

**SCHOOL DISTRICT OF THE  
BOROUGH OF PALISADES PARK  
COUNTY OF BERGEN, NEW JERSEY  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

School District  
of the

# Borough of Palisades Park

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

**Annual Comprehensive Financial Report**  
**Year Ended June 30, 2023**

# Annual Comprehensive Financial Report

of the

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

**Year Ended June 30, 2023**

**Prepared by**

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

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Not Applicable

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Not Applicable

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## **INTRODUCTORY SECTION**

*Palisades Park Public Schools  
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Superintendent of Schools*

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

*January 12, 2024*

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

*Dear Board Members:*

*The Annual Comprehensive Financial Report (ACFR) of the Palisades Park School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.*

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

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

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

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

The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey State Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Kindergarten through 12. These include regular, vocational, as well as special education for students with special needs. The District completed the school year with an enrollment of 1,775 students, which is greater than the previous year's enrollment. The following chart details the changes in student enrollment over the last five (5) years:

**AVERAGE DAILY ENROLLMENT**

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENTAGE CHANGE</u>
2018-2019	1,817	+7.01%
2019-2020	1,830	+0.72%
2020-2021	1,700	(7.10%)
2021-2022	1,775	+4.41%
2022-2023	1,755	(1.13%)

**2.) Economic Conditions and Outlook:** Within the last five (5) years, the population of the district has shifted from predominately English-speaking students to a student population comprised of 22.7 % Asian, 68.0% Hispanic, 24.6% White, 2.6% Black, 0.28% Other. The local population continues to grow, mostly from overseas arrivals, adding strain to the school system's Bilingual, ELL, and Special Education programs.

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

**4.) Internal Accounting Controls:** *Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.*

*As a recipient of federal and state financial aid, the District also is responsible for ensuring that an adequate internal control structure is in place to guarantee compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.*

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

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

*An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of a fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reserves of a fund balance as of June 30, 2023.*

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

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

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

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

*As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis for the School District. This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the school district’s finances for 2023 and a discussion of current issues that affect the outlook for the future.*

**7.) Cash Management:** *The investment policy of the District is guided in large part State statute as detailed in “Notes to the Financial Statements”, Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.*

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

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

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


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

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

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

*Respectfully Submitted,*

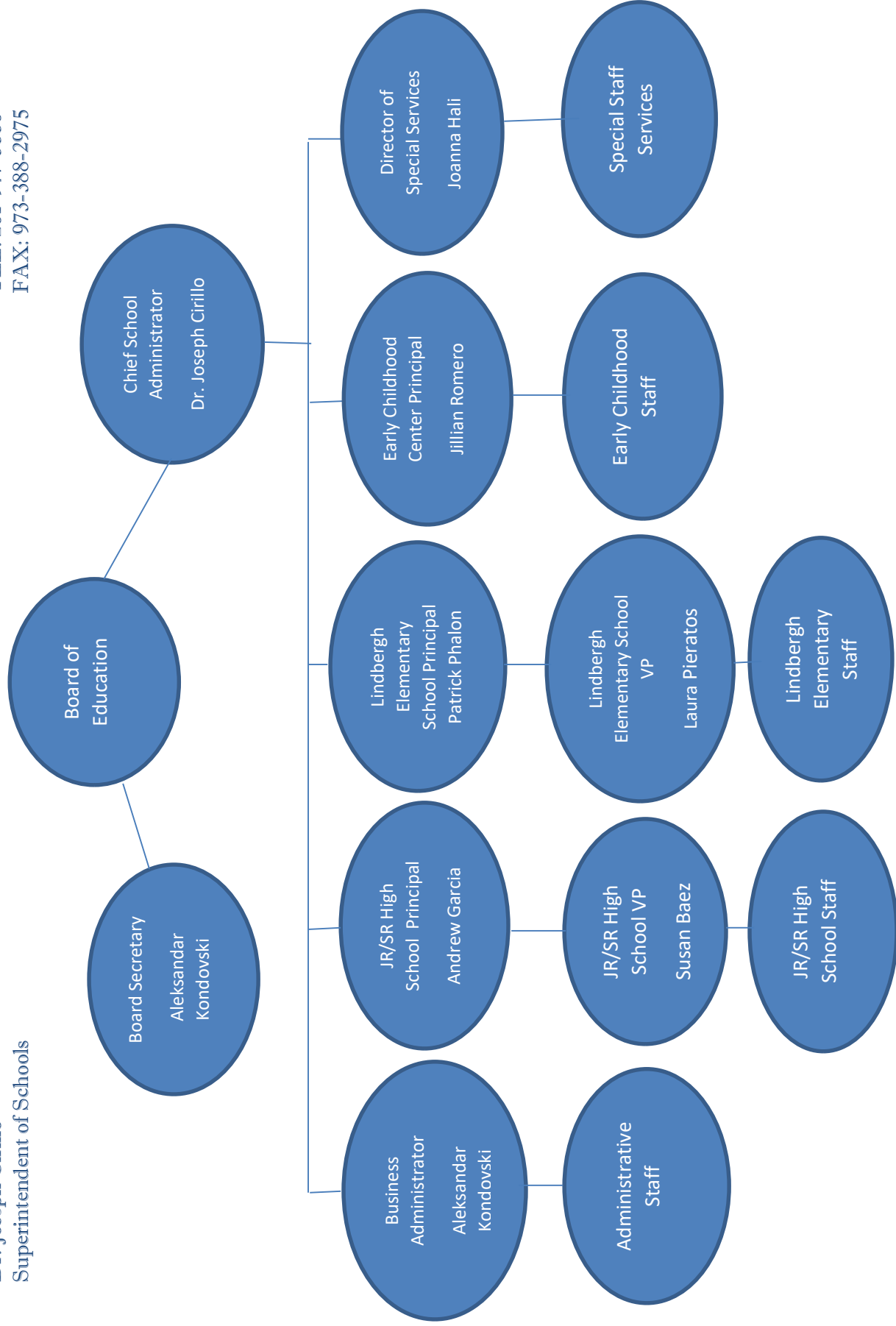
  
\_\_\_\_\_  
*Dr. Joseph Cirillo*  
*Superintendent of Schools*

  
\_\_\_\_\_  
*Mr. Aleksandar Kondovski*  
*Business Administrator*

**PALISADES PARK BOARD OF EDUCATION**  
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**PALISADES PARK, NJ 07650**

Dr. Joseph Cirillo  
 Superintendent of Schools

TEL: 201-947-3550  
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**PALISADES PARK BOARD OF EDUCATION**  
**ROSTER OF OFFICIALS – JUNE 30, 2023**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

<i>Eun Min, President</i>	<i>2024</i>
<i>Anieska Garcia, Vice-President</i>	<i>2023</i>
<i>Soo Chung</i>	<i>2024</i>
<i>Helen Jeon</i>	<i>2023</i>
<i>Rebekah Lee</i>	<i>2025</i>
<i>Kevin Lim</i>	<i>2023</i>
<i>Anthony Kim</i>	<i>2025</i>
<i>William Kim</i>	<i>2025</i>
<i>Charlie Shin</i>	<i>2024</i>

**OTHER OFFICIALS**

*Joseph Cirillo, Superintendent of Schools*

*Aleksandar Kondovski, Business Administrator/Board Secretary*

*Diane Montemurro, Administrative Assistant*



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

**Board Auditors**

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

**Legal Counsel**

Law Office of John McCann  
13 Ponds Way  
Oakland, NJ 07436

Law Offices of Sarah Kim  
20 Mercer Street Suite 3M  
Hackensack, NJ 07601

**Architects**

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

**Official Depositories**

PNC Bank  
264 Broad Avenue  
Palisades Park, NJ 07650

Connect One Bank  
204 Main Street  
Fort Lee, NJ 07024

**FINANCIAL SECTION**



# WIELKOTZ & COMPANY L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Palisades Park School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2023, 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, business-type activities and each major fund of the Borough of Palisades Park Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2023, 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Palisades Park Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 Palisades Park Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



Honorable President and  
Members of the Board of Education  
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- 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 Palisades Park Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Palisades Park Board of Education's ability to continue as a going concern for a reasonable period of time.

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

### *Other Matters*

#### *Required Supplementary Information*

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



Honorable President and  
Members of the Board of Education  
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*Other Information*

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

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

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



Honorable President and  
Members of the Board of Education  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024 on our consideration of the Borough of Palisades Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Palisades Park Board of Education's internal control over financial reporting and compliance.

*Steven D. Wielkotz*

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

*Wielkotz + Company, LLC*

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

January 12, 2024



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Palisades Park Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Palisades Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,536,668. (Net Position)
- In total, net position increased by \$3,309,295. Net position of governmental activities increased by \$3,194,581 and net position of business-type activity increased by \$114,714.
- General revenues accounted for \$34,645,298 in revenue or 88 percent of all governmental and business-type activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,902,690 or 12 percent of total revenues of \$39,547,988.
- The School District had \$35,197,562 in expenses related to governmental activities; only \$3,750,324 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$34,641,819 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$8,154,970.
- The General Fund fund balance at June 30, 2023 was \$7,906,777 which was a decrease of \$124,186 compared to the ending fund balance at June 30, 2022 of \$8,030,963.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,236,164 which represents a decrease of \$198,066 compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,434,230. The decrease is primarily due to the state decreasing the maximum unassigned fund balance a school district may have from 4% of expenditures in 2022 back to a pre-pandemic maximum of 2% of expenditures.

