school taxes levied for the Fiscal Year.

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		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Bonds Payable <sup>b</sup>	Loans Payable	Certificates of Participation	Capital Leases	Capital Leases	Income <sup>a</sup>			
2012	899,000	112,246	-	1,709,647	-	2,720,893	0.19%	\$ 72,164	
2013	810,000	57,110	-	1,311,564	-	2,178,674	0.15%	\$ 71,699	
2014	717,000	-	-	884,347	-	1,601,347	0.11%	\$ 74,480	
2015	624,000	-	-	474,119	-	1,098,119	0.07%	\$ 77,767	
2016	529,000	-	-	155,884	-	684,884	0.04%	\$ 79,407	
2017	429,000	-	-	-	-	429,000	0.03%	\$ 81,676	
2018	327,000	-	-	-	-	327,000	0.02%	\$ 86,404	
2019	222,000	-	-	-	-	222,000	0.01%	\$ 89,456	
2020	113,000	-	-	-	32,743	145,743	Not Available	Not Available	
2021	-	-	-	-	53,751	53,751	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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	1,011,246	-	1,011,246	0.05%	\$ 72,164
2013	867,110	-	867,110	0.05%	\$ 71,699
2014	717,000	-	717,000	0.03%	\$ 74,480
2015	624,000	-	624,000	0.03%	\$ 77,767
2016	529,000	-	529,000	0.02%	\$ 79,407
2017	429,000	-	429,000	0.02%	\$ 81,676
2018	327,000	-	327,000	0.01%	\$ 86,404
2019	222,000	-	222,000	0.01%	\$ 89,456
2020	113,000	-	113,000	0.01%	Not Available
2021	-	-	-	0.00%	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.

**Palisades Park Board of Education  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2021**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2021</b>		\$	-
<b>Net overlapping debt of School District:</b>			
Borough of Palisades Park	100.0000% \$	14,864,808	
Bergen County Utilities Authority	2.858%	3,338,738	
County of Bergen - Borough's share	1.979%	18,892,288	
<b>Subtotal, overlapping debt</b>		<u>37,095,834</u>	
<b>Total direct and overlapping debt</b>		\$	<u><u>37,095,834</u></u>

**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 2021

Equalized valuation basis	
2020	\$ 3,328,699,989
2019	\$ 3,124,538,595
2018	\$ 2,977,015,199
[A]	\$ 9,430,253,783
Average equalized valuation of taxable property	
[A/3]	\$ 3,143,417,928
Debt limit (4 % of average equalization value)	
[B]	125,736,717 <sup>a</sup>
Net bonded school debt	
[C]	-
[B-C]	\$ 125,736,717

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 101,818,708	\$ 100,803,791	\$ 100,040,358	\$ 100,841,294	\$ 99,688,090	\$ 104,289,032	\$ 110,701,874	\$ 116,132,147	\$ 120,522,157	\$ 125,736,717
Total net debt applicable to limit	1,011,246	867,110	717,000	624,000	529,000	429,000	327,000	222,000	113,000	-
Legal debt margin	\$ 100,807,462	\$ 99,936,681	\$ 99,323,358	\$ 100,217,294	\$ 99,159,090	\$ 103,860,032	\$ 110,374,874	\$ 115,910,147	\$ 81,354,051	\$ 125,736,717
Total net debt applicable to the limit as a percentage of debt limit	0.99%	0.86%	0.72%	0.62%	0.53%	0.41%	0.30%	0.19%	0.09%	0.00%

Source: Abstract of Rates and District Records.

<sup>a</sup> Limit set by NISA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>	Personal Income	
2012	20,042	\$ 1,446,310,888	72,164		9.50%
2013	20,301	\$ 1,455,561,399	71,699		6.60%
2014	20,337	\$ 1,514,699,760	74,480		3.30%
2015	20,441	\$ 1,589,635,247	77,767		3.10%
2016	20,491	\$ 1,627,128,837	79,407		2.90%
2017	20,611	\$ 1,683,424,036	81,676		2.60%
2018	20,721	\$ 1,790,377,284	86,404		2.30%
2019	20,716	\$ 1,853,170,496	89,456		10.80%
2020	20,942	Not Available	Not Available		Not Available
2021	Not Available	Not Available	Not Available		Not Available

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- <sup>c</sup> Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2021		2012		Percentage of Total Employment
	Employees	Rank (Optional)	Percentage of Total Employment	Rank (Optional)	
	-		0.00%		0.00%

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.

