

**PALISADES PARK
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2022

**Responsibility of the Management of
Palisades Park School District
Bergen County, New Jersey**



**PALISADES PARK
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

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Palisades Park School District

410 2nd St
Palisades Park, NJ 07650

Dr. Joseph Cirillo
Chief School Administrator

Eulalia Gillis
School Business Administrator

March 17, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Palisades Park School District for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidelines) and New Jersey OMB's 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 regulations and findings and recommendations are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular, as well as special education for handicapped youngsters. The District completed the 2021/22 fiscal year with an enrollment of 1775 students, which is greater than the prior year finish. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment Student Enrollment	Percent Change
2021-22	1775	(2.12%)
2020-21	1665	11.48%
2019-20	1813	(8.24%)
2018-19	1700	3.51%
2017-18	1696	8.28%
2016-17	1677	2.52%
2015-16	1672	0.29%
2014-15	1602	9.10%
2013-14	1640	(5.59%)
2012-13	1588	10.39%

2) ECONOMIC CONDITION AND OUTLOOK:

Palisades Park is an established community and has a fairly stable population and a small transient population due to the availability of attractive rentals in the town. The prosperity of the town will continue.

3) MAJOR INITIATIVES:

- Continued focus on safety and security improvements has been a hallmark of the Palisades Park School District community.
- Implementation of the New Jersey Learning Standards and their inclusion in the curriculum has yielded gains in standardized testing in ELA, Mathematics, and Science.
- All students receive instruction in the following areas by teacher specialists: Art, Gifted and Talented/Enrichment, Music, Technology, and World Languages.
- Basic skills instruction is provided with a certified teacher trained in addressing struggling readers and math students.
- Special education services are provided by certified teachers both in pull-out and push-in settings. Additionally, paraprofessionals support students in both settings.
- Staff development is provided for all professional staff to address academic, technology, and social/emotional issues.
- Our staff focuses on character development through our work with the Positive Behavioral Supports in Schools (PBSIS) model that originated at Rutgers University.
- The district has a 1 to 1 Chromebook environment that is supported through Instruction using Promethean Boards. Technology is continually reviewed and hardware, software, and subscription services are updated regularly.

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 assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure 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 approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Notes 1 and 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT:

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

10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of BKC, CPAs, PC was selected by the Board of Education. In addition to meeting the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

11) ACKNOWLEDGMENTS:

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,

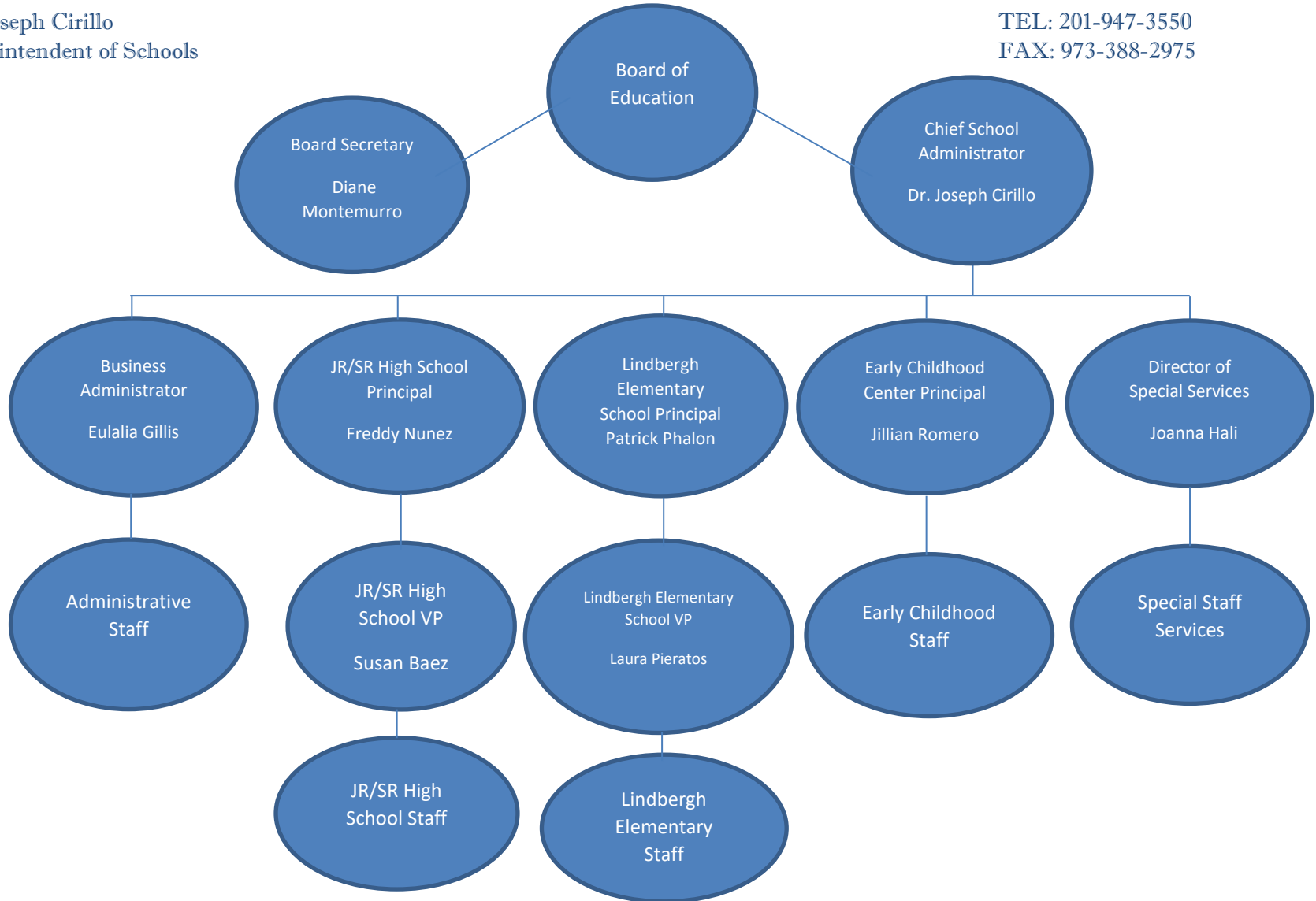


Eulalia Gillis
Interim School Business Administrator

PALISADES PARK BOARD OF EDUCATION
410 2ND STREET
PALISADES PARK, NJ 07650

Dr. Joseph Cirillo
Superintendent of Schools

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



PALISADES PARK SCHOOL DISTRICT
410 Second St,
Palisades Park, NJ 07650
June 30, 2022

Roster of Officials

Members of the Board of Education	Title	Term Expires
Thomas Matarazzo	President	2022
Eun Min	Vice President	2024
Peter Longo		2022
John Mattessich		2022
Anieska Garcia		2023
Jason Kim		2023
Kevin Lim		2023
Soo Chung		2024
Charlie Shin		2024
Other Officials	Title	
Joseph Cirillo	Superintendent	
Eulalia Gillis	Interim School Business Administrator	
Diane Montemurro	Board Secretary	

PALISADES PARK SCHOOL DISTRICT
410 Second St,
Palisades Park, NJ 07650
June 30, 2022

Consultants and Advisors

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ATTORNEY

Law Office of Sarah Kim, LLC
Counselors at Law
2 University Plaza
Hackensack, NJ 07601

ARCHITECT

Parette Somjen Architects LLC
439 Route 46 East Suite 4
Rockaway, NJ 07866

OFFICIAL DEPOSITORIES

PNC Bank
264 Broad Avenue
Palisades Park, NJ 07650

Connect One Bank
204 Main Street
Fort Lee, NJ 07024



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

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 Palisades Park School District (the District) in the County of Bergen, as of and for the year ended June 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As described in note 16 to the financial statements, the District adopted new accounting guidance as promulgated by GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion on the Basic Financial Statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023, on our consideration of the District'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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

March 17, 2023
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

PALISADES PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

The discussion and analysis of Palisades Park School District's (the District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position increased \$2,761,193 which represents a 19.09% increase from 2021.
- General revenues accounted for \$39,536,317 in revenue or 90.99% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for \$3,917,114 or 9.01% to total revenues of \$43,453,431.
- Total assets of governmental activities increased by \$1,817,564 as cash and cash equivalents increased by \$983,606, receivables and other assets increased by \$493,332, and capital assets increased by \$340,626.
- The School District had \$40,692,238 in expenses; only \$3,917,114 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$39,536,317 were adequate to provide for these programs.
- Among major funds, the general fund had \$34,361,232 in revenues, \$33,190,865 in expenditures and \$291,054 from other financing sources. The general fund's balance increased \$1,461,421 from 2021.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Palisades Park School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Palisades Park School District, the general fund is by far the most significant fund.

PALISADES PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

PALISADES PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2022 compared to June 30, 2021.

Table 1
Net Position

	06/30/22	06/30/21	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 9,610,506	\$ 8,008,846	\$ 1,601,660	20.00%
Capital assets	16,487,873	16,135,072	352,801	2.19%
Total assets	<u>26,098,379</u>	<u>24,143,918</u>	<u>1,954,461</u>	8.10%
Deferred outflows of resources				
Deferred amount on pension activity	<u>465,445</u>	<u>791,124</u>	<u>(325,679)</u>	-41.17%
Liabilities				
Long-term liabilities	6,375,682	7,547,334	(1,171,652)	-15.52%
Other liabilities	1,057,374	1,151,883	(94,509)	-8.20%
Total liabilities	<u>7,433,056</u>	<u>8,699,217</u>	<u>(1,266,161)</u>	-14.55%
Deferred inflows of resources				
Deferred amount on pension activity	<u>1,903,395</u>	<u>1,769,645</u>	<u>133,750</u>	7.56%
Net position				
Net investment in capital assets	16,170,899	16,081,321	89,578	0.56%
Restricted	3,670,764	5,410,655	(1,739,891)	-32.16%
Unrestricted	<u>(2,614,290)</u>	<u>(7,025,796)</u>	<u>4,411,506</u>	62.79%
Total net position	<u>\$ 17,227,373</u>	<u>\$ 14,466,180</u>	<u>\$ 2,761,193</u>	19.09%

Total assets increased \$1,954,461. Cash and cash equivalents increased by \$1,177,480, receivables and other assets increased by \$424,180, and capital assets increased by \$352,801. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$4,411,506. The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

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Table 2 shows the changes in net position for the fiscal year ended June 30, 2022 compared to June 30, 2021.

Table 2
Changes in Net Position

	06/30/22	06/30/21	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 417,525	\$ 149,105	\$ 268,420	180.02%
Operating grants and contributions	3,499,589	2,496,204	1,003,385	40.20%
General revenues				
Property taxes	24,850,088	24,479,175	370,913	1.52%
Grants and entitlements	14,625,301	11,773,768	2,851,533	24.22%
Other	60,928	30,835	30,093	97.59%
Total revenues	43,453,431	38,929,087	4,524,344	11.62%
Expenses				
Instruction				
Regular	17,573,558	12,482,272	5,091,286	40.79%
Special	4,716,590	2,974,697	1,741,893	58.56%
Other special	3,560,360	1,870,163	1,690,197	90.38%
Other	813,242	481,011	332,231	69.07%
Support services				
Tuition	1,890,736	1,342,122	548,614	40.88%
Student & instructional related services	4,532,902	2,624,552	1,908,350	72.71%
General & business administration	1,427,690	1,276,004	151,686	11.89%
School administration	2,135,743	1,931,609	204,134	10.57%
Maintenance	2,230,772	1,835,297	395,475	21.55%
Transportation	783,028	419,080	363,948	86.84%
Unallocated benefits	-	8,384,826	(8,384,826)	-100.00%
Transfer to charter schools	36,970	25,512	11,458	44.91%
Capital outlay - non-depreciable	-	8,916	(8,916)	-100.00%
Unallocated depreciation	-	296,267	(296,267)	-100.00%
Food service	968,203	482,934	485,269	100.48%
Interest on long-term debt	22,444	2,369	20,075	847.40%
Total expenses	40,692,238	36,437,631	4,254,607	11.68%
Change in net position	\$ 2,761,193	\$ 2,491,456	\$ 269,737	10.83%

* Undefined

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Governmental Activities

Local property taxes made up 58.66% of revenues for governmental activities for the Palisades Park School District for fiscal year 2022.

Instruction comprises 70.17% of district expenses. Support services expenses make up 29.83% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2022 compared to June 30, 2021.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/22	06/30/21	06/30/22	06/30/21
Instruction	\$ 26,663,750	\$ 17,808,143	\$ 25,200,418	\$ 16,168,923
Support services				
Tuition	1,890,736	1,342,122	1,350,207	1,342,122
Student & instructional staff	4,532,902	2,624,552	3,849,965	2,234,385
General & business administration	1,427,690	1,276,004	1,427,690	1,276,004
School administration	2,135,743	1,931,609	2,135,743	1,931,609
Plant operations & maintenance	2,230,772	1,835,297	2,152,703	1,835,297
Pupil transportation	783,028	419,080	783,028	419,080
Unallocated benefits	-	8,384,826	-	8,384,826
Transfers to charter schools	36,970	25,512	36,970	25,512
Capital outlay - non-depreciable	-	8,916	-	8,916
Unallocated depreciation	-	296,267	-	296,267
Food services	968,203	482,934	(184,044)	(132,988)
Interest on long-term debt	22,444	2,369	22,444	2,369
Total expenses	<u>\$ 40,692,238</u>	<u>\$ 36,437,631</u>	<u>\$ 36,775,124</u>	<u>\$ 33,792,322</u>

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration, and business administration include expenses associated with administrative and financial supervision of the District.

PALISADES PARK SCHOOL DISTRICT
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Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities, general revenue support is 90.99%. The community, as a whole, is the primary support or funding source for the Palisades Park School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$37,048,030, expenditures of \$36,029,977 and other financing sources of \$291,054. The general fund had an increase in fund balance of \$1,461,421.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenue was \$27,703,581, \$313,651 above original budgeted estimates of \$27,389,930. This difference was primarily due to receiving unbudgeted extraordinary aid.

The general fund revenues and other financing sources of the School District exceeded expenditures and other financing uses by \$1,383,638. This enabled the capital reserve account to be increased by \$600,000. The financial position of the School District remains strong.

PALISADES PARK SCHOOL DISTRICT
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Unaudited

Capital Assets

At the end of the fiscal year 2022, the School District had \$16,487,873 invested in land, building, furniture and equipment. Table 4 shows June 30, 2022 balances compared to June 30, 2021.

Table 4
Capital Assets at Year End (Net of Depreciation)

	06/30/22	06/30/21	Variance	
			Dollars	Percent
Land	\$ 9,613,650	\$ 9,613,650	\$ -	0.00%
Construction in progress	97,775	11,162	86,613	775.96%
Land improvements	91,310	96,826	(5,516)	-5.70%
Buildings & improvements	6,286,345	6,025,315	261,030	4.33%
Furniture & equipment	266,321	216,875	49,446	22.80%
Right to use	132,472	171,244	(38,772)	-22.64%
	<u>\$ 16,487,873</u>	<u>\$ 16,135,072</u>	<u>\$ 352,801</u>	<u>2.19%</u>

Overall capital assets increased \$352,801 from fiscal year 2021 to fiscal year 2022. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2022, the School District had \$6,375,682 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2022 compared to June 30, 2021.

Table 5
Long-Term Liabilities at Year End

	06/30/22	06/30/21	Variance	
			Dollars	Percent
Capital leases	\$ 316,974	\$ 187,346	\$ 129,628	69.19%
Compensated absences payable	3,175,449	3,340,345	(164,896)	-4.94%
PERS net pension liability	2,883,259	4,019,643	(1,136,384)	-28.27%
	<u>\$ 6,375,682</u>	<u>\$ 7,547,334</u>	<u>\$ (1,171,652)</u>	<u>-15.52%</u>

At June 30, 2022, the legal debt limit is \$136,567,023. General obligation debt at June 30, 2022 is \$0 resulting in a legal debt margin of \$136,567,023.

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For the Future

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 2022-2023 school year that is slightly higher than the level of the 2021-2022 school year.