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

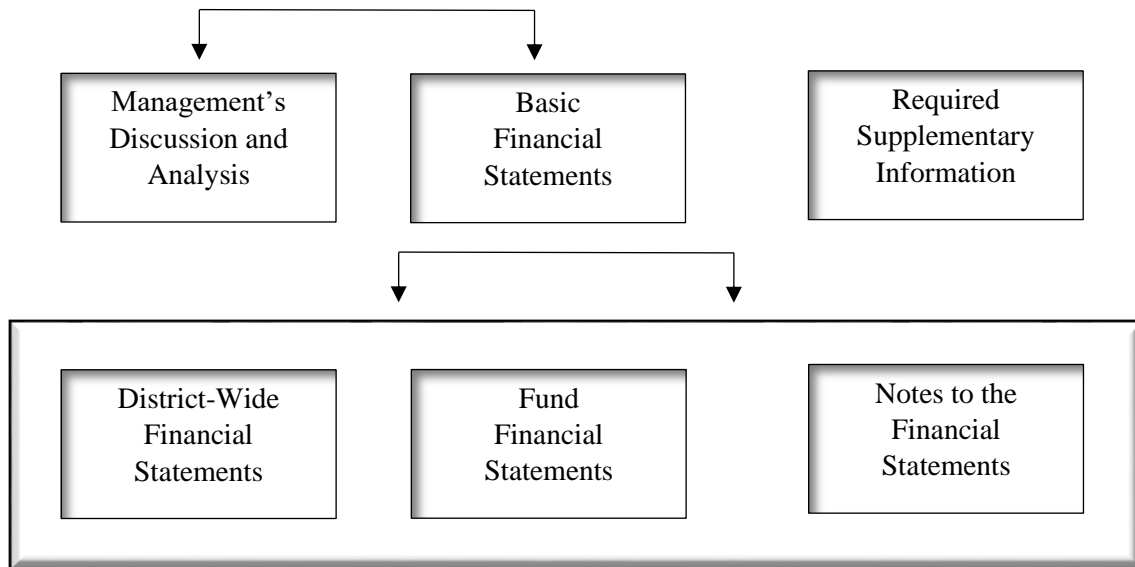
**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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



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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS, (continued)**

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

**Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the district operates similar to private businesses: Enterprise fund	Instances in which the district administers resources on behalf of someone else, such as custodial accounts
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Deferred Outflows/ Inflows of Resources/ Liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and dedications during the year, regardless of when cash is received or paid

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**USING THIS ANNUAL REPORT**

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

**District-Wide Financial Statements**

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

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

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

- Governmental Activities – All of the school district’s programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise and After School Child Care funds are reported as business activities.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

**Fund Financial Statements**

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

**Governmental Funds**

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

**Proprietary Funds**

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

**Fiduciary Funds**

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

**Notes to the Financial Statements**

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

**Other Information**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

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

**DISTRICT-WIDE FINANCIAL ANALYSIS**

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

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

The School District's net positions were \$20,536,668 at June 30, 2023 and \$17,227,373 at June 30, 2022. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position for 2023 compared to 2022 (Table 1) and change in net position (Table 2) of the School District.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>						
Current and Other Assets	\$8,870,088	\$9,070,403	\$723,286	\$540,103	9,593,374	9,610,506
Capital Assets	<u>18,794,164</u>	<u>16,339,816</u>	<u>209,230</u>	<u>148,057</u>	<u>19,003,394</u>	<u>16,487,873</u>
Total Assets	<u>27,664,252</u>	<u>25,410,219</u>	<u>932,516</u>	<u>688,160</u>	<u>28,596,768</u>	<u>26,098,379</u>
<b>Deferred Outflows of</b>						
Deferred Outflows of Resources						
Related to PERS	<u>524,144</u>	<u>465,445</u>	_____	_____	<u>524,144</u>	<u>465,445</u>
<b>Liabilities</b>						
Other Liabilities	983,528	997,652	189,364	59,722	1,172,892	1,057,374
Noncurrent Liabilities	<u>6,445,850</u>	<u>6,375,682</u>	_____	_____	<u>6,445,850</u>	<u>6,375,682</u>
Total Liabilities	<u>7,429,378</u>	<u>7,373,334</u>	<u>189,364</u>	<u>59,722</u>	<u>7,618,742</u>	<u>7,433,056</u>
<b>Deferred Inflows of</b>						
Deferred Inflows of Resources						
Related to PERS	<u>950,647</u>	<u>1,903,395</u>	_____	_____	<u>950,647</u>	<u>1,903,395</u>
<b>Net Assets</b>						
Net Investment in Capital						
Assets	18,458,379	16,022,842	209,230	148,057	18,667,609	16,170,899
Restricted	4,558,104	3,670,764			4,558,104	3,670,764
Unrestricted	<u>(3,222,967)</u>	<u>(3,094,671)</u>	<u>533,922</u>	<u>480,381</u>	<u>(2,689,045)</u>	<u>(2,614,290)</u>
Total Net Position	<u>\$19,793,516</u>	<u>\$16,598,935</u>	<u>\$743,152</u>	<u>\$628,438</u>	<u>\$20,536,668</u>	<u>\$17,227,37</u>



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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

Table 2 below shows the changes in net position for fiscal year 2023 compared to 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	348,720	325,190	357,147	92,335	705,867	417,525
Operating Grants and Contributions	3,401,604	2,439,677	795,219	1,059,912	4,196,823	3,499,589
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	25,347,089	24,850,088			25,347,089	24,850,088
Federal and State Aid not Restricted	7,773,800	14,625,301			7,773,800	14,625,301
Federal and State Aid Restricted	1,465,282				1,465,282	0
Rent and Royalties	79,304				79,304	0
Miscellaneous Income	82,847	60,127			82,847	60,127
Investment Earnings - Unrestricted	25,761	779	3,479	22	29,240	801
Investment Earnings - Restricted	208				208	0
Other Financing Sources (Uses):						
Transfer in (out)		60,018		(60,018)	0	0
Cancellation of right to use Leased asset	<u>(132,472)</u>				<u>(132,472)</u>	<u>0</u>
<b>Total Revenues and Transfers</b>	<u>38,392,143</u>	<u>42,361,180</u>	<u>1,155,845</u>	<u>1,092,251</u>	<u>39,547,988</u>	<u>43,453,431</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	11,555,997	17,573,558			11,555,997	17,573,558
Special Instruction	2,169,713	4,716,590			2,169,713	4,716,590
Other Special Education	1,536,889	3,560,360			1,536,889	3,560,360
Other Instruction	478,502	813,242			478,502	813,242
Support Services:						
Tuition	1,693,071	1,890,736			1,693,071	1,890,736
Attendance & Social Work	2,337				2,337	0
Health Services	259,560				259,560	0
Student & Instruction						
Related Services	3,851,070	4,532,902			3,851,070	4,532,902
School Administrative						
Services	1,299,743	2,135,743			1,299,743	2,135,743
General Administrative						
Services	877,832	1,427,690			877,832	1,427,690
Central Administration	290,681				290,681	0
Plant Operations and						
Maintenance	2,548,211	2,230,772			2,548,211	2,230,772
Pupil Transportation	895,274	783,028			895,274	783,028
Administration of Infor-						
mation Technology	166,664				166,664	0
Unallocated Benefits	7,198,555				7,198,555	0
Transfer of Funds to Charter						
Schools	35,022	36,070			35,022	36,070
Debt Service:						
Interest and Other Charges	6,701	22,444			6,701	22,444
Amortization	10,646				10,646	0
Unallocated Depreciation	321,094				321,094	0
Food Service			1,041,131	968,203		
Total Expenses	<u>35,197,562</u>	<u>39,723,135</u>	<u>1,041,131</u>	<u>968,203</u>	<u>36,238,693</u>	<u>40,691,338</u>
Increase or (Decrease) in						
Net Position	<u>\$3,194,581</u>	<u>\$2,638,045</u>	<u>\$114,714</u>	<u>\$124,048</u>	<u>\$3,309,295</u>	<u>\$2,762,093</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$36,238,693. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$25,347,089 because some of the cost was paid by those who benefitted from the programs \$705,867 by other governments and organizations who subsidized certain programs with grants and contributions \$13,515,209, by miscellaneous sources of \$112,295, and other financing uses of 4(132,472).

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

- ✓ Food service revenues exceeded expenses by \$114,714.
- ✓ Charges for services provided totaled \$357,147. This represents amounts paid by consumers for daily food services, and student activity fund revenue.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$795,219.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

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

During the fiscal year ended June 30, 2023, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

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

**General Fund**

The general fund actual revenue was \$35,253,913. That amount is \$7,212,311 above the final amended budget of \$28,041,602. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$6,503,581 for TPAF social security reimbursements and on-behalf pension payments, \$664,090 of excess extraordinary aid and NTE lead testing aid and an excess in miscellaneous and federal revenues of \$44,640.

The actual expenditures of the general fund were \$35,464,372, including transfers which is \$3,383,248 above the final amended budget of \$32,081,124. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$6,503,581 and \$3,120,333 of unexpended budgeted funds.

The General fund had total revenues of \$35,253,913 and total expenditures including transfers of \$35,464,372 with an ending fund balance of \$8,104,092 on the budgetary basis.