Source: Borough of Palisades Park

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

<u>Function/Program</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction	130	132	133	136	137	138	136	133	128	129
Regular										
Special education	24	27	40	48	49	49	65	36	39	40
Other special education		10	10	10	10	10	11	18	25	25
Vocational										
Other instruction	4	4	4	4	4	4	2	2	4	4
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Attendance	1	1	1	1	1	1	1	1	1	1
Student/Instr Related Services: Nurse	3	3	3	3	3	3	5	4	3	3
Student/Instr Related Services: Speech								3	4	4
Student/Instr Related Services: Extraord										
Student/Instr Related Services: Guidance	3	3	4	3	4	4	5	6	6	5
Student/Instr Related Services: CST	6	6	9	10	10	10	12	8	8	8
Student/Instr Related Services: Curriculum	1	1	1	1	1	1	1	1	1	1
Student/Instr Related Services: Media	1	1	2	2	1	1	6	4	4	4
General administrative services	8	8	1	3	3	3	3	3	3	3
School administrative services	2	2	13	6	6	6	5	5	6	6
Business administrative services	9	9	3	2	2	2	2	2	2	2
Plant operations and maintenance	18	20	20	21	23	23	31	10	18	18
Lunchroom/Playground Aides		3	7	3	3	6	6			
Pupil transportation								7	2	2
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<b>210</b>	<b>230</b>	<b>251</b>	<b>253</b>	<b>257</b>	<b>261</b>	<b>291</b>	<b>243</b>	<b>254</b>	<b>255</b>

**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

Pupil/Teacher Ratio

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	1,596	22,567,389	14,140	-10.71%	161				1,580	1,512	11.35%	95.70%
2013	1,588	24,786,749	15,609	10.39%	158				1,578	1,511	-0.13%	95.75%
2014	1,640	24,167,988	14,737	-5.59%	163				1,616	1,546	2.41%	95.67%
2015	1,602	25,756,972	16,078	9.10%	187				1,619	1,545	0.19%	95.43%
2016	1,672	26,960,899	16,125	0.29%	198				1,635	1,551	0.99%	94.86%
2017	1,677	27,723,190	16,531	2.52%	200				1,678	1,558	2.63%	92.85%
2018	1,696	30,356,569	17,899	8.27%	201				1,717	1,626	2.30%	94.69%
2019	1,700	31,497,844	18,528	3.52%	214				1,710	1,610	-0.39%	94.15%
2020	1,813	30,825,355	17,002	-8.23%	189				1,815	1,718	6.14%	94.66%
2021	1,665	31,555,952	18,953	11.47%	194				1,692	1,566	-6.78%	92.55%

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).

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Buildings</b>										
<b>Elementary</b>										
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	669	669	669	669	738	808	808	809	866	772
<b>High School</b>										
Palispades 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	556	556	556	556	560	659	681	692	753	740
<b>Early Childhood Center</b>										
Charles Smith Early Childhood Center										
Square Feet	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600
Capacity: FES (students)	360	360	360	360	360	360	360	360	360	360
Enrollment	274	274	274	274	337	202	216	199	194	153
<b>Other</b>										
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, 2019  
 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

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

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

School Facilities	Project # (s)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Palisades Park High School	N/A	72,391	42,825	44,993	15,167	18,284	59,036	40,010	58,046	53,700	48,165
Lindbergh School	N/A	45,091	28,750	30,206	24,127	17,870	44,724	36,183	19,901	51,932	26,544
Early Childhood Center	N/A	5,369	8,274	8,693	599	12,787	12,423	18,590	9,004	33,819	2,920
<b>Grand Total</b>		<b>122,851</b>	<b>79,849</b>	<b>83,892</b>	<b>39,893</b>	<b>48,941</b>	<b>116,183</b>	<b>94,783</b>	<b>86,951</b>	<b>139,451</b>	<b>77,629</b>