The following factors were considered in preparing the 2022-2023 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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Eulalia Gillis, Interim School Business Administrator at Palisades Park Board of Education, 410 2nd Street, Palisades Park, NJ 07650.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

PALISADES PARK SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,182,934	\$ 475,083	\$ 4,658,017
Receivables, net	1,228,585	52,239	1,280,824
Inventory	-	12,781	12,781
Restricted assets			
Capital projects account - cash	41,372	-	41,372
Capital reserve account - cash	2,555,286	-	2,555,286
Maintenance reserve - cash	840,169	-	840,169
Scholarships- cash	28,158	-	28,158
Student activities - cash	158,101	-	158,101
Unemployment claims - cash	35,798	-	35,798
Capital assets, net			
Land	9,613,650	-	9,613,650
Construction in progress	97,775	-	97,775
Other capital assets, net of depreciation and amortization	6,628,391	148,057	6,776,448
Total assets	25,410,219	688,160	26,098,379
Deferred outflows of resources			
Deferred amount on pension activity	465,445	-	465,445
Liabilities			
Accounts payable	345,025	54,875	399,900
Due to other governments	85,344	-	85,344
Accrued interest	9,843	-	9,843
Payroll deductions and withholdings payable	69,598	-	69,598
Unearned revenue	449,605	4,847	454,452
Unemployment compensation claims payable	38,237	-	38,237
Long-term liabilities			
Due within one year	148,867	-	148,867
Due beyond one year	6,226,815	-	6,226,815
Total liabilities	7,373,334	59,722	7,433,056
Deferred inflows of resources			
Deferred amount on pension liability	1,903,395	-	1,903,395

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position			
Net investment in capital assets	\$ 16,022,842	\$ 148,057	\$ 16,170,899
Restricted for			
Capital projects	40,795	-	40,795
Capital reserve	2,555,286	-	2,555,286
Maintenance reserve	840,169	-	840,169
Scholarships	28,158	-	28,158
Student activities	158,101	-	158,101
Unemployment claims	48,255	-	48,255
Unrestricted	<u>(3,094,671)</u>	<u>480,381</u>	<u>(2,614,290)</u>
Total net position	<u>\$ 16,598,935</u>	<u>\$ 628,438</u>	<u>\$ 17,227,373</u>

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 9,265,552	\$ 8,308,006	\$ -	\$ 495,025	\$ -	\$ (17,078,533)	\$ -	\$ (17,078,533)
Special education	2,346,470	2,370,120	-	374,874	-	(4,341,716)	-	(4,341,716)
Other special education	1,901,368	1,658,992	-	362,502	-	(3,197,858)	-	(3,197,858)
Other instruction	449,226	364,016	-	230,931	-	(582,311)	-	(582,311)
Support services								
Tuition	1,890,736	-	-	540,529	-	(1,350,207)	-	(1,350,207)
Students & instruction related services	2,963,846	1,569,056	247,121	435,816	-	(3,849,965)	-	(3,849,965)
General & business administration services	1,124,711	302,979	-	-	-	(1,427,690)	-	(1,427,690)
School administration services	1,354,160	781,583	-	-	-	(2,135,743)	-	(2,135,743)
Plant operations & maintenance	1,878,454	352,318	78,069	-	-	(2,152,703)	-	(2,152,703)
Pupil transportation	759,662	23,366	-	-	-	(783,028)	-	(783,028)
Transfer to charter schools	36,970	-	-	-	-	(36,970)	-	(36,970)
Interest on long-term debt	22,444	-	-	-	-	(22,444)	-	(22,444)
Total governmental activities	<u>23,993,599</u>	<u>15,730,436</u>	<u>325,190</u>	<u>2,439,677</u>	<u>-</u>	<u>(36,959,168)</u>	<u>-</u>	<u>(36,959,168)</u>
Business-type activities								
Childcare fund	-	-	-	-	-	-	-	-
Food service	968,203	-	92,335	1,059,912	-	-	184,044	184,044
Total business-type activities	<u>968,203</u>	<u>-</u>	<u>92,335</u>	<u>1,059,912</u>	<u>-</u>	<u>-</u>	<u>184,044</u>	<u>184,044</u>
Total primary government	<u>\$ 24,961,802</u>	<u>\$ 15,730,436</u>	<u>\$ 417,525</u>	<u>\$ 3,499,589</u>	<u>\$ -</u>	<u>(36,959,168)</u>	<u>184,044</u>	<u>(36,775,124)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						24,850,088	-	24,850,088
Federal & state aid not restricted						14,625,301	-	14,625,301
Investment earnings						779	22	801
Miscellaneous income						60,127	-	60,127
Transfer in (out)						60,018	(60,018)	-
Total general revenues, special items & transfers						<u>39,596,313</u>	<u>(59,996)</u>	<u>39,536,317</u>
Change in net position						2,637,145	124,048	2,761,193
Net position - beginning (as restated)						13,961,790	504,390	14,466,180
Net position - ending						<u>\$ 16,598,935</u>	<u>\$ 628,438</u>	<u>\$ 17,227,373</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

PALISADES PARK SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 4,182,934	\$ -	\$ -	\$ -	\$ 4,182,934
Due from other funds	263,135	-	-	-	263,135
Receivables from other governments					
State	476,728	-	-	-	476,728
Federal	-	697,636	-	-	697,636
Local	54,221	-	-	-	54,221
Restricted cash and cash equivalents	3,431,253	186,259	41,372	-	3,658,884
Total assets	<u>\$ 8,408,271</u>	<u>\$ 883,895</u>	<u>\$ 41,372</u>	<u>\$ -</u>	<u>\$ 9,333,538</u>
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 263,135	\$ -	\$ -	\$ 263,135
Accounts payable	269,473	75,552	-	-	345,025
Payable to other governments					
State	-	69,912	577	-	70,489
Federal	-	14,855	-	-	14,855
Payroll deductions and withholdings payable	69,598	-	-	-	69,598
Unearned revenue	-	449,605	-	-	449,605
Unemployment compensation claims payable	38,237	-	-	-	38,237
Total liabilities	<u>377,308</u>	<u>873,059</u>	<u>577</u>	<u>-</u>	<u>1,250,944</u>

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2022

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (continued)					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 1,430,721	\$ -	\$ -	\$ -	\$ 1,430,721
Excess surplus - current year	823,673	-	-	-	823,673
Capital reserve	2,555,286	-	-	-	2,555,286
Maintenance reserve	840,169	-	-	-	840,169
Scholarships	-	28,158	-	-	28,158
Student activities	-	158,101	-	-	158,101
Unemployment claims	48,255	-	-	-	48,255
Committed fund balance					
Year-end encumbrances	757,690	-	-	-	757,690
Assigned fund balance					
Capital projects	-	-	40,795	-	40,795
Designated for subsequent year's expenditures	251,215	-	-	-	251,215
Unassigned fund balance	1,323,954	(175,423)	-	-	1,148,531
Total fund balances	<u>8,030,963</u>	<u>10,836</u>	<u>40,795</u>	<u>-</u>	<u>8,082,594</u>
Total liabilities and fund balances	<u>\$ 8,408,271</u>	<u>\$ 883,895</u>	<u>\$ 41,372</u>	<u>\$ -</u>	

Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,971,703 and the accumulated depreciation is \$9,631,887.	16,339,816
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(1,437,950)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,375,682)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(9,843)</u>
Total net position of governmental activities	<u>\$ 16,598,935</u>

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 24,850,088	\$ -	\$ -	\$ -	\$ 24,850,088
Interest	779	-	-	-	779
Rents and royalties	78,069	-	-	-	78,069
Miscellaneous	60,127	289,812	-	-	349,939
Total local sources	24,989,063	289,812	-	-	25,278,875
State sources	9,339,166	563,685	-	-	9,902,851
Federal sources	33,003	1,833,301	-	-	1,866,304
Total revenues	34,361,232	2,686,798	-	-	37,048,030
Expenditures					
Current					
Instructional					
Regular instruction	8,307,031	958,521	-	-	9,265,552
Special education instruction	2,240,206	106,264	-	-	2,346,470
Other special instruction	1,459,971	441,397	-	-	1,901,368
Other instruction	449,226	-	-	-	449,226
Support service & undistributed costs					
Tuition	1,361,136	529,600	-	-	1,890,736
Student & instruction related services	2,357,950	605,896	-	-	2,963,846
General & business administrative services	1,124,711	-	-	-	1,124,711
School administrative services	1,354,160	-	-	-	1,354,160
Plant operations & maintenance	1,878,454	-	-	-	1,878,454
Pupil transportation	759,662	-	-	-	759,662
Unallocated benefits	11,013,329	130,079	-	-	11,143,408

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 734,050	\$ 67,355	\$ -	\$ -	\$ 801,405
Transfer to charter school	36,970	-	-	-	36,970
Debt service					
Lease principal	101,408	-	-	-	101,408
Interest & other charges	12,601	-	-	-	12,601
Total expenditures	<u>33,190,865</u>	<u>2,839,112</u>	<u>-</u>	<u>-</u>	<u>36,029,977</u>
Excess (deficit) of revenues over (under) expenditures	1,170,367	(152,314)	-	-	1,018,053
Other financing sources (uses)					
Assets acquired under lease	231,036	-	-	-	231,036
Operating transfers in	60,018	-	-	-	60,018
Total other financing sources (uses)	<u>291,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,054</u>
Net change in fund balance	1,461,421	(152,314)	-	-	1,309,107
Fund balances, July 1 (as restated)	<u>6,569,542</u>	<u>163,150</u>	<u>40,795</u>	<u>-</u>	<u>6,773,487</u>
Fund balances, June 30	<u><u>\$ 8,030,963</u></u>	<u><u>\$ 10,836</u></u>	<u><u>\$ 40,795</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,082,594</u></u>

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Total net changes in fund balances - governmental fund (from B-2)	\$	1,309,107
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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:		
Capital outlays	\$	801,405
Depreciation and amortization expense		<u>(460,779)</u>
		340,626
Repayment of debt principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:		
Lease principal payments		101,408
Governmental funds report lease proceeds as financing sources whereas issuing debt increase long-term liabilities in the government-wide statements.		
		(231,036)
In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.		
		(9,843)
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
		961,987
In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		<u>164,896</u>
Change in net position of governmental activities	\$	<u><u>2,637,145</u></u>

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2022

	Food Service Fund	After School Child Care Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 475,083	\$ -	\$ 475,083
Receivables from other governments			
State	896	-	896
Federal	40,798	-	40,798
Inventory	12,781	-	12,781
Other accounts receivable	10,545	-	10,545
Total current assets	<u>540,103</u>	<u>-</u>	<u>540,103</u>
Noncurrent assets			
Capital assets	283,285	-	283,285
Less: accumulated depreciation	135,228	-	135,228
Total noncurrent assets	<u>148,057</u>	<u>-</u>	<u>148,057</u>
Total assets	<u>688,160</u>	<u>-</u>	<u>688,160</u>
Liabilities			
Current liabilities			
Accounts Payable	54,875	-	54,875
Unearned revenues	4,847	-	4,847
Total liabilities	<u>59,722</u>	<u>-</u>	<u>59,722</u>
Net position			
Invested in capital assets, net of related debt	148,057	-	148,057
Unrestricted	480,381	-	480,381
Total net position	<u>\$ 628,438</u>	<u>\$ -</u>	<u>\$ 628,438</u>

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	Food Service Fund	After School Child Care Fund	Total
Operating revenues			
Charges for services			
Daily sales - non-reimbursable programs	\$ 92,335	\$ -	\$ 92,335
Total operating revenues	<u>92,335</u>	<u>-</u>	<u>92,335</u>
Operating expenses			
Cost of sales - reimbursable programs	299,570	-	299,570
Cost of sales - non-reimbursable programs	127,653	-	127,653
Commodity food costs	67,135	-	67,135
Salaries	278,800	-	278,800
Supports services - employee benefits	20,880	-	20,880
Purchased professional/technical services	11,497	-	11,497
Purchased property services	18,858	-	18,858
Other purchased services			
Insurance	40,556	-	40,556
Management fee	36,862	-	36,862
Other purchased services	41,619	-	41,619
Supplies and materials	10,878	-	10,878
Depreciation	13,895	-	13,895
Total operating expenses	<u>968,203</u>	<u>-</u>	<u>968,203</u>
Operating income (loss)	(875,868)	-	(875,868)
Non-operating revenues (expenses)			
State sources			
State school lunch program	22,062	-	22,062
Federal sources			
National school lunch program			
Cash assistance	970,715	-	970,715
Non-cash assistance (commodities)	67,135	-	67,135
Other sources			
Interest earned on investments	22	-	22
Total non-operating revenues (expenses)	<u>1,059,934</u>	<u>-</u>	<u>1,059,934</u>
Other financing sources			
Operating transfer in (out)	-	(60,018)	(60,018)
Change in net position	184,066	(60,018)	124,048
Net position, beginning	444,372	60,018	504,390
Net position, ending	<u>\$ 628,438</u>	<u>\$ -</u>	<u>\$ 628,438</u>

See accompanying notes to financial statements.

PALISADES PARK SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Food Service Fund	After School Child Care Fund	Total
Cash flows from operating activities			
Receipts from customers	\$ 81,790	\$ -	\$ 81,790
Payments to Food Service Management Co.	(853,012)	-	(853,012)
Payments to vendors (net)	(26,471)	-	(26,471)
Net cash provided by (used for) operating activities	<u>(797,693)</u>	<u>-</u>	<u>(797,693)</u>
Cash flows from non-capital financing activities			
State sources	21,166	-	21,166
Federal sources	1,047,723	-	1,047,723
General fund interfund activity	8,745	-	8,745
Operating transfer in (out)	-	(60,018)	(60,018)
Net cash provided by (used for) non-capital financing activities	<u>1,077,634</u>	<u>(60,018)</u>	<u>1,017,616</u>
Cash flows from capital financing activities			
Acquisition of Equipment	(26,070)	-	(26,070)
Net cash provided by (used for) capital financing activities	<u>(26,070)</u>	<u>-</u>	<u>(26,070)</u>
Cash flows from investing activities			
Interest earned on investments	22	-	22
Net cash provided by (used for) investing activities	<u>22</u>	<u>-</u>	<u>22</u>
Net increase (decrease) in cash and cash equivalents	253,893	(60,018)	193,875
Cash and cash equivalents, beginning	221,190	60,018	281,208
Cash and cash equivalents, ending	<u>\$ 475,083</u>	<u>\$ -</u>	<u>\$ 475,083</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (875,868)	\$ -	\$ (875,868)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	13,895	-	13,895
Federal food donation program	67,135	-	67,135
Increase (decrease) in accounts payable	8,003	-	8,003
(Increase) decrease in inventory	(5,160)	-	(5,160)
Increase (decrease) in deferred revenue	4,847	-	4,847
Increase (decrease) in prepaid expenses	(10,545)	-	(10,545)
Net cash provided by (used for) operating activities	<u>\$ (797,693)</u>	<u>\$ -</u>	<u>\$ (797,693)</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Palisades Park School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The 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. The District had an approximate enrollment at June 30, 2022 of 1,808 students.

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

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aid.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles 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.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

The District did not utilize the debt service fund during the fiscal year.

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary fund types (continued)

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

The District's enterprise funds are comprised of the food service fund and the after school child care fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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

Equipment	12 Years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned 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.

F. Tuition 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.

G. Tuition payable

Tuition charges for the fiscal year 2021-2022 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

Short-term interfund receivables and payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

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

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the school district or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the Municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to the amount of collection, by the Municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2022, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

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.

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 saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2022, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 400,288
Insured by GUDPA	8,527,530
Total bank balances	<u>\$ 8,927,818</u>

Deposits at June 30, 2022 appear in the financial statements as summarized below:

Cash		<u>\$ 8,316,901</u>
	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 4,182,934
Enterprise funds, Statement of Net Position	B-4	475,083
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>3,658,884</u>
Total cash		<u>\$ 8,316,901</u>

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	\$ 9,613,650	\$ -	\$ -	\$ 9,613,650
Construction in progress	11,162	100,938	14,325	97,775
Total	<u>9,624,812</u>	<u>100,938</u>	<u>14,325</u>	<u>9,711,425</u>
Capital assets, being depreciated or amortized				
Land improvements	162,451	-	-	162,451
Building & improvements	14,341,061	621,146	-	14,962,207
Machinery & equipment	848,113	93,646	-	941,759
Right-to-use asset	193,861	-	-	193,861
Total	<u>15,545,486</u>	<u>714,792</u>	<u>-</u>	<u>16,260,278</u>
Accumulated depreciation or amortization				
Land improvements	65,625	5,516	-	71,141
Building & improvements	8,405,972	353,464	-	8,759,436
Machinery & equipment	676,894	63,027	-	739,921
Right-to-use asset	22,617	38,772	-	61,389
Total	<u>9,171,108</u>	<u>460,779</u>	<u>-</u>	<u>9,631,887</u>
Total capital assets, being depreciated or amortized, net	<u>6,374,378</u>	<u>254,013</u>	<u>-</u>	<u>6,628,391</u>
Transfers	-	(14,325)	(14,325)	-
Governmental activities capital assets, net	<u>\$ 15,999,190</u>	<u>\$ 340,626</u>	<u>\$ -</u>	<u>\$ 16,339,816</u>

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Equipment	\$ 124,165	\$ 26,070	\$ -	\$ 150,235
Site improvements	133,050	-	-	133,050
Total	<u>257,215</u>	<u>26,070</u>	<u>-</u>	<u>283,285</u>
Accumulated depreciation or amortization				
Equipment	78,509	7,243	-	85,752
Site improvements	42,824	6,652	-	49,476
Total	<u>121,333</u>	<u>13,895</u>	<u>-</u>	<u>135,228</u>
Business type activities capital assets, net	<u>\$ 135,882</u>	<u>\$ 12,175</u>	<u>\$ -</u>	<u>\$ 148,057</u>

Depreciation and amortization expense was charged to governmental functions in the current year as follows:

Instruction		
Regular		\$ 212,826
Special education		53,898
Other special instruction		43,674
Other instruction		10,319
Support services		
Student & instruction		68,079
General & business administration		25,834
School administration		31,105
Plant maintenance		15,044
Total depreciation and amortization expense, governmental activities		<u>\$ 460,779</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Leases payable	\$ 187,346	\$ 231,036	\$ 101,408	\$ 316,974	\$ 98,867
Compensated absences payable	3,340,345	-	164,896	3,175,449	50,000
PERS net pension liability	4,019,643	-	1,136,384	2,883,259	-
Total governmental activities long-term liabilities	<u>\$ 7,547,334</u>	<u>\$ 231,036</u>	<u>\$ 1,402,688</u>	<u>\$ 6,375,682</u>	<u>\$ 148,867</u>

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2022 is \$136,567,023. General obligation debt as of June 30, 2022 is \$0 resulting in a legal debt margin of \$136,567,023.