**Special Revenue Fund**

The special revenue fund actual revenue was \$8,710,072. That amount is above the original budget estimate of \$2,419,903 and below the final amended budget of \$9,368,234. The \$6,448,331 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$658,162 variance between the final amended budget and the June 30, 2023 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year, non-public aid due back to the State of New Jersey and the inclusion of student activity and scholarship fund revenue.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**Special Revenue Fund, (continued)**

The actual expenditures of the special revenue fund were \$8,689,510, which is above the original budget of \$2,419,903 and below the final amended budget of \$9,368,234. The \$6,948,371 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$678,724 variance between the final amended budget and the June 30, 2023 actual results was due to the anticipation of fully expending federal and state grant programs, non-public aid due back to the State of New Jersey and the inclusion of student activity and scholarship fund expenses.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2023 the School District had \$29,141,448 invested in land, land improvements, construction in progress, buildings and building improvements, machinery and equipment and right to use leased assets. Of this amount, \$10,138,054 in depreciation has been taken over the years. We currently have a net book value of \$19,003,394. Total depreciable additions for the year were \$30,080,321 which consisted mainly of building and building improvements, and machinery and equipment purchases. Table 3 shows fiscal year 2023 balances compared to 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$9,613,650	\$9,613,650			9,613,650	9,613,650
Land Improvements	124,134	91,310			124,134	91,310
Construction in Progress	1,520,746	97,775			1,520,746	97,775
Buildings and Improvements	6,960,011	6,202,771	76,922	83,574	7,036,933	6,286,345
Furniture, Equipment and Vehicles	373,358	201,838	132,308	64,483	505,666	266,321
Right to use	<u>202,265</u>	<u>132,472</u>	<u>          </u>	<u>          </u>	<u>202,265</u>	<u>132,472</u>
Total Assets	<u>\$18,794,164</u>	<u>\$16,339,816</u>	<u>\$209,230</u>	<u>\$148,057</u>	<u>\$19,003,394</u>	<u>\$16,487,873</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

**Debt Administration**

At June 30, 2023, the District had \$6,445,850 in long term debt. Of this amount, \$2,609,141 is for compensated absences, \$3,297,538 is for the District's net pension liability, \$335,785 represents lease-purchase agreements payable, and \$203,386 represents the lease liability for the rental of copiers. For more detailed information, please refer to the Notes to the Financial Statements

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have increased to the point that the legislature and governor have approved a State Aid funding bill for the 2022-2023 school year that is slightly higher than the level of the 2022-2023 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

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

**REQUESTS FOR INFORMATION**

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

Aleksandar Kondovski  
School Business Administrator  
Palisades Park Board of Education  
270 First Street  
Palisades Park, New Jersey 07407

# **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**



**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	5,014,432	532,612	5,547,044
Receivables, net	1,092,453	183,794	1,276,247
Inventory		6,880	6,880
Restricted assets:			
Cash and cash equivalents	2,763,203		2,763,203
Capital assets:			
Land and construction in progress	11,134,396		11,134,396
Other Capital assets, net	7,457,503	209,230	7,666,733
Right to use leased assets, net	202,265		202,265
Total Assets	<u>27,664,252</u>	<u>932,516</u>	<u>28,596,768</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	524,144	-	524,144
Total Deferred Outflows	<u>524,144</u>	<u>-</u>	<u>524,144</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	547,015	167,126	714,141
Payable to state government	47,549		47,549
Unearned Revenue	367,142	22,238	389,380
Payroll deductions & withholdings payable	5,647		5,647
Unemployment compensation claims payable	16,175		16,175
Noncurrent liabilities:			
Due within one year	135,483		135,483
Due beyond one year	6,310,367		6,310,367
Total liabilities	<u>7,444,233</u>	<u>189,364</u>	<u>7,633,597</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	950,647		950,647
Total Deferred Inflows	<u>950,647</u>	<u>-</u>	<u>950,647</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,458,379	209,230	18,667,609
Restricted for:			
Capital projects	1,687,301		1,687,301
Other purposes	5,428,819		5,428,819
Unrestricted (Deficit)	<u>(5,780,983)</u>	<u>533,922</u>	<u>(5,247,061)</u>
Total net position	<u>19,793,516</u>	<u>743,152</u>	<u>20,536,668</u>

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

PALISADES PARK BOARD OF EDUCATION  
Statement of Activities  
Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	10,986,477	569,520		2,415,628		(9,140,369)		(9,140,369)
Special education	2,035,361	134,352				(2,169,713)		(2,169,713)
Other special instruction	1,438,348	98,541				(1,536,889)		(1,536,889)
Other instruction	454,958	23,544				(478,502)		(478,502)
Support services:								
Tuition	1,693,071					(1,693,071)		(1,693,071)
Attendance & Social Work	2,187	150				(2,337)		(2,337)
Health Services	244,846	14,714				(259,560)		(259,560)
Student & instruction related services	3,734,610	116,460	348,720 *	985,976		(2,516,374)		(2,516,374)
School administrative services	1,197,457	102,286				(1,299,743)		(1,299,743)
General administrative services	850,341	27,491				(877,832)		(877,832)
Central Services	278,233	12,448				(290,681)		(290,681)
Information Technology	155,365	11,299				(166,664)		(166,664)
Plant operations and maintenance	2,447,947	100,264				(2,548,211)		(2,548,211)
Pupil transportation	885,639	9,635				(895,274)		(895,274)
Unallocated benefits	7,198,555					(7,198,555)		(7,198,555)
Transfer to Charter Schools	35,022					(35,022)		(35,022)
Capital outlay - non-depreciable	-					-		-
Interest on long term debt	6,701					(6,701)		(6,701)
Amortization	10,646					(10,646)		(10,646)
Unallocated depreciation		321,094				(321,094)		(321,094)
Total governmental activities	33,655,764	1,541,798	348,720	3,401,604	-	(31,447,238)	-	(31,447,238)
Business-type activities:								
Food Service	1,041,131		357,147	795,219			111,235	111,235
Total business-type activities	1,041,131		357,147	795,219			111,235	111,235
Total primary government	34,696,895		705,867	4,196,823		(31,447,238)	111,235	(31,336,003)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						25,347,089		25,347,089
Federal and State aid not restricted						7,773,800		7,773,800
Federal and State aid - restricted - capital outlay						1,465,282		1,465,282
Rents and Royalties						79,304		79,304
Interest and Investment Earnings - Unrestricted						25,761	3,479	29,240
Interest and Investment Earnings - Restricted						208		208
Miscellaneous Income						82,847		82,847
Other Financing Sources (Uses)								
Cancellation of right to use leased asset						(132,472)		(132,472)
Total general revenues, special items, extraordinary items and transfers						34,641,819	3,479	34,645,298
Change in Net Position						3,194,581	114,714	3,309,295
Net Position, July 1						16,598,935	628,438	17,227,373
Net Position—June 30						19,793,516	743,152	20,536,668

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

\* Student Activity revenue is reported as "charges for services"  
\*\* Includes the interest earnings on the unemployment compensation bank account

**FUND FINANCIAL STATEMENTS**

## PALISADES PARK BOARD OF EDUCATION

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	4,685,548	287,512	41,372	5,014,432
Accounts Receivable -				
Intergovernmental - State	882,824			882,824
Intergovernmental - Federal		155,408		155,408
Intergovernmental - Other	54,221			54,221
Restricted cash and cash equivalents:				
Capital Reserve	1,645,929			1,645,929
Maintenance Reserve	840,169			840,169
Payroll & Payroll Deductions & Withholdings	5,647			5,647
Unemployment Compensation Trust	64,637			64,637
Scholarship accounts		38,663		38,663
Student activity accounts		168,158		168,158
Total assets	<u>8,178,975</u>	<u>649,741</u>	<u>41,372</u>	<u>8,870,088</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Unearned Revenue		367,142		367,142
Accounts payable:				
Payroll deductions and withholdings	5,647			5,647
Unemployment compensation claims payable	16,175			16,175
Other	250,376	13,374		263,750
Intergovernmental Accounts Payable:				
State		47,549		47,549
Federal		14,855		14,855
Total liabilities	<u>272,198</u>	<u>442,920</u>	<u>-</u>	<u>715,118</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,600,000			1,600,000
Excess Surplus - prior year - designated for subsequent year's expenditures	823,673			823,673
Maintenance reserve	840,669			840,669
Capital reserve	1,645,929			1,645,929
Unemployment compensation	48,463			48,463
Student Activities/Scholarships		206,821		206,821
Assigned to:				
Year End Encumbrances	1,084,093			1,084,093
Designated by the Board of Education for Subsequent year's expenditures	825,100			825,100
Capital projects			41,372	41,372
Unassigned:				
General fund	<u>1,038,850</u>			<u>1,038,850</u>
Total Fund balances	<u>7,906,777</u>	<u>206,821</u>	<u>41,372</u>	<u>8,154,970</u>
Total liabilities and fund balances	<u>8,178,975</u>	<u>649,741</u>	<u>41,372</u>	

**PALISADES PARK BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$28,561,365 and the accumulated depreciation is \$9,969,466.	18,591,899
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets at historical cost	212,911
Accumulated amortization	(10,646)
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(7,070)
Accounts payable for subsequent Pension payment is not a payable in the funds	(276,195)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	524,144
Deferred inflows of resources related to PERS Pension Liability	(950,647)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	<u>(6,445,850)</u>
Net position of governmental activities	<u><u>19,793,516</u></u>