**Palisades Park Board of Education  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2021  
Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund	Property - Building, Contents & Valuable Papers	56,176,026	2,500
	Earthquake	25,000,000/occurrence	
	Flood		
	Excluding Zones A&V	10,000,000/occurrence	
	In Flood Zone A&V	50,000,000 annual aggregate	
	In Flood Zone A&V	25,000,000/occurrence	
	In Flood Zone A&V	50,000,000 annual aggregate	
	Boiler & Machinery		
	Property Damage	100,000,000/occurrence	1,000
	Cyber Liability		
	Limit of Liability	2,000,000	10,000
	Crime Coverage		
	Employee Dishonesty w/faithful performance		
	Each Loss	500,000	1,000
	Money & Securities (Inside and Out)	50,000/50,000	1,000
	Comprehensive General Liability	5,000,000/occurrence	
		30,000,000 fund aggregate	
	Automobile Liability	5,000,000/occurrence	1,000
		30,000,000 fund aggregate	
	School Leaders		
	Liability & Employment Practices Liability	5,000,000/claim	5,000
		10,000,000 aggregate/occurrence	
SELF	Additional Excess Liability	5,000,000/occurrence	
Hudson Insurance Group, Allied World (F/F) Evanston/Markel	Excess Umbrella - NJUEP	30,000,000	
	New Jersey Unshared Excess Program coverage Parts:		
	Auto Liability, General Liability, Educator's Legal Liability,		
	Employment Practices Liability		
CHUBB Insurance Co.	Environmental Impairment Liability	1,000,000/incident	10,000
		25,000,000 annual aggregate	
Gerber Life	Business Travel Accident, Class I and II	100,000	
		500,000 Aggregate Limit	

Source: District Records

**SINGLE AUDIT SECTION**



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School 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, the 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, New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 27, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Borough of Palisades Park Board of Education’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Palisades Park Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Palisades Park Board of Education’s internal control.



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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough of Palisades Park 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Palisades Park School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 27, 2022.

### ***Purpose of this Report***

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

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

January 27, 2022





**WIELKOTZ & COMPANY** LLC  
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K-2  
Page 1 of 3

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

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

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

We have audited the Board of Education of the Borough of Palisades Park School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Palisades Park Board of Education's major federal and state programs for the year ended June 30, 2021. The Borough of Palisades Park 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Palisades Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 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 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Palisades Park Board of Education's compliance.

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

In our opinion, the Borough of Palisades Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

#### **Report on Internal Control Over Compliance**

Management of the Borough of Palisades Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Palisades Park Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, 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 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 federal and 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 federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