Leases payable - Leases payable at June 30, 2022, with their outstanding balances are comprised of the following:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 98,867	\$ 10,232	\$ 109,099
2024	102,527	6,571	109,098
2025	68,161	3,110	71,271
2027	47,419	1,278	48,697
Total	<u>\$ 316,974</u>	<u>\$ 21,191</u>	<u>\$ 338,165</u>

\$41,770 - 2019 Ford F-250 lease commencing 12/10/2020, 4.82% interest, due in annual installments beginning January 9, 2020 to January 9, 2024. \$ 17,142

\$36,884 - 2020 Ford F-350 lease commencing 10/08/2020, 6.00% interest, due in annual installments beginning October 8, 2020 to October 8, 2024. 22,080

\$231,036 - Security camera system lease commencing 07/09/2021, 2.69% interest, due in annual installments beginning August 26, 2021 to August 26, 2025. 182,340

\$193,861 - Copiers lease commencing 7/30/2019, .34% interest due in monthly installments beginning November 25, 2019 to October 25, 2024 95,412

Total \$ 316,974

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a 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 Board and the system's other related non-contributing employers.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS)

Plan description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All pension benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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.

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the Plan.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2021 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Contributions (continued)

The District's contractually required contribution rate for the year ended June 30, 2022 was 17.58% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2021:

Net pension liability	\$ 2,883,259
Proportionate share	.0243384895%

Plan fiduciary net position as a percentage of the total pension liability	70.33%
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The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Collective net pension liability and actuarial information (continued)

<u>Inflation rate</u>	
Price	2.75%
Wage	3.25%

<u>Salary increases (based on years of service)</u>	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%

Investment rate of return	7.00%
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Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information (continued)

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 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, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and 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 allocations as of June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate (continued)

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 projected benefit payments and the municipal bond rate 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 District as of June 30, 2021 measurement date, 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 2,883,259
At a 1% lower rate (6.00%)	3,968,270
At a 1% higher rate (8.00%)	2,019,293

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2021 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,473	\$ 20,641
Changes of assumptions	15,016	1,026,459
Net difference between projected and actual earnings on pension plan investments	-	759,526
Changes in proportion and differences between District contributions and proportionate share of contributions	119,924	96,769
District contributions subsequent to the measurement date	285,032	-
Total	<u>\$ 465,445</u>	<u>\$ 1,903,395</u>

The amount 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 ended June 30, 2022, the Plan measurement date is June 30, 2021) of \$285,032 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2021 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 73,191	\$ (27,718)	\$ 45,473
Changes of assumptions	130,402	(115,386)	15,016
Differences between expected and actual experience	137,395	(137,395)	-
Deferred inflows of resources			
Differences between expected and actual experience	(14,215)	(6,426)	(20,641)
Changes of assumptions	(1,683,062)	656,603	(1,026,459)
Difference between projected and actual earnings on pension plan investments	-	(759,526)	(759,526)
	<u>\$ (1,356,289)</u>	<u>\$ (389,848)</u>	<u>\$ (1,746,137)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Year Ended June 30,

2022	\$ (680,324)
2023	(485,749)
2024	(331,198)
2025	(248,963)
2026	97
Total	<u>\$ (1,746,137)</u>

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (benefit)

For the year ended June 30, 2022, the District recognized net pension expense (benefit) of (\$407,306), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$393,736), plus the net amortization of deferred amounts from changes in proportion of \$1,812, and plus other adjustments to the net pension liability of (\$15,382). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2021 measurement date are as follows:

Service cost	\$	169,792
Interest on total pension liability		667,237
Benefit changes		-
Member contributions		(138,141)
Administrative expense		2,415
Expected investment return net of investment expense		(364,017)
Pension expense related to specific liabilities of individual employers		(1,702)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		18,696
Changes of assumptions		(506,478)
Difference between projected and actual investment earnings on pension plan investments		(241,538)
Pension expense (benefit)	\$	(393,736)

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF)
Plan description (continued)

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

Special funding situation

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 non-employer 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 non-employer contributing entities’ total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ended June 30, 2021, the State of New Jersey contributed \$3,261,575 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2021 measurement date is as follows:

District proportionate share of net pension liability	\$ 82,981,208
Less: State proportionate share of net pension liability	29,474,936
Net pension liability	\$ 53,506,272

Proportionate share	.1112970597 %
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Plan fiduciary net position as a percentage of the total pension liability	35.52%
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Actuarial assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 -

Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Actuarial assumptions (continued)

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2020 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, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and 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, 2021 measurement date are summarized in the following table:

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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 after that date in determining 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 District as of June 30, 2021 measurement date, 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 53,506,271
At a 1% lower rate (6.00%)	63,306,857
At a 1% higher rate (8.00%)	45,274,396

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2021 measurement date are as follows:

Service cost	\$	1,954,590
Interest on total pension liability		5,216,389
Benefit changes		-
Member contributions		(981,633)
Administrative expense		10,045
Expected investment return net of investment expense		(1,620,651)
Pension expense related to specific liabilities of individual employers		(448)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		224,242
Changes of assumptions		(2,506,974)
Difference between projected and actual investment earnings on pension plan investments		(1,036,534)
Pension expense	\$	<u>1,259,026</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2022) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2022 was \$1,094.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

D. Other pension plan information

During the year ended June 30, 2022, the State of New Jersey contributed \$1,064,823 to the TPAF for postretirement medical benefits, \$63,406 for non-contributory insurance premiums, \$1,886 for long-term disability insurance, and \$4,494,124 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$955,629 during the year ended June 30, 2022 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as the employers) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notice.shtml>.

Total OPEB liability

The State, a non-employer 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 District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability (continued)

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2021 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 60,007,650,970
District's proportionate share of the State's OPEB liability	56,316,692
Employer OPEB expense and related revenue	3,994,106
Allocable proportionate percentage	0.0938491860%

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2020	\$ 64,484,729
Service cost	3,746,715
Interest cost	1,460,914
Change of benefit terms	(59,942)
Differences between expected and actual experiences	(12,257,842)
Changes of assumptions	55,561
Member contributions	37,348
Gross benefit payments	(1,150,791)
Total OPEB liability at June 30, 2021	\$ 56,316,692

There were no changes of the benefit terms from June 30, 2020 to June 30, 2021.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% as of the June 30, 2020 plan measurement date to 2.16% as of the June 30, 2021 plan measurement date.

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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:

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability (continued)

Inflation rate 2.50%

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Discount rate

The discount rate for June 30, 2021 was 2.16%. 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 the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2021 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (2.16%)	\$ 56,316,692
At a 1% lower rate (1.16%)	67,458,556
At a 1% higher rate (3.16%)	47,543,143

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$ 56,316,692
At a 1% lower rate (1% decrease)	45,588,545
At a 1% higher rate (1% increase)	70,723,800

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$3,994,106 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 Statement No. 75 and in which there is a special funding situation.

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

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 8 - 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, permit 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:

Great American Plan Administrators	AXA Equitable Insurance Company
AIG Valic	Security Benefit Group
Aspire Financial/Duncan Financial Services	

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2022 consisted of the following:

Food	\$	8,491
Supplies		4,290
Total		\$ 12,781

Note 10 - Interfund receivables and payables

The special revenue fund had an interfund payable for \$263,135 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

Note 11 - Contingent liabilities

Grantor agencies

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years.

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Risk management (continued)

A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	District Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2021 - 2022	\$ -	\$ 4	\$ 29,981	\$ 503	\$ 86,492
2020 - 2021	-	7	26,420	17,661	57,010
2019 - 2020	-	203	28,398	42,460	48,244

Note 13 - District reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$600,000 to their capital reserve account by Board Resolution in June 2022 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - District reserve accounts (continued)

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 2,705,879	\$ 600,000	-	\$ 49,407	\$ 800,000	\$2,555,286
Maintenance	1,006,982	-	-	33,187	200,000	840,169
Total	<u>\$ 3,712,861</u>	<u>\$ 600,000</u>	<u>-</u>	<u>\$ 82,594</u>	<u>\$ 1,000,000</u>	<u>\$3,395,455</u>

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2022 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 1,430,721
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	823,673
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	2,555,286
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	840,169
Unemployment compensation - Represents funds accumulated for future unemployment claims.	48,255

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	757,690
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Assigned

Designates surplus - Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	251,215
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	1,434,230
Total fund balance - Budgetary basis (Exhibit C-1)	8,141,239
Last state aid payments not recognized on GAAP basis	(110,276)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 8,030,963</u>

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 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 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, 2022 is \$823,673.

Note 16 - Restatement of prior year net position

During the fiscal year ended June 30, 2022, the District has determined a restatement of the prior year net position is necessary. Due to ongoing updates to the District's capital asset inventory, implementation of GASB 87, *Leases*, and adjustments to the compensated absences liability are necessary. The following is a summary of the District's restatement of net position as of June 30, 2022:

	Governmental Activities
Net position, June 30, 2021	\$ 13,617,136
Additions	
Change in compensated absences	307,695
Change in capital assets, net	170,554
Reductions	
Change in leases payable	(133,595)
Net position, June 30, 2021, as restated	\$ 13,961,790

Note 17 - Restatement of prior year fund balance

During the fiscal year ended June 30, 2022, the District has determined a restatement of the prior year fund balance is necessary. The following is a summary of the District's restatement of fund balance as of June 30, 2022:

	Special Revenue Fund
Net position, June 30, 2021	\$ 163,149
Additions	
Reserved fund balance - scholarship fund	31,654
Reductions	
Reserved fund balance - student activities fund	(31,653)
Net position, June 30, 2021, as restated	\$ 163,150

PALISADES PARK SCHOOL DISTRICT
Notes to the Financial Statements

- Note 18 - Recent accounting pronouncements not yet effective
The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.
- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.
- Note 19 - Deficit balance in unrestricted net position
The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2022 of (\$3,094,671) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the state.
- Note 20 - Risks and uncertainties
On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The COVID-19 outbreak) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.
- The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations.
- Note 21 - Subsequent events
The District has evaluated subsequent events through March 17, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 24,850,088	\$ -	\$ 24,850,088	\$ 24,850,088	\$ -
Tuition from other sources	100,000	-	100,000	-	(100,000)
Rents and royalties	70,000	-	70,000	78,069	8,069
Unrestricted miscellaneous revenues	95,500	-	95,500	60,902	(34,598)
Interest earned on maintenance reserve	500	-	500	-	(500)
Interest earned on capital reserve funds	2,500	-	2,500	-	(2,500)
Other restricted miscellaneous revenues	-	-	-	4	4
Total	<u>25,118,588</u>	<u>-</u>	<u>25,118,588</u>	<u>24,989,063</u>	<u>(129,525)</u>
State sources					
Categorical transportation aid	101,852	-	101,852	101,852	-
Extraordinary aid	-	-	-	379,032	379,032
Categorical special education aid	1,171,443	-	1,171,443	1,171,443	-
Equalization aid	711,969	-	711,969	711,969	-
Categorical security aid	212,501	-	212,501	212,501	-
Adjustment aid	10,133	-	10,133	10,133	-
State reimbursements from Securing					
Our Childrens Future Bond Act	-	-	-	94,585	94,585
TPAF Pension (on-behalf)	-	-	-	4,494,124	4,494,124
TPAF Non-contributory insurance	-	-	-	63,406	63,406
TPAF Social Security (reimbursed)	-	-	-	955,629	955,629
TPAF Post retirement benefits	-	-	-	1,064,823	1,064,823
TPAF Long-term disability insurance	-	-	-	1,886	1,886
Total	<u>2,207,898</u>	<u>-</u>	<u>2,207,898</u>	<u>9,261,383</u>	<u>7,053,485</u>
Federal Sources					
Medicaid reimbursement	63,444	-	63,444	33,003	(30,441)
Total	<u>63,444</u>	<u>-</u>	<u>63,444</u>	<u>33,003</u>	<u>(30,441)</u>
Total revenues	<u>\$ 27,389,930</u>	<u>\$ -</u>	<u>\$ 27,389,930</u>	<u>\$ 34,283,449</u>	<u>\$ 6,893,519</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Preschool	\$ -	\$ 48,194	\$ 48,194	\$ 48,194	\$ -
Kindergarten	357,577	(47,957)	309,620	309,620	-
Grades 1-5	3,049,713	65,284	3,114,997	3,114,997	-
Grades 6-8	962,101	(78,602)	883,499	883,499	-
Grades 9-12	3,025,029	223,259	3,248,288	3,248,288	-
Home instruction					
Salaries of teacher	12,500	4,458	16,958	16,958	-
Purchased professional - educational services	15,000	(14,000)	1,000	910	90
Regular programs - undistributed instruction					
Other salaries for instruction	310,139	(60,321)	249,818	248,648	1,170
Purchased technical services	106,097	32,506	138,603	134,821	3,782
Other purchased services	110,972	14,777	125,749	124,375	1,374
General supplies	272,056	(27,911)	244,145	209,035	35,110
Textbooks	6,000	(900)	5,100	1,889	3,211
Other objects	500	(500)	-	-	-
Total	<u>8,227,684</u>	<u>158,287</u>	<u>8,385,971</u>	<u>8,341,234</u>	<u>44,737</u>
Special education					
Learning and/or language disabilities					
Salaries of teachers	193,262	137,413	330,675	330,675	-
Other salaries for instruction	129,115	(10,000)	119,115	104,501	14,614
General supplies	15,490	(3,346)	12,144	5,888	6,256
Total	<u>337,867</u>	<u>124,067</u>	<u>461,934</u>	<u>441,064</u>	<u>20,870</u>
Emotional regulation impairment					
General supplies	1,030	-	1,030	735	295
Total	<u>1,030</u>	<u>-</u>	<u>1,030</u>	<u>735</u>	<u>295</u>
Resource room/resource center					
Salaries of teachers	1,569,141	(15,175)	1,553,966	1,553,966	-
Other salaries for instruction	45,778	7,910	53,688	53,688	-
Total	<u>1,614,919</u>	<u>(7,265)</u>	<u>1,607,654</u>	<u>1,607,654</u>	<u>-</u>
Preschool disabilities - full-time					
Salaries of teachers	122,738	(52,939)	69,799	67,430	2,369
Other salaries for instruction	143,575	(16,613)	126,962	118,632	8,330
Purchased professional - educational services	11,000	(8,000)	3,000	-	3,000
General supplies	6,000	-	6,000	4,341	1,659
Total	<u>283,313</u>	<u>(77,552)</u>	<u>205,761</u>	<u>190,403</u>	<u>15,358</u>
Home instruction					
Salaries of teachers	3,000	-	3,000	350	2,650
Total	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>350</u>	<u>2,650</u>
Total special education	<u>2,240,129</u>	<u>39,250</u>	<u>2,279,379</u>	<u>2,240,206</u>	<u>39,173</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Basic skills/remedial					
Salaries of teachers	\$ 77,002	\$ 5,723	\$ 82,725	\$ 82,725	\$ -
General supplies	8,075	(5,075)	3,000	-	3,000
Total	<u>85,077</u>	<u>648</u>	<u>85,725</u>	<u>82,725</u>	<u>3,000</u>
Bilingual education - instruction					
Salaries of teachers	1,290,152	84,548	1,374,700	1,374,700	-
General supplies	3,191	-	3,191	1,270	1,921
Textbooks	1,500	75	1,575	1,276	299
Total	<u>1,294,843</u>	<u>84,623</u>	<u>1,379,466</u>	<u>1,377,246</u>	<u>2,220</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	97,850	(11,224)	86,626	82,774	3,852
Purchased services	4,000	-	4,000	-	4,000
Supplies and materials	31,646	-	31,646	23,997	7,649
Total	<u>133,496</u>	<u>(11,224)</u>	<u>122,272</u>	<u>106,771</u>	<u>15,501</u>
School-sponsored athletics - instruction					
Salaries	290,953	(18,807)	272,146	186,507	85,639
Purchased services	50,000	-	50,000	50,000	-
Supplies and materials	73,070	(3,024)	70,046	65,804	4,242
Total	<u>414,023</u>	<u>(21,831)</u>	<u>392,192</u>	<u>302,311</u>	<u>89,881</u>
Before/after school programs - instruction					
Salaries of teachers	20,000	18,521	38,521	38,521	-
Total	<u>20,000</u>	<u>18,521</u>	<u>38,521</u>	<u>38,521</u>	<u>-</u>
Summer school - instruction					
Salaries of teachers	50,000	(16,856)	33,144	1,623	31,521
Total	<u>50,000</u>	<u>(16,856)</u>	<u>33,144</u>	<u>1,623</u>	<u>31,521</u>
Total summer school	<u>50,000</u>	<u>(16,856)</u>	<u>33,144</u>	<u>1,623</u>	<u>31,521</u>
Total instruction regular	<u>\$ 12,465,252</u>	<u>\$ 251,418</u>	<u>\$ 12,716,670</u>	<u>\$ 12,490,637</u>	<u>\$ 226,033</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ -	\$ 8,000	\$ 8,000	\$ 7,229	\$ 771
Tuition to other LEAs within the State - special	445,841	316,590	762,431	635,764	126,667
Tuition to county vocational school district - regular	450,000	40,061	490,061	481,518	8,543
Tuition to cssd & regional day schools	163,993	16,452	180,445	180,445	-
Tuition to priv. school for the disabled in state	347,119	(290,229)	56,890	11,621	45,269
Tuition to priv. sch. disabled & other LEAs - spl, o/s state	-	57,799	57,799	44,559	13,240
Total	<u>1,406,953</u>	<u>148,673</u>	<u>1,555,626</u>	<u>1,361,136</u>	<u>194,490</u>
Undistributed expenditures - attendance & social work					
Salaries	4,050	278	4,328	4,328	-
Total	<u>4,050</u>	<u>278</u>	<u>4,328</u>	<u>4,328</u>	<u>-</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - health services					
Salaries	\$ 211,350	\$ 998	\$ 212,348	\$ 212,348	\$ -
Purchased professional and technical services	25,400	168	25,568	19,603	5,965
Supplies and materials	12,181	(1,801)	10,380	9,374	1,006
Total	248,931	(635)	248,296	241,325	6,971
Undistributed expenditures - speech, ot, pt & related services					
Salaries	161,888	11,999	173,887	173,887	-
Purchased professional - educational services	511,958	168,659	680,617	668,833	11,784
Total	673,846	180,658	854,504	842,720	11,784
Undistributed expend - other supp. service stds. - extra service					
Purchased professional - educational services	95,000	(25,359)	69,641	65,510	4,131
Total	95,000	(25,359)	69,641	65,510	4,131
Undistributed expenditures - guidance					
Salaries of other professional staff	303,117	2,371	305,488	305,488	-
Salaries of secretarial and clerical assistants	54,409	2,211	56,620	56,620	-
Supplies and materials	6,355	-	6,355	813	5,542
Total	363,881	4,582	368,463	362,921	5,542
Undistributed expenditures - child study teams					
Salaries of other professional staff	657,549	15,127	672,676	672,676	-
Salaries of secretarial and clerical assistants	104,811	11,579	116,390	116,390	-
Supplies and materials	14,950	(4,000)	10,950	9,477	1,473
Other objects	1,000	(172)	828	-	828
Total	778,310	22,534	800,844	798,543	2,301
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	-	3,150	3,150	3,150	-
Other purchased professional & technical services	500	-	500	490	10
Other purchased services	5,249	(1,000)	4,249	3,289	960
Total	5,749	2,150	7,899	6,929	970
Undistributed expenditures - edu. media service/sch. library					
Salaries	67,140	(43,931)	23,209	22,963	246
Supplies and materials	17,020	(210)	16,810	12,126	4,684
Total	84,160	(44,141)	40,019	35,089	4,930
Undistributed expend. - instructional staff training services					
Purchased professional - educational services	3,000	(2,150)	850	585	265
Total	3,000	(2,150)	850	585	265