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

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Local tax levy	25,347,089			25,347,089
Rents and Royalties	79,304			79,304
Interest Earned on Capital Reserve Funds	25,261			25,261
Interest Earned on Maintenance Reserve Funds	500			500
Other Restricted Miscellaneous Revenues	208 *			208
Miscellaneous	82,847			82,847
Scholarship Donations		38,705 **		38,705
Student Group Receipts		310,015 **		310,015
Total - Local Sources	<u>25,535,209</u>	<u>348,720</u>	<u>-</u>	<u>25,883,929</u>
Local sources		26,110		26,110
State sources	9,544,433	1,609,548	577	11,154,558
Federal sources	87,232	3,231,228		3,318,460
Total revenues	<u>35,166,874</u>	<u>5,215,606</u>	<u>577</u>	<u>40,383,057</u>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	8,783,507	2,415,628		11,199,135
Special education instruction	2,035,361			2,035,361
Other special instruction	1,438,348			1,438,348
School sponsored/other instructional	457,787			457,787
Support services and undistributed costs:				
Tuition	1,693,071			1,693,071
Attendance & Social Work	2,187			2,187
Health services	244,846			244,846
Student & instruction related services	2,595,322	1,139,288 ***		3,734,610
School administrative services	1,217,224			1,217,224
General administrative services	850,341			850,341
Central services	299,524			299,524
Information technology	168,141			168,141
Plant operations and maintenance	2,594,189			2,594,189
Pupil transportation	885,639			885,639
Unallocated benefits	4,583,527			4,583,527
On-behalf contributions	6,503,581			6,503,581
Debt Service:				
Lease Principal	100,825			100,825
Interest and other charges	9,474			9,474
Transfer to Charter Schools	35,022			35,022
Capital outlay	1,179,367	1,464,705		2,644,072
Total expenditures	<u>35,677,283</u>	<u>5,019,621</u>	<u>-</u>	<u>40,696,904</u>
Excess (Deficiency) of revenues over expenditures	<u>(510,409)</u>	<u>195,985</u>	<u>577</u>	<u>(313,847)</u>

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease Purchase Agreements (non-budgeted)	173,312			173,312
Lease Liabilities Issued	212,911			212,911
Total other financing sources and uses	<u>386,223</u>	<u>-</u>	<u>-</u>	<u>386,223</u>
Net change in fund balances	(124,186)	195,985	577	72,376
Fund balance - July 1	<u>8,030,963</u>	<u>10,836</u>	<u>40,795</u>	<u>8,082,594</u>
Fund balance - June 30	<u><u>7,906,777</u></u>	<u><u>206,821</u></u>	<u><u>41,372</u></u>	<u><u>8,154,970</u></u>

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

\* Include interest earnings on the unemployment compensation bank account

\*\* Special revenue fund now includes revenues from student activities and scholarships

\*\*\* Special revenue fund now includes expenditures from student activities and scholarships

**PALISADES PARK BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2023**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		<b>72,376</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
<p style="margin-left: 40px;">Depreciation expense</p> <p style="margin-left: 40px;">Non-Depreciable Capital outlays - Construction in Progress</p> <p style="margin-left: 40px;">Depreciable Capital outlays</p>	<p>(398,968)</p> <p>1,520,746</p> <p><u>1,262,777</u></p>	<p>2,384,555</p>
<p>Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
<p style="margin-left: 40px;">Right to use assets at historical cost</p> <p style="margin-left: 40px;">Accumulated amortization</p> <p style="margin-left: 40px;">Cancellation of right to use assets, net of amortization</p>	<p>212,911</p> <p>(10,646)</p> <p><u>(132,472)</u></p>	<p>69,793</p>
<p>Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:</p>		
<p style="margin-left: 40px;">Cancellation of right to use assets principal</p> <p style="margin-left: 40px;">Lease Obligations</p> <p style="margin-left: 40px;">Lease-Purchase Obligations</p>	<p>63,201</p> <p>41,736</p> <p><u>59,089</u></p>	<p>164,026</p>
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an adjustment in the reconciliation.</p>		
<p style="margin-left: 40px;">Prior year</p> <p style="margin-left: 40px;">Current year</p>	<p>9,843</p> <p><u>(7,070)</u></p>	<p>9,843</p> <p>(7,070)</p>
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
<p style="margin-left: 40px;">Proceeds of Lease liability</p> <p style="margin-left: 40px;">Lease Purchase Agreement Proceeds</p>	<p>(212,911)</p> <p><u>(173,312)</u></p>	<p>(386,223)</p>
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
<p style="margin-left: 40px;">Decrease in compensated absences payable</p>	<p>566,308</p>	<p>566,308</p>
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
<p style="margin-left: 40px;">District Pension Contributions</p> <p style="margin-left: 40px;">Less: Pension Expense</p> <p style="margin-left: 40px;">Decrease in Pension Expense</p>	<p>275,545</p> <p><u>45,428</u></p>	<p>320,973</p>



**PALISADES PARK BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2023**

Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

Increase in On-behalf State Aid TPAF Pension	(2,832,840)
Increase in On-behalf TPAF Pension Expense	<u>2,832,840</u>

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	974,398
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(974,398)</u>

<b>Change in net position of governmental activities</b>	<b><u><u>3,194,581</u></u></b>
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**The accompanying Notes to Financial Statements are an integral part of this statement.**

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<u>Food Service Program</u>	<u>Totals</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	532,612	532,612
Accounts receivable:		
State	3,590	3,590
Federal	105,698	105,698
Other	74,506	74,506
Inventories	6,880	6,880
Total current assets	<u>723,286</u>	<u>723,286</u>
Noncurrent assets:		
Capital assets:		
Equipment	234,122	234,122
Site Improvements	133,050	133,050
Less accumulated depreciation:		
Equipment	(101,814)	(101,814)
Site Improvements	(56,128)	(56,128)
Total capital assets (net of accumulated depreciation)	<u>209,230</u>	<u>209,230</u>
Total assets	<u>932,516</u>	<u>932,516</u>
<b>LIABILITIES</b>		
Current liabilities:		
Unearned revenue	22,238	22,238
Accounts payable	167,126	167,126
Total current liabilities	<u>189,364</u>	<u>189,364</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	209,230	209,230
Unrestricted	533,922	533,922
Total net position	<u>743,152</u>	<u>743,152</u>

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

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2023**

	<u>Food Service Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	344,596	344,596
Daily sales - non-reimbursable programs	12,551	12,551
Total operating revenues	<u>357,147</u>	<u>357,147</u>
Operating expenses:		
Cost of sales - reimbursable programs	349,556	349,556
Cost of sales - non-reimbursable programs	147,018	147,018
Salaries	258,441	258,441
Supplies and materials	41,430	41,430
Employee benefits	88,582	88,582
Cleaning repair & maintenance	42,608	42,608
Purchased professional & technical services	4,475	4,475
Purchased services	39,112	39,112
Miscellaneous	47,195	47,195
Depreciation	22,714	22,714
Total Operating Expenses	<u>1,041,131</u>	<u>1,041,131</u>
Operating income (loss)	<u>(683,984)</u>	<u>(683,984)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	291	291
Breakfast program	19,411	19,411
Federal sources:		
National school lunch program	542,129	542,129
Breakfast program	19,481	19,481
Summer food program	2,291	2,291
Supply chain assistance funding	72,084	72,084
P-EBT administrative cost - FY23	653	653
U.S.D.A. Commodities	97,732	97,732
Payroll Protection Program	41,147	41,147
Interest and investment revenue	3,479	3,479
Total nonoperating revenues (expenses)	<u>798,698</u>	<u>798,698</u>
Income (loss) before contributions & transfers	<u>114,714</u>	<u>114,714</u>
Change in net position	<u>114,714</u>	<u>114,714</u>
Total net position—beginning	<u>628,438</u>	<u>628,438</u>
Total net position—ending	<u><u>743,152</u></u>	<u><u>743,152</u></u>

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

**PALISADES PARK BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2023**

	<b>Food Service Program</b>	<b>Totals</b>
	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	357,147	357,147
Sales owed from customers	(63,792)	(63,792)
Payments to Outside Food Service Management Company	(819,177)	(819,177)
Payments for repairs, maintenance	(42,088)	(42,088)
Payments for purchased professional & technical services	(4,475)	(4,475)
Payments for supplies	(1,014)	(1,014)
Net cash provided by (used for) operating activities	<u>(573,399)</u>	<u>(573,399)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	17,008	17,008
Federal Sources - Payroll Protection Program Reimbursement	41,147	41,147
Federal Sources	591,684	591,684
Net cash provided by (used for) non-capital financing activities	<u>649,839</u>	<u>649,839</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(22,390)	(22,390)
Net cash provided by (used for) capital and related financing activities	<u>(22,390)</u>	<u>(22,390)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	3,479	3,479
Net cash provided by (used for) investing activities	<u>3,479</u>	<u>3,479</u>
Net increase (decrease) in cash and cash equivalents	57,529	57,529
Balances—beginning of year	475,083	475,083
Balances—end of year	<u>532,612</u>	<u>532,612</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	(683,984)	(683,984)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	22,714	22,714
Food Distribution Program	97,732	97,732
(Increase) decrease in accounts receivable, net	(63,961)	(63,961)
(Increase) decrease in unearned revenue	17,391	17,391
(Increase) decrease in inventories	8,346	8,346
(Increase) decrease in accounts payable	28,363	28,363
Total adjustments	<u>110,585</u>	<u>110,585</u>
Net cash provided by (used for) operating activities	<u>(573,399)</u>	<u>(573,399)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Board of Education of the Borough of Palisades Park School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**A. Description of the School District and Reporting Entity:**

The Board of Education ("Board") of the Borough of Palisades Park School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Palisades Park School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**B. Basis of Presentation:**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

**District-wide Financial Statements:**

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

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Fund Financial Statements:**

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

**GOVERNMENTAL FUNDS**

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

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

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

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

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



**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**GOVERNMENTAL FUNDS, (continued)**

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

**PROPRIETARY FUNDS**

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

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

The Board's Enterprise Fund is comprised of the Food Service Funds.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**C. Measurement Focus:**

**District-wide Financial Statements**

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

**Fund Financial Statements**

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

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

**Basis of Accounting**

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

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

**Revenues - Exchange and Non-exchange Transactions**

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Revenues - Exchange and Non-exchange Transactions, (continued)**

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

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

**Expenses/Expenditures**

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

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

**Budgets/Budgetary Control**

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**Encumbrances**

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

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

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

**Cash, Cash Equivalents and Investments**

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Cash, Cash Equivalents and Investments, (continued)**

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

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

**Tuition Revenues/Receivable**

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

**Inventories**

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

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

**Lease Receivable**

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Short-Term Interfund Receivables/Payables**

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

**Capital Assets**

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

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Compensated Absences**

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

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

**Unearned Revenue**

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

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

**Accrued Liabilities and Long-term Obligations**

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

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

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

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

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

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



**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Accounting and Financial Reporting for Pensions, (continued)**

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

**Bond Discounts/Premiums**

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Deferred Outflows/Inflows of Resources**

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

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pension.