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

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

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

January 27, 2022

**BOROUGH OF FALSADES PARK SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year ended June 30, 2021**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2020	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Refunded to Grantor	Balance at June 30, 2021		MEMO Cumulative Total Expenditures	
					From	To							(Accounts Receivable)	Due to Grantor at		
<b>US Department of Education</b>																
<b>Passed Through State Department of Education</b>																
<b>General Fund</b>																
Medicaid Administrative Claiming (MAC)	95.778	2005NSMAP	N/A	1,815	7/1/2020	6/30/2021			1,815	1,815					*	1,815
Medical Assistance Program (SEMI)	95.778	2005NSMAP	N/A	22,695	7/1/2020	6/30/2021			22,695	22,695					*	22,695
FFCRA/SEMI Revenue	95.775	2005NSMAP	N/A	2,292	7/1/2020	6/30/2021			2,292	2,292					*	2,292
<b>Total General Fund</b>							\$		26,802	26,802					*	26,802
<b>US Department of Education</b>																
<b>Passed Through State Dept of Education:</b>																
<b>Special Revenue Fund</b>																
Title I, Part A - Improving Basic Programs	84.010A	S010A200030	ESEA391021	564,388	7/1/20	9/30/21		(143,774)	441,493	299,780		(2,061)			*	299,780
Title I, Part A - Improving Basic Programs	84.010A	S010A190030	ESEA391020	417,420	7/1/19	9/30/20	(143,774)	143,774							*	478,800
Title I, SIA - Reallocated	84.010A	S010A200030	ESEA391021	46,180	7/1/20	9/30/21	(19,335)	19,335	18,518		(817)				*	19,484
Title I, SIA - Reallocated	84.010A	S010A190030	ESEA391020	33,526	7/1/19	9/30/20	19,335	19,335							*	148,453
Title I SIA, Part A - Improving Basic Programs	84.010A	S010A200030	ESEA391021	104,400	7/1/20	9/30/21	(68,067)	68,067	231,375	148,453		14,855			*	91,850
Title I SIA, Part A - Improving Basic Programs	84.010A	S010A190030	ESEA391020	79,600	7/1/19	9/30/20	(68,067)	68,067							*	52,335
Training and Recruiting	84.367A	S367A200029	ESEA391021	87,917	7/1/20	9/30/21	(7,019)	7,019	10,708	52,335		(48,646)			*	60,902
Training and Recruiting	84.367A	S367A190029	ESEA391020	68,062	7/1/19	9/30/20	(7,019)	7,019	19,700	35,229		(14,872)			*	35,229
Title III, English Language Acquisition and Language Enhancements	84.365A	S365A200030	ESEA391021	91,202	7/1/20	9/30/21		657							*	29,086
Title III, English Language Acquisition and Language Enhancements	84.365A	S365A190030	ESEA391020	76,603	7/1/19	9/30/20	657	(657)	314	3,383		(16,258)			*	3,383
Title III, Immigrant	84.365A	S365A200030	ESEA391021	30,472	7/1/20	9/30/21	(13,189)	13,189	1,950	2,983		(4,056)			*	2,983
Title III, Immigrant	84.365A	S365A190030	ESEA391020	20,461	7/1/19	9/30/20	13,189	(13,189)							*	434,860
Title IV, Student Support/Academic Enrichment	84.424A	S424A200031	ESEA391021	30,820	7/1/20	9/30/21	(3,023)	3,023	430,210	434,860		(5,791)			*	392,776
Title IV, Student Support/Academic Enrichment	84.424A	S424A190031	ESEA391020	26,059	7/1/19	9/30/20	(3,023)	3,023							*	10,781
IDEA, Part B-Basic	84.027	H027A200100	IDEA391021	468,607	7/1/20	9/30/21	(1,141)	1,141	10,781	10,781					*	14,225
IDEA, Part B-Basic	84.027	H027A190100	IDEA391020	408,172	7/1/19	9/30/20	(1,141)	1,141	14,225	14,225					*	205,840
IDEA, Part B-Preschool	84.173	H173A200114	IDEA391021	10,781	7/1/20	9/30/21			125,698	205,840		(238,030)			*	2,384,302
Nonpublic Digital Divide	84.425D	S425D200027	S425D200027	14,225	7/1/20	9/30/21	(157,888)	157,888							*	
CARES Emergency Relief Act	84.425D	S425D200027	S425D200027	406,508	3/1/20	9/30/22	(412,779)	412,779	1,304,972	1,207,869		(330,531)			*	
<b>Total U.S. Department of Education</b>									160,003	160,003					*	160,003
<b>U.S. Department of the Treasury</b>																
<b>Passed-through State Department of Education</b>																
<b>Special Revenue Fund:</b>																
COVID Relief Fund - Reopening Schools	21.019	SLT0007		160,003	3/1/20	12/31/21									*	100,666
Passed-through Bergen County	21.019	SLT0007		100,666	3/1/20	12/31/21			100,666	100,666					*	260,669
COVID Relief Fund									260,669	260,669					*	
<b>Total U.S. Department of the Treasury</b>									1,565,641	1,468,538		(330,531)			*	2,544,971
<b>Total Special Revenue Fund</b>															*	

BOROUGH OF PALISADES PARK SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2020	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Refunded to Grantor	Balance at June 30, 2021		MEMO Cumulative Total Expenditures
					From	To							(Accounts Receivable)	Deferred Revenue/ Interfund Payable	
<b>US Department of Agriculture</b>															
<b>Passed Through State Dept of Education:</b>															
<b>Enterprise Fund</b>															
Food Distribution Program (formally USDA Commodities Program)	10,550		N/A	47,763	7/1/20	6/30/21			47,763	47,763					*
National School Lunch Program	10,555	201NF304N1099	N/A	326,062	7/1/19	6/30/20	(5,631)		5,631	65,269					*
Emergency Operational Cost Program - School	10,555	201NF304N1099		65,269	7/1/20	6/30/21					(65,269)				*
Summer Food Service Program - Additional FY20	10,559	201NF304N1099		1,067	7/1/19	6/30/20			1,067	1,067					*
Summer Food Service Program - Lunch	10,559	201NF304N1099		329,098	7/1/20	6/30/21			296,251	329,098					*
Summer Food Service Program - Breakfast	10,559	201NF304N1099		166,730	7/1/20	6/30/21			150,102	166,729					*
P-EBT Administrative Cost	10,649			3,063	7/1/20	6/30/21				3,063					*
<b>Total Enterprise Fund</b>							(5,631)		500,814	612,989			(117,806)		*
<b>Total Federal Financial Assistance</b>							\$ (418,410)		2,093,257	2,108,329			(448,337)	14,855	*