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expend. - support service - general admin.					
Salaries	\$ 366,952	\$ 7,973	\$ 374,925	\$ 374,925	\$ -
Legal services	50,000	5,718	55,718	42,218	13,500
Audit fees	45,900	100	46,000	46,000	-
Architectural/engineering services	20,000	(13,717)	6,283	-	6,283
Other purchased professional services	53,725	(1,435)	52,290	52,290	-
Communications/telephone	150,000	57,058	207,058	178,245	28,813
BOE other purchased services	6,625	4,812	11,437	10,237	1,200
Misc. purchased services	137,450	-	137,450	137,379	71
General supplies	1,000	418	1,418	1,411	7
Judgments against the school district	5,000	(4,019)	981	981	-
Miscellaneous expenditures	3,030	487	3,517	3,359	158
BOE membership dues and fees	14,600	(595)	14,005	14,005	-
Total	854,282	56,800	911,082	861,050	50,032
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	704,343	(14,895)	689,448	689,448	-
Salaries of secretarial and clerical assistants	452,011	30,267	482,278	482,278	-
Purchased professional and technical services	18,785	(18,785)	-	-	-
Other purchased services	600	332	932	573	359
Supplies and materials	28,824	(373)	28,451	18,745	9,706
Other objects	37,450	41	37,491	16,604	20,887
Total	1,242,013	(3,413)	1,238,600	1,207,648	30,952
Undistributed expend. - central services					
Salaries	192,303	(51,685)	140,618	132,238	8,380
Purchased professional services	7,258	65,405	72,663	69,777	2,886
Purchased technical services	39,019	(3,009)	36,010	35,212	798
Miscellaneous purchased services	8,600	-	8,600	5,716	2,884
Supplies and materials	5,824	9,406	15,230	11,713	3,517
Interest on lease purchase agreements	-	2,850	2,850	2,850	-
Other objects	12,294	(808)	11,486	10,135	1,351
Total	265,298	22,159	287,457	267,641	19,816
Undistributed expenditures - admin. info. technology					
Salaries	132,596	2,350	134,946	132,748	2,198
Purchased technical services	16,173	-	16,173	13,074	3,099
Supplies and materials	12,906	(7,709)	5,197	690	4,507
Total	161,675	(5,359)	156,316	146,512	9,804
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	217,701	29,276	246,977	92,284	154,693
General supplies	10,000	(4,947)	5,053	-	5,053
Total	227,701	24,329	252,030	92,284	159,746

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expend. - custodial services					
Salaries	\$ 721,567	\$ 186,520	\$ 908,087	\$ 854,477	\$ 53,610
Salaries of non-instructional aides	158,544	25,480	184,024	182,992	1,032
Cleaning, repair, and maintenance service	121,275	51,569	172,844	80,374	92,470
Other purchased property services	54,489	1,672	56,161	42,677	13,484
Insurance	137,525	25,791	163,316	163,315	1
General supplies	116,345	(14,058)	102,287	97,833	4,454
Energy (natural gas)	211,650	(99,701)	111,949	70,323	41,626
Energy (electricity)	220,000	57,463	277,463	197,845	79,618
Energy (gasoline)	23,187	(298)	22,889	13,876	9,013
Other objects	3,000	-	3,000	-	3,000
Total	<u>1,767,582</u>	<u>234,438</u>	<u>2,002,020</u>	<u>1,703,712</u>	<u>298,308</u>
Undistributed expend. - security					
Purchased professional and technical services	63,944	16,563	80,507	76,016	4,491
General supplies	7,000	-	7,000	6,442	558
Total	<u>70,944</u>	<u>16,563</u>	<u>87,507</u>	<u>82,458</u>	<u>5,049</u>
Undistributed expend. - student transportation service					
Salaries of non-instructional aides	61,939	9,214	71,153	70,988	165
Other purchased professional and technical service	2,024	-	2,024	284	1,740
Cleaning, repair, & maint. services	4,000	-	4,000	1,202	2,798
Contract services (between home & school) - vendors	30,507	(30,507)	-	-	-
Contr service (oth. than between home & school) - vend.	76,268	(16,268)	60,000	60,000	-
Contr service (between home & school) - joint agreements	117,655	184,548	302,203	302,203	-
Contract service (sp ed stds) - vendors	262,055	62,638	324,693	324,693	-
Other objects	500	-	500	292	208
Total	<u>554,948</u>	<u>209,625</u>	<u>764,573</u>	<u>759,662</u>	<u>4,911</u>
Unallocated benefits - employee benefits					
Social Security contributions	307,950	12,061	320,011	320,011	-
Other retirement contributions - PERS	300,000	-	300,000	285,545	14,455
Other retirement contributions - regular	12,500	-	12,500	-	12,500
Workmen's compensation	136,500	-	136,500	104,548	31,952
Health benefits	5,410,511	(1,365,131)	4,045,380	3,439,681	605,699
Tuition reimbursement	17,222	-	17,222	17,222	-
Other employee benefits	75,233	(14,045)	61,188	61,156	32
Unused sick payment to terminated/retired staff	100,000	105,298	205,298	205,298	-
Total	<u>6,359,916</u>	<u>(1,261,817)</u>	<u>5,098,099</u>	<u>4,433,461</u>	<u>664,638</u>
On-behalf TPAF Pension contribution	-	-	-	4,494,124	(4,494,124)
On-behalf TPAF Non-contributory insurance	-	-	-	63,406	(63,406)
On-behalf TPAF Post retirement medical benefits	-	-	-	1,064,823	(1,064,823)
On-behalf TPAF Long-term disability insurance	-	-	-	1,886	(1,886)
Reimbursed TPAF Social Security contribution	-	-	-	955,629	(955,629)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,579,868</u>	<u>(6,579,868)</u>
Total undistributed expenditures	<u>\$ 15,168,239</u>	<u>\$ (420,085)</u>	<u>\$ 14,748,154</u>	<u>\$ 19,853,382</u>	<u>\$ (5,105,228)</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Total current	\$ 27,633,491	\$ (168,667)	\$ 27,464,824	\$ 32,344,019	\$ (4,879,195)
Capital outlay					
Equipment					
Grades 9-12	\$ -	\$ 3,024	\$ 3,024	\$ 3,024	\$ -
Undistributed					
Undistributed expenditures - instruction	-	7,438	7,438	7,438	-
Undistributed expenditures - care and upkeep of grounds	2,098	600	2,698	2,698	-
Undistributed expenditures - security	-	94,585	94,585	85,025	9,560
School buses - special	-	26,854	26,854	10,494	16,360
Undistributed expend. - non-instructional service	13,170	-	13,170	13,170	-
Total equipment	<u>15,268</u>	<u>132,501</u>	<u>147,769</u>	<u>121,849</u>	<u>25,920</u>
Facilities acquisition and construction service					
Architectural/engineering services	-	19,250	19,250	19,250	-
Construction services	65,641	818,246	883,887	361,915	521,972
Lease purchase agreements - principal	-	63,225	63,225	63,225	-
Assessment for debt service on SDA funding	12,601	-	12,601	12,601	-
Total facilities acquisition and construction service	<u>78,242</u>	<u>900,721</u>	<u>978,963</u>	<u>456,991</u>	<u>521,972</u>
Assets acquired under leases (non-budgeted)					
Undistributed					
Undistributed expenditures - security	-	-	-	231,036	(231,036)
Total assets acquired under leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,036</u>	<u>(231,036)</u>
Total capital outlay	<u>\$ 93,510</u>	<u>\$ 1,033,222</u>	<u>\$ 1,126,732</u>	<u>\$ 809,876</u>	<u>\$ 316,856</u>
Transfer of funds to charter schools	<u>\$ 32,957</u>	<u>\$ 21,549</u>	<u>\$ 54,506</u>	<u>\$ 36,970</u>	<u>\$ 17,536</u>
Total expenditures	<u>\$ 27,759,958</u>	<u>\$ 886,104</u>	<u>\$ 28,646,062</u>	<u>\$ 33,190,865</u>	<u>\$ (4,544,803)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (370,028)</u>	<u>\$ (886,104)</u>	<u>\$ (1,256,132)</u>	<u>\$ 1,092,584</u>	<u>\$ 2,348,716</u>
Other financing sources (uses)					
Operating transfer in					
Transfers from other funds	-	-	-	60,018	60,018
Operating transfer out					
Capital reserve - transfer to capital projects fund	(400,000)	400,000	-	-	-
Leases (non-budgeted)	-	-	-	231,036	231,036
Total other financing sources (uses)	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>	<u>291,054</u>	<u>291,054</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	<u>(770,028)</u>	<u>(486,104)</u>	<u>(1,256,132)</u>	<u>1,383,638</u>	<u>2,639,770</u>
Fund balances, July 1	<u>6,757,601</u>	<u>-</u>	<u>6,757,601</u>	<u>6,757,601</u>	<u>-</u>
Fund balances, June 30	<u>\$ 5,987,573</u>	<u>\$ (486,104)</u>	<u>\$ 5,501,469</u>	<u>\$ 8,141,239</u>	<u>\$ 2,639,770</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (154,797)	\$ -	\$ (154,797)	\$ (154,797)	\$ -
Increase in capital reserve	-	600,000	600,000	600,000	-
Interest deposit to capital reserve	2,500	-	2,500	-	(2,500)
Withdrawal from capital reserve	(400,000)	(400,000)	(800,000)	(750,593)	49,407
Interest earned on maintenance reserve	500	-	500	-	(500)
Withdrawal from maintenance reserve	(200,000)	33,187	(200,000)	(166,813)	33,187
Increase in unemployment compensation	5,000	-	5,000	-	(5,000)
Interest earned on unemployment compensation	-	-	-	4	4
Budgeted fund balance	(23,231)	(719,291)	(709,335)	1,855,837	2,565,172
Total	<u>\$ (770,028)</u>	<u>\$ (486,104)</u>	<u>\$ (1,256,132)</u>	<u>\$ 1,383,638</u>	<u>\$ 2,639,770</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 1,430,721	
Excess surplus - current year				823,673	
Capital reserve				2,555,286	
Maintenance reserve				840,169	
Unemployment compensation				48,255	
Committed fund balance					
Year-end encumbrances				757,690	
Assigned fund balance					
Designated for subsequent year's expenditures				251,215	
Unassigned fund balance				<u>1,434,230</u>	
Fund balance per budgetary basis				8,141,239	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(110,276)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 8,030,963</u>	

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Federal sources	\$ 8,433,541	\$ -	\$ 8,433,541	\$ 1,926,156	\$ (6,507,385)
State sources	1,187,940	-	1,187,940	813,816	(374,124)
Local sources	-	293,319	293,319	293,319	-
Total revenues	\$ 9,621,481	\$ 293,319	\$ 9,914,800	\$ 3,033,291	\$ (6,881,509)
Expenditures					
Instruction					
Salaries	\$ 839,977	\$ 6,439	\$ 846,416	\$ 487,257	\$ 359,159
Other Salaries - aides	71,500	-	71,500	59,152	12,348
Purchased professional & technical services	288,623	-	288,623	183,071	105,552
Other purchased services	124,059	(10,983)	113,076	112,381	695
Tuition - private	468,879	10,983	479,862	479,862	-
Tuition - public	51,898	-	51,898	51,898	-
Supplies	1,402,449	42,390	1,444,839	739,208	705,631
Textbooks	22,508	-	22,508	22,500	8
Other objects	1,000	-	1,000	282	718
Total	3,270,893	48,829	3,319,722	2,135,611	1,184,111
Support services					
Salaries	203,253	-	203,253	121,020	82,233
Employee benefits	191,489	21,810	213,299	130,079	83,220
Purchased professional & technical services	467,399	(45,512)	421,887	179,570	242,317
Purchase property services	10,000	-	10,000	10,000	-
Other purchased services	225,278	-	225,278	26,227	199,051
Supplies	94,107	(5,000)	89,107	75,952	13,155
Fund transfers	20,127	(20,127)	-	-	-
Scholarships	-	35,075	35,075	35,075	-
Student activities	-	220,516	220,516	220,516	-
Total	1,211,653	206,762	1,418,415	798,439	619,976
Capital outlay					
Building	4,978,304	-	4,978,304	32,000	4,946,304
Instructional equipment	160,631	-	160,631	44,132	116,499
Total	5,138,935	-	5,138,935	76,132	5,062,803
Total expenditures	\$ 9,621,481	\$ 255,591	\$ 9,877,072	\$ 3,010,182	\$ 6,866,890

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Unaudited			Actual	Variance
	Original Budget	Budget Transfers	Final Budget		Final to Actual
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 37,728	\$ 37,728	\$ 23,109	\$ (14,619)
Fund balances, July 1 (as restated)	163,150	-	163,150	163,150	-
Fund balances, June 30	<u>\$ 163,150</u>	<u>\$ 37,728</u>	<u>\$ 200,878</u>	<u>\$ 186,259</u>	<u>\$ (14,619)</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				\$ 28,158	
Student activities				158,101	
Fund balance per budgetary basis				<u>\$ 186,259</u>	