**Financing Agreements**

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

**Borough of Palisades Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**Right to Use Assets**

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

**Fund Balances**

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

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**Fund Balances, (continued)**

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

**Net Position**

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

**Operating Revenues and Expenses**

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

**Extraordinary and Special Items**

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

**Borough of Palisades Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**Allocation of Indirect Expenses**

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

**Use of Estimates**

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

**New Accounting Standards**

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025 although earlier application is encouraged. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0- of the District's bank balance of \$8,799,819 was, exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 3. RECEIVABLES:**

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Business-Type Activities	District Wide Financial Statements
State Aid	\$882,824	\$3,590	\$886,414
Federal Aid	155,408	105,698	261,106
Other Aid - Local Taxes	<u>54,221</u>	<u>74,506</u>	<u>128,727</u>
Gross Receivables	1,092,453	183,794	1,276,247
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$1,092,453</u></u>	<u><u>\$183,794</u></u>	<u><u>\$1,276,247</u></u>

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

The District had no interfunds at June 30, 2023.

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**Borough of Palisades Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/23</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$9,613,650	\$	\$	\$9,613,650
Construction in Progress	<u>97,775</u>	<u>1,520,746</u>	<u>(97,775)</u>	<u>1,520,746</u>
Total Capital Assets Not Being Depreciated	<u>9,711,425</u>	<u>1,520,746</u>	<u>(97,775)</u>	<u>11,134,396</u>
Land Improvements	162,451	40,357		202,808
Buildings and Building Improvements	14,962,207	982,534	97,775	16,042,516
Machinery and Equipment	941,759	239,886		1,181,645
Right to use leased assets	<u>193,861</u>	<u>212,911</u>	<u>(193,861)</u>	<u>212,911</u>
Totals at Historical Cost	<u>16,260,278</u>	<u>1,475,688</u>	<u>(96,086)</u>	<u>17,639,880</u>
Less Accumulated Depreciation:				
Land Improvements	(71,141)	(7,533)		(78,674)
Buildings and Building Improvements	(8,759,436)	(323,069)		(9,082,505)
Machinery and Equipment	(739,921)	(68,366)		(808,287)
Right to use leased assets	<u>(61,389)</u>	<u>(10,646)</u>	<u>61,389</u>	<u>(10,646)</u>
Total Accumulated Depreciation	<u>(9,631,887)</u>	<u>(409,614)</u>	<u>61,389</u>	<u>(9,980,112)</u>
Total Capital Assets Being Depreciated, Net of accumulated depreciation	<u>6,628,391</u>	<u>1,066,074</u>	<u>(34,697)</u>	<u>7,659,768</u>
Governmental Activities Capital Assets, Net	<u>\$16,339,816</u>	<u>\$2,586,820</u>	<u>(\$132,472)</u>	<u>\$18,794,164</u>
	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/23</u>
<b>Business-Type Activities</b>				
Equipment	\$150,235	\$83,887	\$	234,122
Site Improvements	<u>133,050</u>	<u>          </u>	<u>          </u>	<u>133,050</u>
Totals at Historical Cost	<u>283,285</u>	<u>83,887</u>	<u>0</u>	<u>367,172</u>
Less Accumulated Depreciation for:				
Equipment	(85,752)	(16,062)		(101,814)
Site Improvements	<u>(49,476)</u>	<u>(6,652)</u>	<u>          </u>	<u>(56,128)</u>
Total Accumulated Depreciation	<u>(135,228)</u>	<u>(22,714)</u>	<u>0</u>	<u>(157,942)</u>
Less Accumulated Equipment for Equipment	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Business-Type Activity Capital Assets, Net	<u>\$148,057</u>	<u>\$61,173</u>	<u>\$          </u>	<u>\$209,230</u>

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

Depreciation expense was charged to governmental functions as follows:

Instruction	\$6,250
Support Services:	
Student & instruction related services	20,847
School Administration	22,126
Plant Operations and Maintenance	25,294
Transportation	3,357
Unallocated Depreciation	<u>321,094</u>
	<u>\$398,968</u>

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

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Other Liabilities:						
Right to Use Leased Assets	\$95,412	\$212,911	\$104,937	\$203,386	\$39,212	\$164,174
Lease Purchase Financing Agreem	221,562	173,312	59,089	335,785	96,271	239,514
Compensated Absences Payable	3,175,449	811,004	1,377,312	2,609,141		2,609,141
Net Pension Liability PERS	<u>2,883,259</u>	<u>414,279</u>		<u>3,297,538</u>		<u>3,297,538</u>
Total Other Liabilities	<u>6,375,682</u>	<u>1,611,506</u>	<u>1,541,338</u>	<u>6,445,850</u>	<u>135,483</u>	<u>6,310,367</u>
	<u>\$6,375,682</u>	<u>\$1,611,506</u>	<u>\$1,541,338</u>	<u>\$6,445,850</u>	<u>\$135,483</u>	<u>\$6,310,367</u>

Bonds payable are generally liquidated by the debt service fund, while compensated absences, lease purchase agreements, leases and net pension liability, are liquidated by the general fund.

**A. Bonds Payable:**

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

As of June 30, 2023 the Board has no general obligation bonds payable.



**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 6. LONG-TERM OBLIGATIONS: (continued)**

Bonds Authorized But Not Issued

As of June 30, 2023 the Board has no authorized but not issued bonds.

Lease Purchase Agreements

During fiscal year ended June 30, 2023, the District entered into a lease purchase agreement for a new intercom and wireless clock system. This agreement is in addition to the agreements entered into in previous years for a 2019 Ford F-250 truck, a 2020 Ford F-350 truck, and various security cameras. The following is a schedule of future minimum lease payments for the lease purchase agreements and the present value of the net minimum lease payments at June 30, 2023.

The future minimum lease-purchase obligations and the net present value of these minimum lease-purchase payments as of June 30, 2023 were as follows:

<u>Fiscal Year</u>	<u>Governmental</u>
<u>Ending</u>	<u>Activities</u>
<u>June 30,</u>	
2024	\$104,628
2025	95,433
2026	87,173
2027	38,477
2028	<u>38,478</u>
Total Minimum Lease - Purchase Payments	\$364,189
Less: Amount representing interest	<u>(28,404)</u>
Present value of lease - purchase payments	<u><u>\$335,785</u></u>

Compensated Absences

Compensated Absences will be paid from the fund which the employees' salaries are paid.

Net Pension Liability

For details on the net pension liability, refer to Note 7. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 6. LONG-TERM OBLIGATIONS: (continued)**

Leases

The District has entered into lease agreements as a lessee for district wide copiers. An initial lease liability was recorded in fiscal year 2020 in the amount of \$193,861. This lease was cancelled in the fiscal year 2023 and a new lease was recorded in the amount of \$212,911. The cancellation of the pre-existing lease prior to the contract date resulted in an other financing use of \$132,472. For the year ended June 30, 2023, the value of the lease liability is \$203,386. The leases have interest rates of 4%. The value of the right to use leased assets for the year ended June 30, 2023 was \$212,911, with accumulated amortization of \$10,646.

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Governmental</u> <u>Activities</u>
2024	\$47,748
2025	47,748
2026	47,748
2027	47,748
2028	<u>35,811</u>
Total Minimum Lease Payments	\$226,803
Less: Amount representing interest	<u>(23,417)</u>
Present value of lease payments	<u>\$203,386</u>

**NOTE 7. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

Contributions Requirements Fund Based Statements

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

Year	PERS	DCRP
<u>Ending</u>		
6/30/23	\$275,545	\$ -0-
6/30/22	285,032	1,094
6/30/21	269,650	4,309

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

Year	Pension	Post-Retirement	NCGI	Long-Term
<u>Ending</u>	<u>Contributions</u>	<u>Medical</u>	<u>Premium</u>	<u>Disability</u>
		<u>Contributions</u>		<u>Insurance</u>
6/30/23	\$4,289,202	\$1,142,396	\$59,508	\$1,599
6/30/22	4,494,124	1,064,823	63,406	1,886
6/30/21	3,235,271	1,033,174	61,555	2,004

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,010,876 during the year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

**Public Employees Retirement System (PERS)**

At June 30, 2023, the District had a liability of \$3,297,538 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was .0218504761 percent, which was a decrease of .00248801 percent from its proportion measured as of June 30, 2021.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

For the year ended June 30, 2023, the District recognized pension expense of \$(45,428). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$23,800	\$20,988
Changes of assumptions	10,217	493,772
Net difference between projected and actual earnings on pension plan investments	136,482	-
Changes in proportion and differences between District contributions and proportionate share of contributions	77,450	435,887
District contributions subsequent to the measurement date	<u>276,195</u>	<u>          </u>
Total	<u>\$524,144</u>	<u>\$950,647</u>

The \$276,195 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(282,859)
2024	(144,107)
2025	(70,278)
2026	153,321
2027	(338)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,846,499,172
District's Proportion	.0218504767%	0.0481325412%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%



**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2022</u>		
	<u>1% Decrease 6.00%</u>	<u>At Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
District's proportionate share of the pension liability	\$4,244,321	\$3,297,538	\$2,491,787

**Pension Plan Fiduciary Net Position**

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

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>56,325,251</u>
	<u>\$56,325,257</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .1091692769%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,515,870 from actuarial report, employer pension expense and related revenue for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 7. PENSION PLANS, (continued)**

**Mortality Rates**

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

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

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

**NOTE 8. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 8. POST-RETIREMENT BENEFITS, (continued)**

retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*Total OPEB Liability*

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of 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 board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [nj.gov/treasury/omb/fr.shtml](http://nj.gov/treasury/omb/fr.shtml).