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, 2021**

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2020			Balance at June 30, 2021			Memo			
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures Pass Through Funds	Repayment Prior Yrs. Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>														
<b>General Fund</b>														
Equalization Aid	21-495-034-5120-078	\$ 711,969	7/1/2020	6/30/2021				647,129	711,969				64,840	711,969
Special Education Categorical Aid	21-495-034-5120-089	1,028,517	7/1/2020	6/30/2021			934,849	1,028,517					93,668	1,028,517
Transportation Aid	21-495-034-5120-014	101,852	7/1/2020	6/30/2021			92,576	101,852					9,276	101,852
Security Aid	21-495-034-5120-084	212,501	7/1/2020	6/30/2021			193,149	212,501					19,352	212,501
Adjustment Aid	21-495-034-5120-085	10,133	7/1/2020	6/30/2021			9,210	10,133					923	10,133
Securing our Children's Future Bond Act (Alyssa's Law)		94,585	7/1/2020	6/30/2022										
Extraordinary Aid	21-495-034-5120-044	410,651	7/1/2020	6/30/2021					410,651	(410,651)				410,651
Extraordinary Aid	20-495-034-5120-044	191,683	7/1/2019	6/30/2020				191,683						
NTE Homeless Reimbursement	21-100-029-6060-034	3,401	7/1/2020	6/30/2021					3,401	(3,401)				3,401
On Behalf TPAF Pension - Post Retirement	21-495-034-5094-001	1,033,174	7/1/2020	6/30/2021				1,033,174	1,033,174					1,033,174
On Behalf TPAF NCGI Premium	21-495-034-5095-004	61,555	7/1/2020	6/30/2021					61,555					61,555
On Behalf TPAF LTDI	21-495-034-5095-002	2,004	7/1/2020	6/30/2021				2,004	2,004					2,004
On Behalf TPAF Pension - Contribution	21-495-034-5095-002	3,235,271	7/1/2020	6/30/2021				3,235,271	3,235,271					3,235,271
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	878,419	7/1/2020	6/30/2021				833,376	878,419	(45,043)				878,419
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	886,203	7/1/2019	6/30/2020				43,430						886,203
<b>Total General Fund</b>							<b>7,277,406</b>	<b>7,689,447</b>	<b>(459,095)</b>			<b>188,059</b>		<b>8,575,650</b>
<b>Special Revenue Fund</b>														
<b>NJ NonPublic Aid:</b>														
Textbook Aid	21-100-034-5120-064	19,976	7/1/2020	6/30/2021				19,976	19,800					19,800
Textbook Aid	20-100-034-5120-064	17,869	7/1/2019	6/30/2020								176		17,810
Nursing Services	21-100-034-5120-070	33,354	7/1/2020	6/30/2021		59		33,354	32,529					32,529
Nursing Services	20-100-034-5120-070	32,883	7/1/2019	6/30/2020							1,032			31,851
Security Aid	21-100-034-5120-509	57,225	7/1/2020	6/30/2021				57,225	57,225					57,225
Technology Aid	20-100-034-5120-373													
<b>Auxiliary Services (Chapter 192):</b>														
Compensatory Education	21-100-034-5120-067	88,833	7/1/2020	6/30/2021				88,833	48,770					48,770
Compensatory Education	20-100-034-5120-067	82,741	7/1/2019	6/30/2020				7,336						69,033
English as a Second Language	21-100-034-5120-067	30,197	7/1/2018	6/30/2019				30,197	23,979					23,979
English as a Second Language	20-100-034-5120-067	32,262	7/1/2019	6/30/2020				4,350						27,877
<b>Handicapped Services (Chapter 193):</b>														
Examination & Classification	21-100-034-5120-066	32,689	7/1/2020	6/30/2021				32,689	11,887					11,887
Examination & Classification	20-100-034-5120-066	19,692	7/1/2019	6/30/2020				5,617						13,632
Corrective Speech	21-100-034-5120-066	27,342	7/1/2020	6/30/2021				27,342	15,312					15,312
Corrective Speech	20-100-034-5120-066	27,342	7/1/2019	6/30/2020				788						25,155
Supplementary Inst.	21-100-034-5120-066	12,952	7/1/2020	6/30/2021				12,952	10,280					10,280
Supplementary Inst.	20-100-034-5120-066	12,952	7/1/2019	6/30/2020				373						10,644
<b>Discretionary Grants:</b>														
NJ Achievement Coaches Competitive Grant	15-100-034-5068-049	35,000	11/1/2014	6/30/2015									2,739	32,240
<b>Total Special Revenue Fund</b>							<b>30,478</b>	<b>321,032</b>	<b>(18,464)</b>			<b>85,525</b>		<b>450,024</b>