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2022

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 34,283,449	\$ 3,033,291
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	45,627
Outstanding encumbrances - prior year cancelled	-	(996)
Outstanding encumbrances - current year	-	(215,701)
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 expenses (GASB 33)		
State aid receivable prior year	188,059	-
State aid receivable current year	(110,276)	(175,423)
Total revenues (GAAP basis)	\$ 34,361,232	\$ 2,686,798
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 33,190,865	\$ 3,010,182
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 in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	45,627
Outstanding encumbrances - prior year cancelled	-	(996)
Outstanding encumbrances - current year	-	(215,701)
Total expenditures (GAAP basis)	\$ 33,190,865	\$ 2,839,112

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)**

PALISADES PARK SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2013	N/A	N/A	N/A	N/A	48.72%
2014	N/A	N/A	N/A	N/A	N/A
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%
2022	0.0243384895%	2,883,259	1,621,312	177.83%	70.33%

N/A = Information not available

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	\$ 197,655	\$ (197,655)	\$ -	N/A	N/A
2014	191,956	(191,956)	-	N/A	N/A
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)	-	1,639,998	16.44%
2022	285,032	(285,032)	-	1,621,312	17.58%

N/A = Information not available

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)			Total	District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's				
	Percentage	Value	proportion				
2013	0.00%	N/A	N/A	N/A	N/A	N/A	33.76%
2014	0.00%	\$ -	N/A	N/A	N/A	N/A	N/A
2015	0.00%	-	\$ 55,087,099	\$ 55,087,099	\$ 10,216,526	0.00%	33.64%
2016	0.00%	-	68,075,720	68,075,720	11,180,935	0.00%	28.71%
2017	0.00%	-	80,962,342	80,962,342	11,883,703	0.00%	22.33%
2018	0.00%	-	67,519,067	67,519,067	12,039,990	0.00%	25.41%
2019	0.00%	-	68,738,526	68,738,526	12,073,861	0.00%	26.49%
2020	0.00%	-	70,294,718	70,294,718	12,284,692	0.00%	26.95%
2021	0.00%	-	74,476,184	74,476,184	12,125,532	0.00%	24.60%
2022	0.00%	-	53,506,271	53,506,271	12,568,112	0.00%	35.52%

N/A = Information not available

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	N/A	N/A	N/A	N/A	N/A
2014	\$ 698,453	\$ (698,453)	\$ -	N/A	N/A
2015	437,826	(437,826)	-	\$ 10,216,526	4.29%
2016	578,849	(578,849)	-	11,180,935	5.18%
2017	819,643	(819,643)	-	11,883,703	6.90%
2018	1,124,501	(1,124,501)	-	12,039,990	9.34%
2019	1,633,327	(1,633,327)	-	12,073,861	13.53%
2020	2,303,004	(2,303,004)	-	12,284,692	18.75%
2021	2,562,919	(2,562,919)	-	12,125,532	21.14%
2022	3,261,575	(3,261,575)	-	12,568,112	25.95%

N/A = Information not available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

PALISADES PARK SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's				
	Percentage	Value	proportion				
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 49,633,709	\$ 49,633,709	\$ 13,492,388	0.00%	0.00%
2018	0.00%	-	41,853,070	41,853,070	13,761,707	0.00%	0.00%
2019	0.00%	-	38,566,828	38,566,828	13,789,094	0.00%	0.00%
2020	0.00%	-	64,484,729	64,484,729	14,093,239	0.00%	0.00%
2021	0.00%	-	56,316,692	56,316,692	13,765,530	0.00%	0.00%
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2022

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 5.40% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% in State fiscal year 2020 and 2.75% in State fiscal year 2021.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% for State fiscal year 2020 and 2.75% for State fiscal year 2021.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 2.21% in State fiscal year 2020 to 2.16% in State fiscal year 2021. The inflation rate was 2.50% for State fiscal year 2020 and 2021.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There was a decrease in liability from June 30, 2020 to June 30, 2021 due to employers adopting Chapter 44 provisions.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	IDEA Basic	IDEA Preschool	ESSA IA	ESSA I SIA	ESSA II	ESSA III	Total
Revenues								
Federal sources	\$ 835,806	\$ 451,066	\$ 10,983	\$ 335,747	\$ 107,714	\$ 61,724	\$ 123,116	\$ 1,926,156
State sources	813,816	-	-	-	-	-	-	813,816
Local sources	293,319	-	-	-	-	-	-	293,319
Total revenues	\$ 1,942,941	\$ 451,066	\$ 10,983	\$ 335,747	\$ 107,714	\$ 61,724	\$ 123,116	\$ 3,033,291
Expenditures								
Instruction								
Salaries	\$ 227,226	\$ -	\$ -	\$ 181,135	\$ 66,439	\$ -	\$ 12,457	\$ 487,257
Other salaries - aides	59,152	-	-	-	-	-	-	59,152
Purchased professional & technical services	183,071	-	-	-	-	-	-	183,071
Other purchased services	111,284	-	-	-	-	-	1,097	112,381
Tuition - Private	62,114	406,765	10,983	-	-	-	-	479,862
Tuition - Public	51,898	-	-	-	-	-	-	51,898
Supplies	489,757	-	-	120,407	28,100	-	100,944	739,208
Textbooks	22,500	-	-	-	-	-	-	22,500
Other objects	282	-	-	-	-	-	-	282
Total	1,207,284	406,765	10,983	301,542	94,539	-	114,498	2,135,611
Support services								
Tuition	-	-	-	-	-	-	-	-
Salaries	111,020	-	-	-	10,000	-	-	121,020
Employee benefits	93,012	-	-	34,205	-	2,862	-	130,079
Purchased professional & technical services	83,934	44,301	-	-	-	47,735	3,600	179,570
Purchased property services	10,000	-	-	-	-	-	-	10,000
Other purchased services	11,774	-	-	-	-	10,553	3,900	26,227
Supplies	71,085	-	-	-	3,175	574	1,118	75,952
Scholarships	35,075	-	-	-	-	-	-	35,075
Student activities	220,516	-	-	-	-	-	-	220,516
Total	636,416	44,301	-	34,205	13,175	61,724	8,618	798,439
Capital outlay								
Facility acquisition and construction services	32,000	-	-	-	-	-	-	32,000
Equipment	44,132	-	-	-	-	-	-	44,132
Total	76,132	-	-	-	-	-	-	76,132
Total expenditures	\$ 1,919,832	\$ 451,066	\$ 10,983	\$ 335,747	\$ 107,714	\$ 61,724	\$ 123,116	\$ 3,010,182
Excess (deficiency) of revenues over (under) expenditures	\$ 23,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,109
Fund balances, July 1 (as restated)	163,150	-	-	-	-	-	-	163,150
Fund balances, June 30	\$ 186,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,259

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	ESSA III Immigrant	ESSA IV	ARP ESSER II	ESSER III Accelerated Learning	CRRSA ESSER II	CRRSA Learning Acceleration	Total Carried Forward
Revenues								
Federal sources	\$ 292,433	\$ 2,050	\$ 31,350	\$ 375,284	\$ 30,000	\$ 32,000	\$ 72,689	\$ 835,806
State sources	813,816	-	-	-	-	-	-	813,816
Local sources	293,319	-	-	-	-	-	-	293,319
Total revenues	\$ 1,399,568	\$ 2,050	\$ 31,350	\$ 375,284	\$ 30,000	\$ 32,000	\$ 72,689	\$ 1,942,941
Expenditures								
Instruction								
Salaries	\$ 169,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,108	\$ 227,226
Other salaries - aides	59,152	-	-	-	-	-	-	59,152
Purchased professional & technical services	183,071	-	-	-	-	-	-	183,071
Other purchased services	111,284	-	-	-	-	-	-	111,284
Tuition - Private	62,114	-	-	-	-	-	-	62,114
Tuition - Public	51,898	-	-	-	-	-	-	51,898
Supplies	95,917	2,050	3,500	375,284	-	-	13,006	489,757
Textbooks	22,500	-	-	-	-	-	-	22,500
Other objects	282	-	-	-	-	-	-	282
Total	755,336	2,050	3,500	375,284	-	-	71,114	1,207,284
Support services								
Tuition	-	-	-	-	-	-	-	-
Salaries	109,445	-	-	-	-	-	1,575	111,020
Employee benefits	93,012	-	-	-	-	-	-	93,012
Purchased professional & technical services	26,084	-	27,850	-	30,000	-	-	83,934
Purchased property services	10,000	-	-	-	-	-	-	10,000
Other purchased services	11,774	-	-	-	-	-	-	11,774
Supplies	71,085	-	-	-	-	-	-	71,085
Scholarships	35,075	-	-	-	-	-	-	35,075
Student activities	220,516	-	-	-	-	-	-	220,516
Total	576,991	-	27,850	-	30,000	-	1,575	636,416
Capital outlay								
Facility acquisition and construction services	-	-	-	-	-	32,000	-	32,000
Equipment	44,132	-	-	-	-	-	-	44,132
Total	44,132	-	-	-	-	32,000	-	76,132
Total expenditures	\$ 1,376,459	\$ 2,050	\$ 31,350	\$ 375,284	\$ 30,000	\$ 32,000	\$ 72,689	\$ 1,919,832
Excess (deficiency) of revenues over (under) expenditures	\$ 23,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,109
Fund balances, July 1 (as restated)	163,150	-	-	-	-	-	-	163,150
Fund balances, June 30	\$ 186,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,259

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	CRRSA Mental Health	ARP IDEA Basic	ARP IDEA Preschool	ARP Homeless II	ACERS	CARES	Total Carried Forward
Revenues								
Federal sources	\$ -	\$ 17,485	\$ 97,112	\$ 9,152	\$ 10,697	\$ 114,012	\$ 43,975	\$ 292,433
State sources	813,816	-	-	-	-	-	-	813,816
Local sources	293,319	-	-	-	-	-	-	293,319
Total revenues	\$ 1,107,135	\$ 17,485	\$ 97,112	\$ 9,152	\$ 10,697	\$ 114,012	\$ 43,975	\$ 1,399,568
Expenditures								
Instruction								
Salaries	\$ 169,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,118
Other salaries - aides	59,152	-	-	-	-	-	-	59,152
Purchased professional & technical services	183,071	-	-	-	-	-	-	183,071
Other purchased services	-	-	97,112	9,152	-	-	5,020	111,284
Tuition - Private	-	-	-	-	-	62,114	-	62,114
Tuition - Public	-	-	-	-	-	51,898	-	51,898
Supplies	83,479	-	-	-	-	-	12,438	95,917
Textbooks	22,500	-	-	-	-	-	-	22,500
Other objects	282	-	-	-	-	-	-	282
Total	517,602	-	97,112	9,152	-	114,012	17,458	755,336
Support services								
Tuition	-	-	-	-	-	-	-	-
Salaries	109,445	-	-	-	-	-	-	109,445
Employee benefits	93,012	-	-	-	-	-	-	93,012
Purchased professional & technical services	8,599	17,485	-	-	-	-	-	26,084
Purchased property services	10,000	-	-	-	-	-	-	10,000
Other purchased services	300	-	-	-	10,697	-	777	11,774
Supplies	65,975	-	-	-	-	-	5,110	71,085
Scholarships	35,075	-	-	-	-	-	-	35,075
Student activities	220,516	-	-	-	-	-	-	220,516
Total	542,922	17,485	-	-	10,697	-	5,887	576,991
Capital outlay								
Facility acquisition and construction services	-	-	-	-	-	-	-	-
Equipment	23,502	-	-	-	-	-	20,630	44,132
Total	23,502	-	-	-	-	-	20,630	44,132
Total expenditures	\$ 1,084,026	\$ 17,485	\$ 97,112	\$ 9,152	\$ 10,697	\$ 114,012	\$ 43,975	\$ 1,376,459
Excess (deficiency) of revenues over (under) expenditures	\$ 23,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,109
Fund balances, July 1 (as restated)	163,150	-	-	-	-	-	-	163,150
Fund balances, June 30	\$ 186,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,259

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

	Preschool	Non-Public Textbooks, nursing tech, security	Chapter 192-193	Local Grants	Scholarships	Student Activities	Total Carried Forward
Revenues							
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	516,910	143,822	153,084	-	-	-	813,816
Local sources	-	-	-	14,619	31,579	247,121	293,319
Total revenues	\$ 516,910	\$ 143,822	\$ 153,084	\$ 14,619	\$ 31,579	\$ 247,121	\$ 1,107,135
Expenditures							
Instruction							
Salaries	\$ 128,206	\$ 40,912	\$ -	\$ -	\$ -	\$ -	\$ 169,118
Other salaries - aides	59,152	-	-	-	-	-	59,152
Purchased professional & technical services	29,987	-	153,084	-	-	-	183,071
Other purchased services	-	-	-	-	-	-	-
Tuition - Private	-	-	-	-	-	-	-
Tuition - Public	-	-	-	-	-	-	-
Supplies	54,425	14,435	-	14,619	-	-	83,479
Textbooks	-	22,500	-	-	-	-	22,500
Other objects	282	-	-	-	-	-	282
Total	272,052	77,847	153,084	14,619	-	-	517,602
Support services							
Tuition	-	-	-	-	-	-	-
Salaries	109,445	-	-	-	-	-	109,445
Employee benefits	93,012	-	-	-	-	-	93,012
Purchased professional & technical services	8,599	-	-	-	-	-	8,599
Purchased property services	10,000	-	-	-	-	-	10,000
Other purchased services	300	-	-	-	-	-	300
Supplies	-	65,975	-	-	-	-	65,975
Scholarships	-	-	-	-	35,075	-	35,075
Student activities	-	-	-	-	-	220,516	220,516
Total	221,356	65,975	-	-	35,075	220,516	542,922
Capital outlay							
Facility acquisition and construction services	-	-	-	-	-	-	-
Equipment	23,502	-	-	-	-	-	23,502
Total	23,502	-	-	-	-	-	23,502
Total expenditures	\$ 516,910	\$ 143,822	\$ 153,084	\$ 14,619	\$ 35,075	\$ 220,516	\$ 1,084,026
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ (3,496)	\$ 26,605	\$ 23,109
Fund balances, July 1 (as restated)	-	-	-	-	31,654	131,496	163,150
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ 28,158	\$ 158,101	\$ 186,259

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 197,010	\$ 128,206	\$ 68,804
Other salaries - aides	71,500	59,153	12,347
Purchased professional and technical services	35,000	29,987	5,013
Supplies	76,682	54,425	22,257
Other objects	1,000	281	719
Total	<u>381,192</u>	<u>272,052</u>	<u>109,140</u>
Support services			
Salaries	143,860	109,445	34,415
Employee benefits	93,012	93,012	-
Purchased professional and technical services	53,796	8,599	45,197
Purchased property services	10,000	10,000	-
Other purchased services	2,000	300	1,700
Total	<u>302,668</u>	<u>221,356</u>	<u>81,312</u>
Capital outlay			
Noninstructional equipment	<u>140,000</u>	<u>23,502</u>	<u>116,498</u>
Total expenditures	<u>\$ 823,860</u>	<u>\$ 516,910</u>	<u>\$ 306,950</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2022

Calculation of Budget & Carryover

Total revised 2021 - 2022 Preschool education aid allocation	\$ 823,860
Add: actual ECPA/PEA carryover (June 30, 2021)	-
Add: budgeted transfer from general fund	-
Total preschool education aid funds available for 2021 - 2022 budget	<u>823,860</u>
Less: 2021 - 2022 budgeted preschool education aid	<u>(823,860)</u>
Available and unbudgeted preschool education aid funds as of June 30, 2022	-
Add: 2021 - 2022 unexpended preschool education aid	<u>306,950</u>
2021 - 2022 Actual carryover preschool education aid	<u><u>\$ 306,950</u></u>
2021 - 2022 Preschool education aid carryover budgeted for preschool programs 2022 - 2023	<u><u>\$ 306,950</u></u>

See independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PALISADES PARK SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2022

Description	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/2022
		Prior Years	Current Year	
1997 School renovation project	\$ 2,500,000	\$ 2,499,795	\$ -	\$ 205
Roof replacement - Jr./Sr. High School	252,058	252,021	-	37
Early Childhood Center	5,383,959	5,367,391	-	16,568
Board office conversion to classrooms	<u>55,137</u>	<u>31,152</u>	<u>-</u>	<u>23,985</u>
	<u>\$ 8,191,154</u>	<u>\$ 8,150,359</u>	<u>\$ -</u>	<u>\$ 40,795</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2022

Fund balance - beginning	<u>\$ 40,795</u>
Fund balance - ending	<u><u>\$ 40,795</u></u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
1997 School Renovation Project
For the Fiscal Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State sources - SCC grant				
Certificates of participation	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Sale of Property	1,500,000	-	1,500,000	-
Total revenues	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>
Expenditures				
Construction services	2,499,795	-	2,499,795	-
Total expenditures	<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>

Additional Project Information

Authorization date	1997
Original authorized cost	\$ 2,500,000
Additional authorized cost	-
Revised authorized cost	2,500,000
Percentage completion	100%

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Jr./Sr. High School Roof Replacement
For the Fiscal Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State sources - SCC grant	\$ 100,823	\$ -	\$ 100,823	\$ -
Transfers from capital reserve	135,266	-	135,266	-
Transfers from capital outlay	15,969	-	15,969	-
Total revenues	<u>252,058</u>	<u>-</u>	<u>252,058</u>	<u>-</u>
Expenditures				
Construction services	<u>252,021</u>	<u>-</u>	<u>252,021</u>	<u>-</u>
Total expenditures	<u>252,021</u>	<u>-</u>	<u>252,021</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ -</u>

Additional Project Information

Project number	3910-050-04-00RA
Authorization date	07/15/04
Original authorized cost	\$ 252,058
Additional authorized cost	-
Revised authorized cost	252,058
Percentage completion	100%

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Early Childhood Center
For the Fiscal Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State sources - SCC grant	\$ 1,343,959	\$ -	\$ 1,343,959	\$ -
Sale of Property	3,840,000	-	3,840,000	-
Transfers from food service fund	150,000	-	150,000	-
Donations	50,000	-	50,000	-
Total revenues	<u>5,383,959</u>	<u>-</u>	<u>5,383,959</u>	<u>-</u>
Expenditures				
Purchased professional & technical services	209,665	-	209,665	-
Construction services	5,157,726	-	5,157,726	-
Total expenditures	<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>

Additional Project Information

Project number	3910-N01-03-0632
Authorization date	07/15/04
Original authorized cost	\$ 5,492,959
Additional authorized cost	85,000
Revised authorized cost	5,577,959
Percentage completion	96%

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Board Office Conversion to Classrooms
For the Fiscal Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
Transfers from capital reserve	\$ 55,137	\$ -	\$ 55,137	\$ -
Total revenues	55,137	-	55,137	-
Expenditures				
Purchased professional & technical services	15,656	-	15,656	-
Construction services	15,496	-	15,496	-
Total expenditures	31,152	-	31,152	-
Excess (deficiency) of revenues over (under) expenditures	\$ 23,985	\$ -	\$ 23,985	\$ -

Additional Project Information

Project number	N/A
Authorization date	N/A
Original authorized cost	\$ 55,137
Additional authorized cost	-
Revised authorized cost	55,137
Percentage completion	56%

See independent auditors' report.