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>46,923,290</u>
	<u>\$46,923,290</u>

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

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

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

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

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

***(b) Discount Rate***

The discount rate used to measure the total OPEB Liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,116,794 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 9. DEFERRED COMPENSATION:**

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

Capstone Financial	AIG Valic
Mass Mutual	Great American
AXA Equitable	Security Benefit
Aspire	

**NOTE 10. RISK MANAGEMENT:**

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

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

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

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$208	\$33,755	\$55,325	\$65,130
2021-2022	4	29,981	503	86,492
2020-2021	7	26,420	17,661	57,010



**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 11. CAPITAL RESERVE ACCOUNT:**

A capital reserve account was established by the Borough of Palisades Park Board of Education by inclusion of \$1.00 on October 18, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The balance at June 30, 2023 is \$1,645,929, of which \$-0- has been appropriated in the 2023-2024 budget.

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022		\$2,555,286
Increased by:		
Interest earnings	25,261	
Board Transfer - June 30, 2023	<u>668,278</u>	
		<u>693,539</u>
		3,248,825
Withdrawal from Capital Reserves		
Dec. 15, 2022	777,000	
Feb. 15, 2023	<u>825,896</u>	
		<u>1,602,896</u>
Ending balance, June 30, 2023		<u>\$1,645,929</u>

**NOTE 12. MAINTENANCE RESERVE:**

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
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**NOTE 12. MAINTENANCE RESERVE: (continued)**

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$840,169
Increased by	
Interest Earnings	<u>500</u>
Ending balance, June 30, 2023	<u>\$840,669</u>

**NOTE 13. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$7,906,777 General Fund balance at June 30, 2023, \$1,084,093 is reserved for encumbrances; \$2,423,673 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$823,673 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$1,645,929 has been reserved in the Capital Reserve Account; \$840,669 has been reserved in the maintenance reserve account; \$825,100 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$48,463 is reserved for unemployment compensation; and \$1,038,850 is unreserved and undesignated.

**Special Revenue Fund** - Of the \$206,821 Special Revenue Fund balance at June 30, 2023, \$206,821 is reserved for student groups.

**NOTE 14. CALCULATION OF EXCESS SURPLUS:**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004 c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 is \$2,423,673. Of this amount, \$1,600,000 is the result of the current year’s operations.

**NOTE 15. INVENTORY:**

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$4,963
Supplies	<u>1,917</u>
	<u>\$6,880</u>

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

**Borough of Palisades Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 16. RIGHT TO USE LEASED ASSETS**

The District has right to use leased assets for copiers which are shown in the capital asset footnote (Note 5). The related leases are discussed in the Leases subsection of the Long-term obligations section of this note (Note 6). The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Right to use assets				
Leased Copiers	<u>\$193,861</u>	<u>\$212,911</u>	<u>\$193,861</u>	<u>\$212,911</u>
Total right to use assets	<u>193,861</u>	<u>212,911</u>	<u>193,861</u>	<u>212,911</u>
Less accumulated amortization for:				
Leased Copiers	<u>(61,389)</u>	<u>(10,646)</u>	<u>(61,389)</u>	<u>(10,646)</u>
Total accumulated amortization	<u>(61,389)</u>	<u>(10,646)</u>	<u>(61,389)</u>	<u>(10,646)</u>
Right to use leased asset, net	<u>\$132,472</u>	<u>\$202,265</u>	<u>\$255,250</u>	<u>\$202,265</u>

**NOTE 17. CONTINGENT LIABILITIES:**

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

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

**NOTE 18. SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through January 12, 2024, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	25,347,089		25,347,089	25,347,089	
Rents and Royalties	70,000		70,000	79,304	9,304
Interest Earned on Capital Reserve Funds	2,500		2,500	25,261	22,761
Interest Earned on Maintenance Reserve Funds	500		500	500	
Other Restricted Miscellaneous Revenues				208	208
Unrestricted Miscellaneous Revenues	95,500		95,500	82,847	(12,653)
<b>Total - Local Sources</b>	<u>25,515,589</u>		<u>25,515,589</u>	<u>25,535,209</u>	<u>19,620</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,308,804		1,308,804	1,308,804	
Equalization Aid	711,969		711,969	711,969	
Categorical Security Aid	212,501		212,501	212,501	
Categorical Transportation Aid	101,852		101,852	101,852	
Adjustment Aid	10,133		10,133	10,133	
Extraordinary Aid				660,415	660,415
Maintenance of Equity Aid		118,542	118,542	118,542	
Lead Testing				3,675	3,675
TPAF Pension (On-Behalf - Non-Budgeted)				4,289,202	4,289,202
TPAF Post Retirement Benefits (On-Behalf - Non-Budgeted)				1,142,396	1,142,396
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				59,508	59,508
TPAF LTDI (On-Behalf - Non-Budgeted)				1,599	1,599
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,010,876	1,010,876
<b>Total - State Sources</b>	<u>2,345,259</u>	<u>118,542</u>	<u>2,463,801</u>	<u>9,631,472</u>	<u>7,167,671</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	62,212		62,212	68,295	6,083
Medicaid Administrative Claiming (MAC)				15,356	15,356
FFRCA-SEMI				3,581	3,581
<b>Total - Federal Sources</b>	<u>62,212</u>		<u>62,212</u>	<u>87,232</u>	<u>25,020</u>
<b>TOTAL REVENUES</b>	<u>27,923,060</u>	<u>118,542</u>	<u>28,041,602</u>	<u>35,253,913</u>	<u>7,212,311</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool - Salaries of Teachers				107,792	(107,792)
Kindergarten - Salaries of Teachers	272,800	40,203	313,003	313,003	
Grades 1-5 - Salaries of Teachers	3,048,054	(190,295)	2,857,759	2,856,709	1,050
Grades 6-8 - Salaries of Teachers	819,284	7,986	827,270	827,195	75
Grades 9-12 - Salaries of Teachers	3,627,847	107,451	3,735,298	3,735,298	
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	12,500	35,712	48,212	48,212	
Purchased Professional-Educational Services	15,000	(340)	14,660	937	13,723
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	241,965	85,962	327,927	327,927	
Purchased Technical Services	150,133	5,987	156,120	154,720	1,400
Other Purchased Services (400-500 series)	104,324	(12,507)	91,817	70,223	21,594
General Supplies	269,799	(1,311)	268,488	181,347	87,141
Textbooks	9,211		9,211	5,567	3,644
Other Objects	500	1,311	1,811	2,691	(880)
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>8,571,417</u>	<u>80,159</u>	<u>8,651,576</u>	<u>8,631,621</u>	<u>19,955</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	379,810	(15,769)	364,041	322,041	42,000
Other Salaries for Instruction	196,996	(1,232)	195,764	143,938	51,826
General Supplies	15,427		15,427	9,974	5,453
<b>Total Learning and/or Language Disabilities</b>	<u>592,233</u>	<u>(17,001)</u>	<u>575,232</u>	<u>475,953</u>	<u>99,279</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,531,575		1,531,575	1,483,503	48,072
Other Salaries for Instruction	86,005		86,005	65,544	20,461
General Supplies	18,000	(2,849)	15,151	29	15,122
<b>Total Resource Room/Resource Center</b>	<u>1,635,580</u>	<u>(2,849)</u>	<u>1,632,731</u>	<u>1,549,076</u>	<u>83,655</u>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers		8,547	8,547	8,547	