**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 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 (\$3,666) for the general fund and \$190,033 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:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$26,802	\$7,685,781	\$7,685,781
Special Revenue Fund	5,809	1,625,558	252,795	1,884,162
Food Service Fund		<u>612,989</u>	<u>2,582</u>	<u>615,571</u>
Total Awards and Financial Assistance	<u>\$5,809</u>	<u>\$2,265,349</u>	<u>\$7,941,158</u>	<u>\$10,212,316</u>

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

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. 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, 2021. 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, 2021.

**NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$4,332,004 of on-behalf payments is excluded from major program determination.

**NOTE 7. INDIRECT COST RATE**

The Borough of Palisades Park School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$448,233
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	52,335
Title III: <i>English Language Acquisition State Grants</i>	35,229
Title III: <i>Immigrant Grants</i>	3,383
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>2,983</u>
 Total	 <u>\$542,163</u>

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  no
- 2. Material weakness(es) identified? \_\_\_\_\_ yes  X  none reported

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  no
- 2. Material weakness(es) identified? \_\_\_\_\_ yes  X  no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.07/84.173	(B) H027A190100	Special Education Cluster
84.425D	(B) H173A190114	(IDEA, Part B- IDEA Preschool)
21.019	(B) 5425D200027	CARES Act - ESF
	(B) SLT0007	Coronavirus Relief Fund

Note: (B) Tested as Major Type B Program

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

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(continued)**

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

**State Awards**

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

Auditee qualified as low-risk auditee?                                       X   yes     \_\_\_\_\_ no

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

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 15-08, as applicable?     \_\_\_\_\_ yes       X   no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>21-495-034-5120-078/089/084/085/096/098/097/101</u> (A)	State Aid Public Cluster: Equalization Aid, Special Education Categorical Aid, Security Aid, Adjustment Aid

Note: (A) Tested as Major Type A Program

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section II – Financial Statement Findings*

NONE

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**STATUS OF PRIOR YEAR FINDINGS:**

**Finding 2020-001:** The District did not prepare Board resolutions that approved all Title I funded personnel by name, salary, work location and the funding percentage of each program.

**Corrective action:** Title I salaries approved by Board Resolution will be reviewed with the respective principals periodically to ensure those salaries are charged properly.

**Status:** Unresolved

Due to turnover in the Business Office, the above finding was not fully corrected in fiscal year 2020-2021. The new interim Business Administrator will incorporate the required corrective action and ensure all employees approved under Title I be noted by position, work location and the allocation of their compensation to be paid by the applicable Title I allocation.

**Finding 2020-002:** There were instances in which not all the District's Title I funded personnel prepared detailed time and activity reports in a manner consistent with the requirements of 2 C.F.R. Appendix A, Part 225.

**Corrective action:** Title I time and activity documentation will be completed and signed by the employee at the respective school and grade level and submitted by the Principals on a regular basis. The Business Administrator will ensure the documents are available at the Board office for review.

**Status:** Unresolved

Due to turnover in the Business Office, the above finding was not fully corrected in fiscal year 2020-2021. The new interim Business Administrator will incorporate the required corrective action and ensure adequate time and activity reports are prepared, maintained and provided for auditor review.

**Finding 2020-003:** The Treasurer and Board Secretary's reports were not always in agreement for the 2019-2020 school year.

**Status:** Resolved