PROPRIETARY FUND

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

See Statements B-4, B-5, and B-6.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

(NOT APPLICABLE TO THIS REPORT)

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

PALISADES PARK SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2022

Description	Date of Lease	Amount of Original Issue	Balance 07/01/21	Issued	Retired	Balance 06/30/22
2019 Ford F-250	12/10/2019	41,770	\$ 25,126	\$ -	\$ 7,984	\$ 17,142
2020 Ford F-350	10/8/2020	36,884	28,625	-	6,545	22,080
Copiers	7/30/2019	193,861	133,595	-	38,183	95,412
Security camera system	7/9/2021	231,036	-	231,036	48,696	182,340
			<u>\$ 187,346</u>	<u>\$ 231,036</u>	<u>\$ 101,408</u>	<u>\$ 316,974</u>

See independent auditors' report.

STATISTICAL SECTION

PALISADES PARK SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

PALISADES PARK SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Government activities										
Net investment in capital assets	\$ 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	\$ 16,022,842
Restricted	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	3,670,764
Unrestricted	(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)	(3,094,671)
Total governmental activities	<u>\$ 16,000,065</u>	<u>\$ 14,083,648</u>	<u>\$ 9,714,533</u>	<u>\$ 10,039,932</u>	<u>\$ 9,828,615</u>	<u>\$ 9,514,330</u>	<u>\$ 9,859,889</u>	<u>\$ 11,074,558</u>	<u>\$ 13,617,135</u>	<u>\$ 16,598,935</u>
Business-type activities										
Net investment in capital assets	\$ 49,093	\$ 45,910	\$ 42,727	\$ 39,544	\$ 42,211	\$ 38,378	\$ 42,980	\$ 144,320	\$ 135,882	\$ 148,057
Unrestricted	210,101	279,719	243,529	244,442	298,822	245,248	298,822	227,055	368,508	480,381
Total business-type activities	<u>\$ 259,194</u>	<u>\$ 325,629</u>	<u>\$ 286,256</u>	<u>\$ 283,986</u>	<u>\$ 341,033</u>	<u>\$ 283,626</u>	<u>\$ 341,802</u>	<u>\$ 371,375</u>	<u>\$ 504,390</u>	<u>\$ 628,438</u>
District-wide										
Net investment in capital assets	\$ 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	\$ 16,170,899
Restricted	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	3,670,764
Unrestricted	(1,269,416)	(3,730,033)	(8,236,072)	(8,616,495)	(9,297,531)	(8,909,655)	(8,346,381)	(8,434,277)	(7,199,897)	(2,614,290)
Total district-wide	<u>\$ 16,259,259</u>	<u>\$ 14,409,277</u>	<u>\$ 10,000,789</u>	<u>\$ 10,323,918</u>	<u>\$ 10,169,648</u>	<u>\$ 9,797,956</u>	<u>\$ 10,201,691</u>	<u>\$ 11,445,933</u>	<u>\$ 14,121,525</u>	<u>\$ 17,227,373</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 17,573,558
Special education	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	4,716,590
Other special education	1,130,595	987,753	864,562	860,482	1,023,609	1,082,831	1,171,257	1,419,050	1,870,163	3,560,360
Other instruction	463,745	435,634	407,524	441,448	429,877	562,925	592,432	556,450	481,011	813,242
Support services										
Tuition	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	1,890,736
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	1,911,931	2,131,185	2,061,899	2,058,446	2,292,088	2,707,516	2,867,883	2,396,647	2,315,307	4,532,902
General & business administrative services	1,045,289	1,098,129	1,102,730	1,187,913	1,139,278	1,144,964	1,363,453	1,282,278	1,276,004	1,427,690
School administration	1,292,560	1,241,805	1,404,188	1,538,820	1,613,468	1,755,893	1,843,878	1,937,598	1,931,609	2,135,743
Plant operations & maintenance	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	2,230,772
Pupil transportation	305,943	305,563	311,896	333,313	385,142	397,734	523,293	434,533	419,080	783,028
Unallocated benefits	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	36,970
Capital Outlay - nondepreciable	18,094	37,860	32,533	27,021	41,812	47,399	12,601	12,601	8,916	-
Unallocated depreciation	246,553	277,747	277,747	277,747	280,202	280,202	296,054	289,359	296,267	-
Interest on long-term debt	74,445	15,455	42,421	26,409	15,263	9,879	7,996	5,396	2,369	22,444
Total governmental activities expenses	<u>25,016,299</u>	<u>27,100,371</u>	<u>28,512,835</u>	<u>31,170,907</u>	<u>28,871,341</u>	<u>33,037,610</u>	<u>34,275,170</u>	<u>32,705,863</u>	<u>35,954,697</u>	<u>39,724,035</u>
Business-type activities										
After school child care	84,307	82,508	83,894	90,073	116,355	124,905	99,165	-	-	-
Food services	685,672	696,434	724,018	762,950	812,485	806,638	791,427	632,692	482,934	968,203
Total business-type activities	<u>769,979</u>	<u>778,942</u>	<u>807,912</u>	<u>853,023</u>	<u>928,840</u>	<u>931,543</u>	<u>890,592</u>	<u>632,692</u>	<u>482,934</u>	<u>968,203</u>
Total district expenses	<u>\$ 25,786,278</u>	<u>\$ 27,879,313</u>	<u>\$ 29,320,747</u>	<u>\$ 32,023,930</u>	<u>\$ 29,800,181</u>	<u>\$ 33,969,153</u>	<u>\$ 35,165,762</u>	<u>\$ 33,338,555</u>	<u>\$ 36,437,631</u>	<u>\$ 40,692,238</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program revenues										
Governmental activities										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,754	\$ 325,190
Operating grants & contributions	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	2,439,677
Total governmental activities	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	2,764,867
Business-type activities										
Charges for services										
Food service	328,595	341,732	320,233	309,782	354,426	342,360	345,777	250,165	351	92,335
Child care	113,264	135,641	101,740	111,285	125,236	129,120	73,610	-	-	-
Operating grants & contributions	364,346	367,996	346,558	429,680	506,861	531,987	527,932	411,206	615,571	1,059,912
Total business-type activities	806,205	845,369	768,531	850,747	986,523	1,003,467	947,319	661,371	615,922	1,152,247
Total district-wide program revenues	\$ 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	\$ 3,917,114
Net (expense) revenues										
Governmental activities	\$ (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)	\$ (36,959,168)
Business-type activities	36,226	66,427	(39,381)	(2,276)	57,683	71,924	56,727	28,679	132,988	184,044
Total district-wide net expenses	\$ (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)	\$ (36,775,124)
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 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	\$ 24,850,088
Taxes levied for debt service	557,377	752,448	611,767	439,987	271,624	112,506	113,718	115,242	116,344	-
Unrestricted grants & contributions	4,245,345	3,836,595	6,756,966	8,007,804	5,064,472	8,237,269	9,495,682	8,229,936	11,770,239	14,625,301
Tuition received	-	-	-	-	108,519	165,166	131,060	153,500	3,529	-
State capital projects grant deobligated	-	-	-	-	-	-	9,000	10,855	-	-
Investment earnings	1,513	1,158	907	593	251	638	2,765	2,054	86	779
Miscellaneous income	140,770	85,076	140,861	193,164	52,636	35,380	129,531	101,540	30,722	60,127
Loss on disposal of capital assets	-	-	-	-	-	(3,431)	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-	60,018
Total governmental activities	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	39,596,313

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues & other changes in net position (cont'd)										
Business-type activities										
Investment earnings	\$ 171	\$ 8	\$ 8	\$ 6	\$ 14	\$ 195	\$ 904	\$ 1,439	\$ 27	\$ 22
Loss on disposal of capital assets	-	-	-	-	-	(129,526)	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-	(60,018)
Total business-type activities	<u>171</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>14</u>	<u>(129,331)</u>	<u>904</u>	<u>1,439</u>	<u>27</u>	<u>(59,996)</u>
Total district-wide	<u>\$ 24,275,797</u>	<u>\$ 24,208,594</u>	<u>\$ 27,576,057</u>	<u>\$ 30,067,177</u>	<u>\$ 27,516,002</u>	<u>\$ 31,108,840</u>	<u>\$ 33,135,915</u>	<u>\$ 32,499,694</u>	<u>\$ 36,283,778</u>	<u>\$ 39,536,317</u>
Change in net position										
Governmental activities	\$ 191,602	\$ (1,916,417)	\$ 273,841	\$ 325,399	\$ (211,317)	\$ (314,285)	\$ 345,559	\$ 1,214,669	\$ 2,358,441	\$ 2,637,145
Business-type activities	36,397	66,435	(39,373)	(2,270)	57,697	(57,407)	57,631	30,118	133,015	124,048
Total district	<u>\$ 227,999</u>	<u>\$ (1,849,982)</u>	<u>\$ 234,468</u>	<u>\$ 323,129</u>	<u>\$ (153,620)</u>	<u>\$ (371,692)</u>	<u>\$ 403,190</u>	<u>\$ 1,244,787</u>	<u>\$ 2,491,456</u>	<u>\$ 2,761,193</u>

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Restricted	\$ 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	\$ 5,698,104
Committed	-	-	-	-	-	-	-	-	-	757,690
Assigned	390,417	343,310	121,010	285,896	508,035	155,167	113,070	1,086,020	178,028	251,215
Unassigned	333,938	274,289	349,492	375,524	382,717	428,422	542,081	383,168	1,199,682	1,323,954
Total general fund	<u>\$ 1,922,385</u>	<u>\$ 1,779,209</u>	<u>\$ 1,779,233</u>	<u>\$ 2,450,980</u>	<u>\$ 2,994,589</u>	<u>\$ 2,650,766</u>	<u>\$ 2,717,219</u>	<u>\$ 4,052,749</u>	<u>\$ 6,569,542</u>	<u>\$ 8,030,963</u>
								*		
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,149	\$ 10,836
Capital projects fund	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795
Assigned, reported in										
Debt service fund	(179,110)	(65,891)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (138,315)</u>	<u>\$ (25,096)</u>	<u>\$ 40,795</u>	<u>\$ 40,795</u>	<u>\$ 40,795</u>	<u>\$ 40,795</u>	<u>\$ 40,795</u>	<u>\$ 40,795</u>	<u>\$ 203,944</u>	<u>\$ 51,631</u>
								*		

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 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	\$ 24,850,088
Tuition charges	-	-	-	-	108,519	165,166	131,060	153,500	-	-
Interest earnings	1,513	1,158	907	593	251	638	2,765	2,054	86	779
Rents and royalties	-	-	-	-	-	-	-	-	-	78,069
Miscellaneous	140,770	85,076	140,861	193,164	52,636	35,380	129,531	101,540	30,722	349,939
Student group receipts	-	-	-	-	-	-	-	-	148,754	-
Local sources	-	-	-	-	-	-	11,663	12,648	5,809	-
State sources	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	9,902,851
Federal sources	774,003	809,893	1,068,970	1,240,564	972,897	1,283,349	1,296,063	1,203,723	1,652,360	1,866,304
Total revenues	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	37,048,030
Expenditures										
Instruction										
Regular instruction	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	8,307,031
Special education instruction	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	2,240,206
Other special instruction	900,166	785,828	692,297	679,368	813,629	853,466	846,346	1,009,841	1,389,355	1,459,971
Other instruction	391,780	368,463	345,893	371,422	366,169	464,516	459,437	449,141	377,170	449,226
Support services										
Tuition	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	1,361,136
Attendance & social work	-	-	2,650	2,600	2,000	1,925	3,150	3,469	1,964	4,328
Health services	236,322	233,023	235,731	212,118	232,561	229,902	236,996	211,579	232,344	241,325
Student & instructional related services	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	2,112,297
School administration services	1,029,631	986,468	1,118,963	1,213,076	1,283,751	1,393,761	1,347,329	1,413,108	1,440,160	1,354,160
General administration	590,662	663,021	653,230	810,236	796,030	800,466	896,003	798,921	824,265	861,051
Central services	353,051	318,668	330,959	238,442	216,535	214,751	250,970	283,065	273,353	263,660
Plant operations & maintenance	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	1,878,454
Pupil transportation	305,943	305,563	311,896	333,313	385,142	397,734	486,213	400,866	410,715	759,662
Unallocated Employee benefits	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	4,433,461
On-behalf TPAF Pension & Social Security contributions	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	6,579,868
Capital outlay	465,471	442,059	50,009	91,042	121,601	64,474	21,601	65,226	25,512	734,050
Charter Schools	28,679	50,333	51,148	50,809	37,291	34,363	45,642	30,972	124,264	36,970
Special revenue funds	-	-	-	-	-	-	-	-	-	2,839,112
Debt service										
Principal	542,219	577,327	503,228	413,235	255,884	102,000	105,000	109,000	113,000	101,408
Interest & other charges	81,049	61,902	42,648	26,752	15,740	10,506	8,718	6,242	3,344	12,601
Total expenditures	25,875,488	25,213,911	26,352,857	27,491,929	28,116,415	30,533,549	31,633,163	31,005,823	31,796,560	36,029,977

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess (deficiency) of revenues over (under) expenditures	\$ (667,587)	\$ (29,957)	\$ 65,915	\$ 671,747	\$ 543,609	\$ (343,823)	\$ 66,453	\$ 1,293,760	\$ 2,458,922	\$ 1,018,053
Other financing sources (uses)										
Leases (non-budgeted)	-	-	-	-	-	-	-	41,770	36,884	231,036
Transfers in (out)	-	-	-	-	-	-	-	-	-	60,018
Total other financing sources (uses)	-	-	-	-	-	-	-	41,770	36,884	291,054
Net change in fund balances	<u>(667,587)</u>	<u>(29,957)</u>	<u>65,915</u>	<u>671,747</u>	<u>543,609</u>	<u>(343,823)</u>	<u>66,453</u>	<u>1,335,530</u>	<u>2,495,806</u>	<u>1,309,107</u>
Debt service as a percentage of non-capital expenditures	2.52%	2.65%	2.12%	1.64%	0.98%	0.37%	0.36%	0.37%	0.37%	0.32%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tuition revenue	\$ -	\$ -	\$ 1,852	\$ -	\$ 108,519	\$ 165,166	\$ 131,060	\$ 153,500	\$ -	\$ -
Rent	28,250	50,300	48,250	41,000	27,500	35,380	71,300	59,400	-	78,069
Refunds	66,347	31,887	12,690	5,167	11,335	-	882	-	-	14,109
Fines	1,359	343	366	705	30	-	381	-	-	-
Insurance reimbursements	-	-	9,792	-	-	-	-	-	-	-
Interest on investments	34	950	996	444	106	638	2,765	25,111	1,641	779
Miscellaneous	44,780	1,596	11,992	7,126	3,166	-	56,968	2,129	29,167	6,607
E-rate	-	-	-	-	-	-	-	-	-	32,916
Ameripay Bankruptcy Settlement	-	-	-	138,722	-	-	-	-	-	-
Voided checks	-	-	54,923	-	10,499	-	-	16,954	-	6,495
Annual totals	\$ 140,770	\$ 85,076	\$ 140,861	\$ 193,164	\$ 161,155	\$ 201,184	\$ 263,356	\$ 257,094	\$ 30,808	\$ 138,975

Source: District records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vacant land	\$ 16,176,700	\$ 11,110,300	\$ 13,416,900	\$ 11,152,000	\$ 11,405,800	\$ 15,641,600	\$ 13,859,100	\$ 24,006,000	\$ 23,650,200	\$ 21,376,800
Residential	1,714,414,800	1,747,064,600	1,759,411,600	1,789,792,400	1,802,131,900	1,823,466,500	1,838,877,600	2,444,266,400	2,431,435,700	2,597,510,200
Commercial	299,296,600	303,428,798	292,012,798	290,131,598	293,068,898	289,818,898	291,926,198	421,949,100	419,049,700	437,831,200
Industrial	88,895,500	87,836,600	86,725,800	83,630,300	83,821,100	83,876,100	83,033,100	117,528,200	118,339,100	130,739,700
Apartment	183,279,200	163,105,100	160,550,800	159,898,200	162,373,200	161,763,400	161,783,400	259,908,200	256,554,100	280,397,600
Total assessed value	2,302,062,800	2,312,545,398	2,312,117,898	2,334,604,498	2,352,800,898	2,374,566,498	2,389,479,398	3,267,657,900	3,249,028,800	3,467,855,500
Less tax-exempt property	139,130,200	138,685,400	144,525,200	144,734,700	144,734,700	141,388,700	142,412,900	171,308	-	-
Public utilities (a)	768,264	659,782	724,845	693,067	645,152	621,995	627,760	807,230	815,176	816,599
Net valuation taxable	\$ 2,163,700,864	\$ 2,174,519,780	\$ 2,168,317,543	\$ 2,190,562,865	\$ 2,208,711,350	\$ 2,233,799,793	\$ 2,247,694,258	\$ 3,268,293,822	\$ 3,249,843,976	\$ 3,468,672,099
Estimated actual county equalized value	\$ 2,676,189,031	\$ 2,450,292,418	\$ 2,569,744,732	\$ 2,795,287,869	\$ 2,937,607,951	\$ 2,977,015,199	\$ 3,124,538,595	\$ 3,328,699,989	\$ 3,294,306,104	\$ 3,636,266,332
Percentage of net valuation to estimated actual equalized value	80.85%	88.75%	84.38%	78.37%	75.19%	75.03%	71.94%	98.19%	98.65%	95.39%
Total direct school tax rate (b)	\$ 0.881	\$ 0.894	\$ 0.945	\$ 0.955	\$ 0.969	\$ 0.984	\$ 1.005	\$ 0.749	\$ 0.764	\$ 0.731

Source: Municipal tax assessor

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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County		
			Total Direct School Tax Rate						
2013	\$ 0.856	\$ 0.025	\$ 0.881		\$ -	\$ 0.637	\$ 0.266	\$ -	\$ 1.784
2014	0.861	0.033	0.894		-	0.634	0.249	-	1.777
2015	0.917	0.028	0.945		-	0.660	0.256	-	1.861
2016	0.936	0.019	0.955		-	0.677	0.269	-	1.901
2017	0.957	0.012	0.969		-	0.689	0.301	-	1.959
2018	0.979	0.005	0.984		-	0.689	0.306	-	1.979
2019	1.000	0.005	1.005		-	0.722	0.305	-	2.032
2020	0.745	0.004	0.749		-	0.549	0.245	-	1.543
2021	0.760	0.004	0.764		-	0.564	0.256	-	1.584
2022	0.731	-	0.731		-	0.554	0.254	-	1.539

Sources: Municipal Tax Collector

Note: N.J.S.A.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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

See independent auditors' report.

**PALISADES PARK SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago**

	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Leems Corp.	\$ 21,077,000	1	0.61%	\$ 16,062,600	2	0.74%
Marino Enterprises	17,672,500	2	0.51%	12,250,000	5	0.57%
200 Roosevelt Place LLC	14,871,600	3	0.43%	-		-
D & W Shin Realty Corp.	14,764,000	4	0.43%	-		-
Ruby Realty Company	13,664,400	5	0.39%	10,353,300	7	0.48%
Star Ridge Management Corp.	12,856,400	6	0.37%	-		-
Blvd. East Assoc. Ltd.	12,668,500	7	0.37%	-		-
Smart City Real Estate LLC	11,864,100	8	0.34%	-		-
BSJ Realty LLC	11,605,500	9	0.33%	13,499,700	3	0.62%
Palisades Manor LLC	9,296,700	10	0.27%	-		-
MWHF Palisades Park LLC (1)	-		-	18,168,800	1	0.84%
Berkeley Park/Limestone Hill	-		-	12,551,300	4	0.58%
Madison House Holding LLC	-		-	10,700,000	6	0.49%
MWHF Palisades Park LLC (2)	-		-	10,307,900	8	0.48%
Individual Taxpayer	-		-	10,234,400	9	0.47%
Bonanno Real Estate Group	-		-	9,941,900	10	0.46%
	<u>\$ 140,340,700</u>		<u>4.05%</u>	<u>\$ 124,069,900</u>		<u>5.73%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
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%
2018	22,803,149	22,882,421	100.35%
2019	23,366,973	23,312,752	99.77%
2020	24,000,370	23,946,149	99.77%
2021	24,479,175	24,831,300	101.44%
2022	24,850,088	24,795,867	99.78%

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

- (a) School taxes are collected by the Municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business- Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Loans Payable				
2013	\$ 810,000	\$ -	\$ 1,311,564	\$ 57,110	\$ -	\$ 2,178,674	0.15%	\$ 109
2014	717,000	-	884,347	-	-	1,601,347	0.11%	79
2015	624,000	-	474,119	-	-	1,098,119	0.07%	54
2016	529,000	-	155,884	-	-	684,884	0.04%	34
2017	429,000	-	-	-	-	429,000	0.03%	21
2018	327,000	-	-	-	-	327,000	0.02%	16
2019	222,000	-	-	-	-	222,000	0.01%	11
2020	113,000	-	32,743	-	-	145,743	0.01%	7
2021	-	-	187,346	-	-	187,346	0.01%	9
2022	-	-	316,974	-	-	316,974	N/A	16

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

N/A Information is not available

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 2,178,674	\$ -	\$ 2,178,674	0.10%	\$ 109
2014	717,000	-	717,000	0.03%	35
2015	624,000	-	624,000	0.03%	31
2016	529,000	-	529,000	0.02%	26
2017	429,000	-	429,000	0.02%	21
2018	327,000	-	327,000	0.01%	16
2019	222,000	-	222,000	0.01%	11
2020	113,000	-	113,000	0.00%	5
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.
- * Revalued/Reassessed

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 15,076,361	100.00%	\$ 15,076,361
County general obligation debt	839,785,818	1.82%	<u>15,299,953</u>
Subtotal, overlapping debt			30,376,314
School District direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 30,376,314</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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 the municipality. This process recognizes that when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.

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

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022

		Equalized Valuation Basis
	2021	\$ 3,790,723,136
	2020	3,327,892,759
	2019	3,123,910,835
		\$ 10,242,526,730
Average equalized valuation of taxable property		\$ 3,414,175,577
Debt limit (4.0% of average equalization value)	(a)	\$ 136,567,023
Total net debt applicable to limit		-
Legal debt margin		\$ 136,567,023

		Fiscal Year				
		2018	2019	2020	2021	2022
Debt limit		\$ 110,701,874	\$ 116,132,147	\$ 120,522,157	\$ 125,736,717	\$ 136,567,023
Total net debt applicable		327,000	222,000	113,000	-	-
Legal debt margin		\$ 110,374,874	\$ 115,910,147	\$ 120,409,157	\$ 125,736,717	\$ 136,567,023
Total net debt applicable to the limit as a percentage of debt limit		0.30%	0.19%	0.09%	0.00%	0.00%

		Fiscal Year				
		2013	2014	2015	2016	2017
Debt limit		\$ 100,803,791	\$ 100,040,358	\$ 100,841,294	\$ 99,688,090	\$ 104,289,032
Total net debt applicable		867,110	717,000	624,000	529,000	429,000
Legal debt margin		\$ 99,936,681	\$ 99,323,358	\$ 100,217,294	\$ 99,159,090	\$ 103,860,032
Total net debt applicable to the limit as a percentage of debt limit		0.86%	0.72%	0.62%	0.53%	0.41%

Source: Equalized valuation basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2013	20,042	\$ 1,438,474,466	\$ 71,773	9.5%
2014	20,301	1,447,177,086	71,286	6.6%
2015	20,337	1,502,558,571	73,883	3.3%
2016	20,441	1,580,559,443	77,323	3.1%
2017	20,491	1,615,428,476	78,836	2.9%
2018	20,611	1,669,985,664	81,024	2.6%
2019	20,721	1,765,242,711	85,191	2.3%
2020	20,716	1,828,000,556	88,241	10.8%
2021	20,942	1,926,077,624	91,972	5.0%
2022	20,149	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2022

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2013

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	132.0	133.0	136.0	137.0	138.0	136.0	133.0	128.0	129.0	134.0
Special education	27.0	40.0	48.0	49.0	49.0	65.0	36.0	39.0	40.0	42.0
Other instruction - aides	14.0	14.0	14.0	14.0	14.0	13.0	20.0	29.0	29.0	26.0
Support services										
Attendance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Student and instruction related services	14.0	19.0	19.0	19.0	19.0	30.0	26.0	26.0	25.0	26.0
General administration	8.0	1.0	3.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0
School administration services	2.0	13.0	6.0	6.0	6.0	5.0	5.0	6.0	6.0	6.0
Lunch room/playground aides	3.0	7.0	3.0	3.0	6.0	6.0	-	-	-	2.0
Pupil transportation	-	-	-	-	-	-	7.0	2.0	2.0	-
Business administrative services	9.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant operations and maintenance	20.0	20.0	21.0	23.0	23.0	31.0	10.0	18.0	18.0	18.0
Total	<u>230.0</u>	<u>251.0</u>	<u>253.0</u>	<u>257.0</u>	<u>261.0</u>	<u>291.0</u>	<u>243.0</u>	<u>254.0</u>	<u>255.0</u>	<u>260.0</u>

Source: District Personnel Records

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	1588	\$ 24,786,749	\$ 15,609	10.39%	158.0	1:10.05	1,578.0	1,511.0	-0.13%	95.75%
2014	1640	24,167,988	14,737	-5.59%	163.0	1:10.06	1,616.0	1,546.0	2.41%	95.67%
2015	1602	25,756,972	16,078	9.10%	187.0	1:8.57	1,619.0	1,545.0	0.19%	95.43%
2016	1672	26,960,899	16,125	0.29%	198.0	1:8.44	1,635.0	1,551.0	0.99%	94.86%
2017	1677	27,723,190	16,531	2.52%	200.0	1:8.39	1,678.0	1,558.0	2.63%	92.85%
2018	1696	30,356,569	17,899	8.28%	201.0	1:8.44	1,717.0	1,626.0	2.32%	94.70%
2019	1700	31,497,844	18,528	3.51%	214.0	1:7.94	1,710.0	1,610.0	-0.41%	94.15%
2020	1813	30,825,355	17,002	-8.24%	189.0	1:9.59	1,815.0	1,718.0	6.14%	94.66%
2021	1665	31,555,952	18,953	11.48%	194.0	1:8.58	1,692.0	1,566.0	-6.78%	92.55%
2022	1775	35,181,918	19,821	4.58%	202.0	1:8.79	1,808.2	1,668.4	6.87%	92.27%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Elementary (Lindbergh)</u>										
Square feet	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584
Capacity (students)	621	621	621	621	621	621	621	621	621	621
Average daily enrollment	669	669	669	738	808	808	809	866	772	773
<u>High School</u>										
Square feet	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626
Capacity (students)	493	493	493	493	493	493	493	493	493	493
Average daily enrollment	556	556	556	560	659	681	692	753	740	751
<u>Early Childhood Center</u>										
Square feet	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600
Capacity (students)	360	360	360	360	360	360	360	360	360	360
Average daily enrollment	274	274	274	337	202	216	199	194	153	285
<u>Administration Building</u>										
Square feet	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
<u>Number of schools at June 30, 2022:</u>										
Elementary	1									
High School	1									
Early Childhood Center	1									
Other	1									

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	Early Childhood Center	Lindbergh School	Palisades Park High School	Administration Building	Total
2013	\$ 33,819	\$ 51,932	\$ 53,700	\$ -	\$ 139,451
2014	9,004	19,901	58,046	-	86,951
2015	18,590	36,183	40,010	-	94,783
2016	12,423	44,724	59,036	-	116,183
2017	12,787	17,870	18,284	-	48,941
2018	599	24,127	15,167	-	39,893
2019	8,693	30,206	44,993	-	83,892
2020	8,274	28,750	42,825	-	79,849
2021	5,369	45,091	72,391	-	122,851
2022	10,045	27,529	53,547	1,163	92,284
Total school facilities	<u>\$ 119,603</u>	<u>\$ 326,313</u>	<u>\$ 457,999</u>	<u>\$ 1,163</u>	<u>\$ 905,078</u>

* School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Insurance Schedule
June 30, 2022
(Unaudited)

	Coverage	Deductible
School Alliance Insurance Fund		
Property - Building, Contents & Valuable Papers	\$ 59,022,769	\$ 2,500
Earthquake		
Per Occurrence	25,000,000	-
Flood		
Excluding Zones A&V		
Per Occurrence	10,000,000	-
Annual Aggregate	50,000,000	-
In Flood Zone A&V		
Per Occurrence	25,000,000	-
Annual Aggregate	50,000,000	-
Boiler & Machinery Damage (Per Occurrence)	100,000,000	50,000
Cyber Liability - Limit of Liability	2,000,000	10,000
Crime Coverage		
Employee Dishonesty w/ faithful performance (per loss)	500,000	1,000
Money & Securities		
Inside	50,000	1,000
Outside	50,000	1,000
Comprehensive General Liability		
Per Occurrence	5,000,000	-
Fund Aggregate	30,000,000	-
Automobile Liability		
Per Occurrence	5,000,000	1,000
Fund Aggregate	30,000,000	-
School Leaders		
Liability & Employment Practices Liability		
Per Claim	5,000,000	5,000
Aggregate/Occurrence	10,000,000	-
SELF		
Additional Excess Liability		
Per Occurrence	5,000,000	-
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		

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Insurance Schedule
June 30, 2022
(Unaudited)

	Coverage	Deductible
CHUBB Insurance Co.		
Environmental Impairment Liability		
Per Occurrence	\$ 1,000,000	\$ 10,000
Annual Aggregate	25,000,000	-
Gerber Life		
Business Travel Accident, Class I and II	100,000	-
Aggregate Limit	500,000	-

Source: District Records

See independent auditors' report.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



**Independent Auditors' 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
Palisades Park School District
Palisades Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Palisades Park School District (the District) in the County of Bergen, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Palisades Park School District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal

control, described in the accompanying schedule of findings and questioned costs as items 2022-004 and 2022-006 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described as items 2022-001, 2022-002, 2022-003, 2022-004, and 2022-006.

Palisade Park School District's Response to Findings

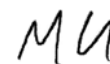
Palisades Park School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

March 17, 2023
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance
and the New Jersey OMB Circular 15-08**

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Palisades Park School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2022-005. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2022-005 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA,
PSA NO. 20CS00265600

March 17, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

PALISADES PARK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021		Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2022		
					From	To	(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Health and Human Services passed through State Department of Education General Fund															
Medical Assistance Program (SEMI)	93.778	20005NJ5MAP	N/A	\$ 33,003	07/01/21	06/30/22	\$ -	\$ -	\$ 33,003	\$ 33,003	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education passed through State Department of Education Special Revenue Fund															
Special education cluster (IDEA)															
IDEA Basic	84.027A	H027A200100	IDEA-391021	468,607	07/01/20	06/30/21	(5,791)	(59,752)	65,543	-	-	-	-	-	-
IDEA Basic	84.027A	H027A210100	IDEA-391022	510,818	07/01/21	06/30/22	-	59,752	297,667	451,066	-	-	(93,647)	-	-
IDEA Preschool	84.173A	H173A200114	IDEA-391022	10,983	07/01/21	06/30/22	-	-	10,983	10,983	-	-	-	-	-
Total special education cluster (IDEA)							(5,791)	-	374,193	462,049	-	-	(93,647)	-	-
Title IA	84.010A	S010A200030	ESEA-391021	564,388	07/01/20	06/30/21	(1,086)	(239,770)	240,856	-	-	-	-	-	-
Title IA	84.010A	S010A210030	ESEA-391022	751,112	07/01/21	06/30/22	-	239,770	92,283	335,748	-	-	(3,695)	-	-
Title IA SIA, Part A	84.010A	S010A200030	ESEA-391021	46,180	07/01/20	06/30/21	(817)	(24,199)	25,016	-	-	-	-	-	-
Title IA SIA, Part A	84.010A	S010A200030	ESEA-391021	104,400	07/01/20	06/30/21	14,855	-	-	-	-	-	-	-	14,855
Title IA SIA, Part A	84.010A	S010A210030	ESEA-391021	113,799	07/01/21	06/30/22	-	24,199	61,469	107,714	-	-	(22,046)	-	-
Title IIA	84.367A	S367A200029	ESEA-391021	87,917	07/01/20	06/30/21	(48,646)	(61,724)	73,072	-	-	-	(37,298)	-	-
Title IIA	84.367A	S367A210029	ESEA-391022	140,503	07/01/21	06/30/22	-	61,724	-	61,724	-	-	-	-	-
Title III	84.365A	S365A200030	ESEA-391021	91,202	07/01/20	06/30/21	(14,851)	(123,115)	37,269	-	-	-	(100,697)	-	-
Title III	84.365A	S365A210030	ESEA-391022	162,836	07/01/21	06/30/22	-	123,115	-	123,115	-	-	-	-	-
Title III Immigrant	84.365A	S365A200030	ESEA-391021	30,472	07/01/20	06/30/21	(16,279)	(2,050)	3,048	-	21	-	(15,260)	-	-
Title III Immigrant - carryover	84.365A	S365A210030	ESEA-391021	30,472	07/01/21	06/30/22	-	2,050	-	2,050	-	-	-	-	-
Title IV	84.424	S424A210031	ESEA-391022	70,152	07/01/21	06/30/22	-	(4,056)	18,002	31,350	-	-	(17,404)	-	-
Title IV	84.424	S424A200031	ESEA-391021	30,820	07/01/20	06/30/21	(4,056)	4,056	-	-	-	-	-	-	-
COVID-19															
CARES Emergency Relief	84.425D	S425D200027	CARES-391022	406,908	03/13/20	09/30/22	(238,030)	-	275,277	43,975	-	-	(6,728)	-	-
CRRSA - ESSER II	84.425D	S425D200027	CRRSA-391023	1,797,140	03/13/20	09/30/23	-	-	32,000	32,000	-	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D200027	CRRSA-391023	115,332	03/13/20	09/30/23	-	-	72,689	72,689	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D200027	CRRSA-391023	45,000	03/13/20	09/30/23	-	-	17,485	17,485	-	-	-	-	-
ARP - ESSER															
ARP - ESSER	84.425U	S425U210027	ESSER-391024	4,038,956	03/13/20	09/30/24	-	-	-	375,284	-	-	(375,284)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-391024	192,078	03/13/20	09/30/24	-	-	-	30,000	-	-	(30,000)	-	-
ARP IDEA Basic	84.027X	H027X210100	ARP-319022	107,689	07/01/21	09/30/22	-	-	97,112	97,112	-	-	-	-	-
ARP IDEA Preschool	84.173X	H173X210114	ARP-319022	9,152	07/01/21	09/30/22	-	-	9,152	9,152	-	-	-	-	-
ARP - Homeless II	84.425W	S425W210031	ARP-319023	10,697	04/23/21	09/30/23	-	-	-	10,697	-	-	(10,697)	-	-
ASCERS Program	21.027	SLFRFDOE1SES	ACERS-391022	114,012	07/01/21	06/30/22	-	-	-	114,012	-	-	(114,012)	-	-
Total Special Revenue Fund							(314,701)	-	1,428,923	1,926,156	21	-	(826,768)	-	14,855

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021		Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2022			
					From	To	(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund Child Nutrition Cluster National School Lunch Program																
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	\$ 71,989	10/01/21	09/30/22	\$ -	\$ -	\$ 71,982	\$ 67,135	\$ -	\$ -	\$ -	\$ 4,847	\$ -	\$ -
Cash Assistance	10.555	221NJ304N1099	N/A	937,344	10/01/21	09/30/22	-	-	898,380	937,344	-	-	(38,964)	-	-	-
Emergency Operational Cost Program	10.555	201NJ304N1099	N/A	65,269	07/01/20	06/30/21	(65,269)	-	65,269	-	-	-	-	-	-	-
Summer Food Service Program - Lunch	10.559	201NJ304N1099	N/A	329,098	07/01/20	06/30/21	(32,847)	-	32,847	-	-	-	-	-	-	-
Summer Food Service Program - Breakfast	10.559	201NJ304N1099	N/A	166,730	07/01/20	06/30/21	(16,627)	-	16,627	-	-	-	-	-	-	-
National Breakfast Program	10.553	221NJ304N1099	N/A	30,236	10/01/21	09/30/22	-	-	28,402	30,236	-	-	(1,834)	-	-	-
							(114,743)	-	1,113,507	1,034,715	-	-	(40,798)	4,847	-	-
P-EBT Administrative Cost	10.649	2022225900941	N/A	3,063	07/01/20	06/30/22	(3,063)	-	3,063	-	-	-	-	-	-	-
P-EBT Administrative Cost	10.649	2022225900941	N/A	3,135	07/01/21	06/30/22	-	-	3,135	3,135	-	-	-	-	-	-
Total Enterprise Fund							(117,806)	-	1,119,705	1,037,850	-	-	(40,798)	4,847	-	-
Total Federal Awards							\$ (432,507)	\$ -	\$ 2,581,631	\$ 2,997,009	\$ 21	\$ -	\$ (867,566)	\$ 4,847	\$ 14,855	

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2022			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	22-495-034-5121-014	\$ 101,852	07/01/21	06/30/22	\$ -	\$ -	\$ 96,765	\$ 101,852	\$ -	\$ -	\$ -	\$ -	\$ 5,087	\$ 101,852
Special Education Categorical Aid	22-495-034-5121-089	1,171,443	07/01/21	06/30/22	-	-	1,112,934	1,171,443	-	-	-	-	58,509	1,171,443
Equalization Aid	22-495-034-5121-078	711,969	07/01/21	06/30/22	-	-	676,409	711,969	-	-	-	-	35,560	711,969
Security Aid	22-495-034-5121-084	212,501	07/01/21	06/30/22	-	-	201,887	212,501	-	-	-	-	10,614	212,501
Adjustment Aid	22-495-034-5121-085	10,133	07/01/21	06/30/22	-	-	9,627	10,133	-	-	-	-	506	10,133
Extraordinary Special Education Costs Aid	21-495-034-5121-044	410,651	07/01/20	06/30/21	(410,651)	-	410,651	-	-	-	-	-	-	410,651
Extraordinary Special Education Costs Aid	22-495-034-5121-044	379,032	07/01/21	06/30/22	-	-	-	379,032	-	(379,032)	-	-	-	379,032
NTE Homeless Reimbursement	21-100-029-6060-034	3,401	07/01/20	06/30/21	(3,401)	-	3,401	-	-	-	-	-	-	3,401
Securing our Children's Future Bond Act	22-100-082-2000-A92	94,585	07/01/21	06/30/22	-	-	-	94,585	-	(94,585)	-	-	-	94,585
Reimbursed TPAF Social Security														
Contribution	21-495-034-5094-003	878,419	07/01/20	06/30/21	(45,043)	-	45,043	-	-	-	-	-	-	878,419
Reimbursed TPAF Social Security														
Contribution	22-495-034-5094-003	955,629	07/01/21	06/30/22	-	-	952,518	955,629	-	(3,111)	-	-	-	955,629
On-Behalf TPAF Pension Contribution -														
Teacher's Pension & Annuity Fund														
On-Behalf TPAF Pension Contribution -	22-495-034-5094-002	4,494,124	07/01/21	06/30/22	-	-	4,494,124	4,494,124	-	-	-	-	-	4,494,124
Non-Contributory Insurance														
On-Behalf TPAF Pension Contribution -	22-495-034-5094-004	63,406	07/01/21	06/30/22	-	-	63,406	63,406	-	-	-	-	-	63,406
Long-Term Disability Insurance														
On-Behalf TPAF Pension Contribution -	22-495-034-5094-004	1,886	07/01/21	06/30/22	-	-	1,886	1,886	-	-	-	-	-	1,886
Postretirement Medical														
On-Behalf TPAF Pension Contribution -	22-495-034-5094-001	1,064,823	07/01/21	06/30/22	-	-	1,064,823	1,064,823	-	-	-	-	-	1,064,823
Total General Fund					(459,095)	-	9,133,474	9,261,383	-	(476,728)	-	-	110,276	10,553,854
Special Revenue Fund														
Preschool	22-495-034-5120-086	823,860	07/01/21	06/30/22	-	-	648,437	516,910	-	-	306,950	-	175,423	516,910
SDA Emergent & Capital Maintenance Needs	22-100-034-5120-519	40,497	07/01/21	06/30/22	-	-	40,497	-	-	-	40,497	-	-	-
Textbook Aid	22-100-034-5120-064	22,508	07/01/21	06/30/22	-	-	22,508	22,500	-	-	-	8	-	22,500
Textbook Aid	21-100-034-5120-064	19,976	07/01/20	06/30/21	-	176	-	-	176	-	-	-	-	19,800
Nursing Services	22-100-034-5120-070	42,224	07/01/21	06/30/22	-	-	42,224	40,912	-	-	-	1,312	-	40,912
Nursing Services	21-100-034-5120-070	33,354	07/01/20	06/30/21	-	825	-	-	825	-	-	-	-	32,529
Technology Services	22-100-034-5120-373	15,750	07/01/21	06/30/22	-	-	15,750	14,435	-	-	-	1,315	-	14,435
Security Services	22-100-034-5120-509	65,975	07/01/21	06/30/22	-	-	65,975	65,975	-	-	-	-	-	65,975
Auxiliary Services (Chapter 192)														
Compensatory Education	22-100-034-5120-067	91,372	07/01/21	06/30/22	-	-	91,372	75,337	-	-	-	16,035	-	75,337
Compensatory Education	21-100-034-5120-067	88,833	07/01/20	06/30/21	-	40,063	-	-	40,063	-	-	-	-	48,770
English as a Second Language	22-100-034-5120-067	38,093	07/01/21	06/30/22	-	-	38,093	26,309	-	-	-	11,784	-	26,309
English as a Second Language	21-100-034-5120-067	30,197	07/01/20	06/30/21	-	6,218	-	-	6,218	-	-	-	-	23,979

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2022

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2022			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Special Revenue Fund (continued)														
Handicapped Services (Chapter 193)														
Examination & Classification	22-100-034-5120-066	\$ 43,408	07/01/21	06/30/22	\$ -	\$ -	\$ 43,408	\$ 21,420	\$ -	\$ -	\$ -	\$ 21,988	\$ -	\$ 21,420
Examination & Classification	21-100-034-5120-066	32,689	07/01/20	06/30/21	-	20,802	-	-	20,802	-	-	-	-	11,887
Corrective Speech	22-100-034-5120-066	27,900	07/01/21	06/30/22	-	-	27,900	17,298	-	-	-	10,602	-	17,298
Corrective Speech	21-100-034-5120-066	27,342	07/01/20	06/30/21	-	12,030	-	-	12,030	-	-	-	-	15,312
Supplementary Instruction	22-100-034-5120-066	16,850	07/01/21	06/30/22	-	-	16,850	12,720	-	-	-	4,130	-	12,720
Supplementary Instruction	21-100-034-5120-066	12,952	07/01/20	06/30/21	-	2,672	-	-	2,672	-	-	-	-	10,280
NJ Achievement Coaches Competitive Grant	15-100-034-5068-049	35,000	11/01/14	06/30/15	-	2,739	-	-	-	-	-	2,739	-	32,240
Total Special Revenue Fund					-	85,525	1,053,014	813,816	82,786	-	347,447	69,913	175,423	1,008,613
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	22,062	07/01/21	06/30/22	-	-	21,166	22,062	-	(896)	-	-	-	22,062
Total Enterprise Fund					-	-	21,166	22,062	-	(896)	-	-	-	22,062
Total State Financial Assistance					<u>\$ (459,095)</u>	<u>\$ 85,525</u>	<u>\$ 10,207,654</u>	<u>10,097,261</u>	<u>\$ 82,786</u>	<u>\$ (477,624)</u>	<u>\$ 347,447</u>	<u>\$ 69,913</u>	<u>\$ 285,699</u>	<u>\$ 11,584,529</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution -														
Teacher's Pension & Annuity Fund	22-495-034-5094-002							4,494,124						
On-Behalf TPAF Pension Contribution -														
Non-Contributory Insurance	22-495-034-5094-004							63,406						
On-Behalf TPAF Pension Contribution -														
Postretirement Medical	22-495-034-5094-001							1,064,823						
On-Behalf TPAF Pension Contribution -														
Long-Term Disability Insurance	22-495-034-5094-004							1,886						
Total for State Financial Assistance - Major Program Determination								<u>\$ 4,473,022</u>						

See independent auditors' report.

PALISADES PARK SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

Note 1 - General

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

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$77,783 for the general fund and (\$346,793) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

PALISADES PARK SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

Note 3 - Relationship of financial statement (continued)

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 33,003	\$ 9,339,166	\$ 9,372,169
Special revenue fund	1,833,301	563,685	2,396,986
Food service fund	1,037,850	22,062	1,059,912
Total awards and financial assistance	<u>\$ 2,904,154</u>	<u>\$ 9,924,913</u>	<u>\$ 12,829,067</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 USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. TPAF Social Security Contribution 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, 2022.

Note 6 - Adjustments on the Schedule of Federal Awards

On Schedule A; the adjustment for the ESSA Title III Immigrant program for fiscal year 2021 for \$21 represents adjustments to activity to correspond to board financial reports.

Note 7 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

PALISADES PARK SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes X No
2. Were significant deficiencies identified? X Yes None reported

Noncompliance material to basic financial statements noted?

 X Yes No

Federal Awards

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No
2. Were significant deficiencies identified? X Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

 X Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555, 10.553 & 10.559</u>	<u>221NJ304N1099</u>	<u>Child Nutrition Cluster</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

\$750,000

Did the auditee qualify as a low-risk auditee?

 X Yes No

**PALISADES PARK SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022**

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

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? X Yes No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
	<i>State Aid Public Cluster:</i>
<i>22-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>22-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>22-495-034-5120-084</i>	<i>Security Aid</i>
<i>22-495-034-5120-085</i>	<i>Adjustment Aid</i>

**PALISADES PARK SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022**

Section II - Financial Statement Findings

Finding 2022-01

Criteria

Net cash resources may not exceed three months average expenditures in the Food Service Fund.

Condition

Net cash resources exceeded three months average expenditures in the Food Service Fund.

Context

Net cash resources were \$467,600 and the average three months expenditures were \$286,292 for the year ended June 30, 2022.

Cause

Cafeteria operations resulted in excess net cash resources for the year ended June 30, 2022.

Recommendation

The District should make a continuing effort to reduce net cash resources as of the Food Service Fund.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding 2022-02

Criteria

All required federal employment forms should be on file for each employee.

Condition

Federal employment forms were not found for employees.

Context

Federal form I-9 was not found for employees.

Cause

Federal form I-9 was not completed and retained in the employee files at the date of hire.

Recommendation

The District should ensure that federal form I-9 is completed and on file for all employees.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PALISADES PARK SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022**

Section II - Financial Statement Findings (continued)

Finding 2022-03

Criteria

Minutes of Board meetings should be signed by the Board Secretary.

Condition

Minutes of Board meetings were not properly signed.

Context

The Board Secretary did not sign the minutes of Board meetings.

Cause

Unknown.

Recommendation

The District should ensure that minutes of Board meetings are properly signed.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding 2022-04

Criteria

A general ledger should be maintained for the Food Service Fund.

Condition

A general ledger was not maintained for the Food Service Fund.

Context

Transactions of the Food Service Fund were not detailed in a general ledger.

Cause

Unknown.

Recommendation

The District should maintain a general ledger for the food service fund.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**PALISADES PARK SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022**

Section II - Financial Statement Findings (continued)

Finding 2022-06

Criteria

NJSA 18A:19-1 requires checks from the warrant account be signed by the Board President, Board Secretary, and Superintendent or Treasurer of School Monies.

Condition

Warrant (Current Account) checks were processed without the required authorized signatures.

Context

Warrant (Current Account) checks were signed by the Board Secretary and School Business Administrator.

Cause

Unknown.

Recommendation

The District should ensure that Warrant (Current Account) checks are signed by the required authorized signers per NJSA 18A:19-1.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

Finding 2022-05

Criteria

Students reported as low income on the Application for State School Aid (ASSA) should meet state eligibility criteria.

Condition

Students reported as low income on the ASSA did not meet eligibility criteria.

Context

Students reported as low income on the Application for State School Aid (ASSA) were not supported by a free/reduced lunch application or direct certification.

Cause

Unknown.

**PALISADES PARK SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022**

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Recommendation

The District should ensure that students reported as low income meet eligibility requirements.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

PALISADES PARK SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2022

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on prior year finding 2020-002. Due to turnover in the Business Office, finding 2020-001 remains unresolved. The new Business Office personnel 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.