**PALISADES PARK BOARD OF EDUCATION  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
General Supplies	491		491	88	403
<b>Total Preschool Disabilities - Part Time</b>	<u>491</u>	<u>8,547</u>	<u>9,038</u>	<u>8,635</u>	<u>403</u>
<b>Home Instruction:</b>					
Salaries of Teachers	3,000		3,000	1,697	1,303
<b>Total Home Instruction</b>	<u>3,000</u>		<u>3,000</u>	<u>1,697</u>	<u>1,303</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>2,231,304</u>	<u>(11,303)</u>	<u>2,220,001</u>	<u>2,035,361</u>	<u>184,640</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	1,440,984	15,769	1,456,753	1,437,368	19,385
General Supplies	3,465		3,465	499	2,966
Textbooks	1,500		1,500	481	1,019
<b>Total Bilingual Education - Instruction</b>	<u>1,445,949</u>	<u>15,769</u>	<u>1,461,718</u>	<u>1,438,348</u>	<u>23,370</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	97,850		97,850	76,289	21,561
Purchased Services (300-500 series)	4,000		4,000	1,790	2,210
Supplies and Materials	28,545	(1,085)	27,460	6,630	20,830
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>130,395</u>	<u>(1,085)</u>	<u>129,310</u>	<u>84,709</u>	<u>44,601</u>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	291,000		291,000	194,356	96,644
Purchased Services (300-500 series)	50,000		50,000	50,000	
Supplies and Materials	63,375		63,375	55,940	7,435
<b>Total School-Sponsored Athletics - Instruction</b>	<u>404,375</u>		<u>404,375</u>	<u>300,296</u>	<u>104,079</u>
<b>Before/After School Programs - Instruction</b>					
Salaries of Teachers	20,000	(2,638)	17,362	17,362	
<b>Total Before/After School Programs - Instruction</b>	<u>20,000</u>	<u>(2,638)</u>	<u>17,362</u>	<u>17,362</u>	
<b>Summer School - Instruction</b>					
Salaries of Teachers	50,000	5,420	55,420	55,420	
<b>Total Summer School - Instruction</b>	<u>50,000</u>	<u>5,420</u>	<u>55,420</u>	<u>55,420</u>	
<b>TOTAL INSTRUCTION</b>	<u>12,853,440</u>	<u>86,322</u>	<u>12,939,762</u>	<u>12,563,117</u>	<u>376,645</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular		6,104	6,104	(1,769)	7,873
Tuition to Other LEAs Within the State - Special	510,665	108,961	619,626	588,130	31,496
Tuition to County Voc. School Dist. - Regular	450,000	956	450,956	450,956	
Tuition to CSSD & Regional Day Schools	323,228	84,863	408,091	391,036	17,055
Tuition to Private Schools for the Handicapped - Within State	513,359	(201,546)	311,813	265,757	46,056
Tuition Priv Sch Disbl & Other LEA o/s State	3,240		3,240	(1,039)	4,279
<b>Total Undistributed Expenditures - Instruction:</b>	<u>1,800,492</u>	<u>(662)</u>	<u>1,799,830</u>	<u>1,693,071</u>	<u>106,759</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	4,050		4,050	2,187	1,863
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>4,050</u>		<u>4,050</u>	<u>2,187</u>	<u>1,863</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	210,585	4,050	214,635	214,635	
Purchased Prof. & Tech Svc.	26,115		26,115	22,426	3,689
Supplies and Materials	10,614		10,614	7,785	2,829
<b>Total Undistributed Expenditures - Health Services</b>	<u>247,314</u>	<u>4,050</u>	<u>251,364</u>	<u>244,846</u>	<u>6,518</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries	227,935		227,935	223,700	4,235
Purchased Prof. Services-Educational Services	523,942	796,020	1,319,962	1,165,459	154,503
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<u>751,877</u>	<u>796,020</u>	<u>1,547,897</u>	<u>1,389,159</u>	<u>158,738</u>
<b>Other Support Services - Students - Extra Srvc</b>					
Purchased Prof. Services-Educational Services	95,000	(77,836)	17,164	390	16,774
<b>Total Other Support Services - Students - Extra Srvc.</b>	<u>95,000</u>	<u>(77,836)</u>	<u>17,164</u>	<u>390</u>	<u>16,774</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	313,540	2,780	316,320	312,327	3,993
Salaries of Secretarial and Clerical Assistants	58,225		58,225	57,550	675
Supplies and Materials	5,400		5,400	1,905	3,495
<b>Total Undist. Expend. - Guidance</b>	<u>377,165</u>	<u>2,780</u>	<u>379,945</u>	<u>371,782</u>	<u>8,163</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	708,352	14,075	722,427	730,859	(8,432)
Salaries of Secretarial and Clerical Assistants	114,250	(20,905)	93,345	63,855	29,490
Supplies and Materials	15,062		15,062	12,869	2,193
Other Objects	1,000		1,000	731	269
<b>Total Undist. Expend. - Child Study Teams</b>	<u>838,664</u>	<u>(6,830)</u>	<u>831,834</u>	<u>808,314</u>	<u>23,520</u>

Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Other Professional Staff	3,150	1,350	4,500	4,500	
Other Purchased Professional and Technical Services	500		500	145	355
Other Purch Services (400-500)	5,250		5,250	4,229	1,021
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<u>8,900</u>	<u>1,350</u>	<u>10,250</u>	<u>8,874</u>	<u>1,376</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	60,000	(5,850)	54,150	1,860	52,290
Supplies and Materials	17,160		17,160	12,838	4,322
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>77,160</u>	<u>(5,850)</u>	<u>71,310</u>	<u>14,698</u>	<u>56,612</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	3,000		3,000	2,105	895
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>3,000</u>		<u>3,000</u>	<u>2,105</u>	<u>895</u>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	385,095	4,362	389,457	400,999	(11,542)
Legal Services	54,268	(3,830)	50,438	14,641	35,797
Audit Fees	46,750		46,750	45,000	1,750
Architectural/Engineering Services	25,000		25,000		25,000
Other Purchased Professional Services	53,309	(4,396)	48,913	39,685	9,228
Communications/Telephone	186,000	3,090	189,090	189,090	
BOE Other Purchased Services	5,500		5,500	5,459	41
Misc . Purch Services (400-500 Series)	137,450	775	138,225	138,225	
General Supplies	1,000	(502)	498	429	69
Misc. Expenditures	3,505	500	4,005	2,588	1,417
BOE Membership Dues and Fees	14,600		14,600	14,225	375
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>912,477</u>	<u>(1)</u>	<u>912,476</u>	<u>850,341</u>	<u>62,135</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	709,842	(55,068)	654,774	654,774	
Salaries of Secretarial and Clerical Assistants	453,815	60,668	514,483	514,483	
Purchased Prof. and Tech. Services	18,785	(375)	18,410		18,410
Other Purchased Services (400-500 series)	675	50	725	713	12
Supplies and Materials	36,347	(9,260)	27,087	18,130	8,957
Other Objects	46,083	(6,198)	39,885	29,124	10,761
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>1,265,547</u>	<u>(10,183)</u>	<u>1,255,364</u>	<u>1,217,224</u>	<u>38,140</u>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	193,528		193,528	181,578	11,950
Purchased Professional Services	46,033	(1,194)	44,839	41,153	3,686
Purchased Technical Services	36,700		36,700	36,589	111
Misc. Pur Services (400-500 Series)	9,500	151	9,651	9,085	566
Supplies and Materials	10,340		10,340	7,888	2,452
Interest on Lease Purchase Agreements	5,309		5,309	(390)	5,699
Other Objects	11,500	(4,266)	7,234	6,745	489
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<u>312,910</u>	<u>(5,309)</u>	<u>307,601</u>	<u>282,648</u>	<u>24,953</u>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	155,616	9,199	164,815	164,815	
Purchased Technical Services	15,173	3,843	19,016	(805)	19,821
Supplies and Materials	8,500	(33)	8,467	4,131	4,336
<b>Total Undist. Expend. - Support Serv. - Administrative Information Technology</b>	<u>179,289</u>	<u>13,009</u>	<u>192,298</u>	<u>168,141</u>	<u>24,157</u>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	81,369	1,500	82,869	82,869	
Cleaning, Repair and Maintenance Services	307,157	124,362	431,519	290,954	140,565
General Supplies	10,000	(5,600)	4,400		4,400
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<u>398,526</u>	<u>120,262</u>	<u>518,788</u>	<u>373,823</u>	<u>144,965</u>
<b>Undist. Expend. - Custodial Services (262)</b>					
Salaries	698,735	125,471	824,206	803,487	20,719
Salaries of Non-Instructional Aides	163,200	78,508	241,708	207,202	34,506
Cleaning, Repair and Maintenance Services	187,735	(23,841)	163,894	161,793	2,101
Other Purchased Property Services	63,000	2,267	65,267	65,264	3
Insurance	166,582	35,148	201,730	201,730	
General Supplies	109,139	37,773	146,912	145,866	1,046
Energy (Natural Gas)	227,836	(38,939)	188,897	188,854	43
Energy (Electricity)	339,335	9,227	348,562	348,562	
Energy (Gasoline)	29,033	(9,928)	19,105	15,209	3,896
Other Objects	3,000	(1,500)	1,500		1,500
<b>Total Undist. Expend. - Custodial Services (262)</b>	<u>1,987,595</u>	<u>214,186</u>	<u>2,201,781</u>	<u>2,137,967</u>	<u>63,814</u>



Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Cleaning, Repair and Maintenance Services		5,000	5,000	2,275	2,725
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>		<u>5,000</u>	<u>5,000</u>	<u>2,275</u>	<u>2,725</u>
<b>Security</b>					
Purchased Professional and Technical Services	63,944	27,844	91,788	91,786	2
General Supplies	7,000	(4,000)	3,000	2,942	58
Other Objects		51,546	51,546	51,546	
<b>Total Undistributed Expenditures - Security</b>	<u>70,944</u>	<u>75,390</u>	<u>146,334</u>	<u>146,274</u>	<u>60</u>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of Non-Instructional Aides	73,330	21,839	95,169	91,542	3,627
Other Purchased Prof. and Tech. Services	1,740		1,740		1,740
Cleaning, Repair and Maintenance Services	4,000		4,000		4,000
Contract Services (Bet. Home and Sch.) - Vendors	30,507	(30,507)			
Contract Services (Other than Between Home & School)-Vendors	76,268		76,268	62,970	13,298
Contract Services (Bet. Home and Sch.) - Joint Agreements	289,000	56,060	345,060	345,060	
Contract Services (Sp. Ed. Students)-Vendors	189,000	215,200	404,200	385,983	18,217
Other Objects	500		500	84	416
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>664,345</u>	<u>262,592</u>	<u>926,937</u>	<u>885,639</u>	<u>41,298</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	314,109	34,062	348,171	348,171	
Other Retirement Contributions-PERS	306,000	(10,000)	296,000	275,920	20,080
Other Retirement Contributions-Regular	12,750		12,750		12,750
Unemployment Compensation	5,000		5,000		5,000
Workmen's Compensation	139,230	(24,061)	115,169	99,439	15,730
Health Benefits	4,974,849	(1,335,779)	3,639,070	3,528,060	111,010
Tuition Reimbursement	17,222		17,222	17,222	
Other Employee Benefits	76,738		76,738	51,275	25,463
Unused Sick Payment to Terminated/Retired Staff	263,440		263,440	263,440	
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>6,109,338</u>	<u>(1,335,778)</u>	<u>4,773,560</u>	<u>4,583,527</u>	<u>190,033</u>
TPAF Pension (On-Behalf - Non-Budgeted)				4,289,202	(4,289,202)
TPAF Post Retirement Benefits (On-Behalf - Non-Budgeted)				1,142,396	(1,142,396)
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				59,508	(59,508)
TPAF LTDI (On-Behalf - Non-Budgeted)				1,599	(1,599)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,010,876	(1,010,876)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>6,503,581</u>	<u>(6,503,581)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>6,109,338</u>	<u>(1,335,778)</u>	<u>4,773,560</u>	<u>11,087,108</u>	<u>(6,313,548)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>16,104,593</u>	<u>52,190</u>	<u>16,156,783</u>	<u>21,686,866</u>	<u>(5,530,083)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>28,958,033</u>	<u>138,512</u>	<u>29,096,545</u>	<u>34,249,983</u>	<u>(5,153,438)</u>
<b>CAPITAL OUTLAY</b>					
<b>Undist. Expenditures:</b>					
Administrative Information Technology		173,312	173,312		173,312
Custodial Services		10,000	10,000	4,135	5,865
Security	9,560		9,560	9,560	
<b>Total Undist. Expend.</b>	<u>9,560</u>	<u>183,312</u>	<u>192,872</u>	<u>13,695</u>	<u>179,177</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	1,324,500	642,584	1,967,084	979,759	987,325
Lease Purchase Agreements - Principal	46,237	(46,237)			
Assessment for Debt Service on SDA Funding	12,601		12,601	12,601	
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,383,338</u>	<u>596,347</u>	<u>1,979,685</u>	<u>992,360</u>	<u>987,325</u>
<b>Transfers and Reserves</b>					
Capital Reserve - Transfer to Capital Outlay		777,000	777,000		777,000
<b>Total Transfers and Reserves</b>		<u>777,000</u>	<u>777,000</u>		<u>777,000</u>
<b>Assets Acquired Under Lease Purchase Agreements (non-budgeted)</b>					
<b>Undistributed Expenditures:</b>					
Security				173,312	(173,312)
<b>Total Assets Acquired Under Lease Purchase Agreements (non-budgeted)</b>				<u>173,312</u>	<u>(173,312)</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,392,898</u>	<u>1,556,659</u>	<u>2,949,557</u>	<u>1,179,367</u>	<u>1,770,190</u>

Exhibit C-1

**PALISADES PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Transfer of Funds to Charter Schools	8,755	26,267	35,022	35,022	
<b>TOTAL EXPENDITURES</b>	<u>30,359,686</u>	<u>1,721,438</u>	<u>32,081,124</u>	<u>35,464,372</u>	<u>(3,383,248)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,436,626)</u>	<u>(1,602,896)</u>	<u>(4,039,522)</u>	<u>(210,459)</u>	<u>3,829,063</u>
<b>Other Financing Sources/(Uses):</b>					
Lease Purchase Agreements (non-budgeted)				173,312	173,312
<b>Total Other Financing Sources/(Uses):</b>				<u>173,312</u>	<u>173,312</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,436,626)</u>	<u>(1,602,896)</u>	<u>(4,039,522)</u>	<u>(37,147)</u>	<u>4,002,375</u>
<b>Fund Balance, July 1</b>	8,141,239		8,141,239	8,141,239	
<b>Fund Balance, June 30</b>	<u>5,704,613</u>	<u>(1,602,896)</u>	<u>4,101,717</u>	<u>8,104,092</u>	<u>4,002,375</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(757,690)		(757,690)	(757,690)	
Increase in Capital Reserve:					
Principal				668,278	668,278
Interest Deposit to Capital Reserve	2,500		2,500	25,261	22,761
Interest Deposit to Maintenance Reserve	500		500	500	
Withdrawal from Capital Reserve		(1,602,896)	(1,602,896)	(1,602,896)	
Budgeted Fund Balance	<u>(1,681,936)</u>		<u>(1,681,936)</u>	<u>1,456,088</u>	<u>3,138,024</u>
	<u>(2,436,626)</u>	<u>(1,602,896)</u>	<u>(4,039,522)</u>	<u>(210,459)</u>	<u>3,829,063</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				1,645,929	
Maintenance Reserve				840,669	
Unemployment Compensation				48,463	
Excess Surplus - Designated for Subsequent Years' Expenditures				823,673	
Excess Surplus - Current Year				1,600,000	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				825,100	
Year-end Encumbrances				1,084,093	
<b>Unassigned Fund Balance</b>				<u>1,236,165</u>	
				8,104,092	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>(197,315)</u>	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>7,906,777</u>	

**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>REVENUES:</b>						
Local Sources	47,000	15,000	62,000	371,324	309,324	Note (1)
State Sources	1,378,957	164,337	1,543,294	1,420,714	(122,580)	
Federal Sources	993,946	6,768,994	7,762,940	6,918,034	(844,906)	
<b>Total Revenues</b>	<b>2,419,903</b>	<b>6,948,331</b>	<b>9,368,234</b>	<b>8,710,072</b>	<b>(658,162)</b>	
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	1,032,276	81,456	1,113,732	1,047,981	65,751	
Other Salaries for Instruction	94,675	-	94,675	67,649	27,026	
Purchased Professional - Educational Services	243,483	2,232	245,715	201,542	44,173	
Other Purchased Services (400-500 series)	397,996	(4,898)	393,098	379,301	13,797	
General Supplies	148,850	702,436	851,286	627,483	223,803	
Textbooks	22,508	2,176	24,684	24,100	584	
<b>Total instruction</b>	<b>1,939,788</b>	<b>783,402</b>	<b>2,723,190</b>	<b>2,348,056</b>	<b>375,134</b>	
<b>Support services:</b>						
Salaries of Supervisors of Instruction		28,000	28,000	3,060	24,940	
Salaries of Program Directors	40,000	-	40,000	40,000	-	
Salaries of Other Professional Staff	60,000	-	60,000	60,000	-	
Salaries of Secr. And Clerical Assistants	50,395	-	50,395	50,395	-	
Other Salaries	15,325	111,412	126,737	62,223	64,514	
Salaries for Community Parent Involvement Spec.	2,500	-	2,500	270	2,230	
Salaries for Master Teachers	64,980	-	64,980	64,905	75	
Personal Services - Employee Benefits	100,000	328,973	428,973	391,433	37,540	
Purchased Professional - Technical Services		341,423	341,423	123,226	218,197	
Purchased Professional - Educational Services	20,000	78,984	98,984	58,430	40,554	
Other Purchased Professional Services	5,000	151,078	156,078	19,046	137,032	
Supplies & Materials	66,915	46,261	113,176	88,741	24,435	
Scholarships				28,200	(28,200)	
Student Activity Disbursements	35,000	-	35,000	299,958	(264,958)	Note (1)
<b>Total support services</b>	<b>460,115</b>	<b>1,086,131</b>	<b>1,546,246</b>	<b>1,289,887</b>	<b>256,359</b>	
<b>Facilities acquisition and const. serv.:</b>						
Buildings/Renovations		5,078,798	5,078,798	5,031,567	47,231	
Noninstructional Equipment	20,000	-	20,000	20,000	-	
<b>Total facilities acquisition and const. serv.</b>	<b>20,000</b>	<b>5,078,798</b>	<b>5,098,798</b>	<b>5,051,567</b>	<b>47,231</b>	
<b>Total Expenditures</b>	<b>2,419,903</b>	<b>6,948,331</b>	<b>9,368,234</b>	<b>8,689,510</b>	<b>678,724</b>	
<b>Excess (Deficiency) of Revenues Over (Under)</b>						
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>	<b>20,562</b>	
Fund Balance, July 1				186,259		
Fund Balance, June 30				206,821		
<b>Recapitulation:</b>						
<b>Restricted:</b>						
Scholarships				38,663		
Student Activities				168,158		
<b>Total Fund Balance</b>				<b>206,821</b>		

Note 1 - Not Required to budget for these funds.

**PALISADES PARK BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2023**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	35,253,913	8,710,072
Differences - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			215,701
Current Year			(3,885,590)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		110,276	175,423
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(197,315)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	35,166,874	5,215,606
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	35,464,372	8,689,510
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but the in year the supplies are received for financial reporting purposes.			
Prior Year			215,701
Current Year			(3,885,590)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	35,464,372	5,019,621

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
2015	0.0259576351%	\$ 4,859,979	\$ 1,700,413	285.81%	52.08%
2016	0.0242951347%	5,453,771	1,712,076	318.55%	47.93%
2017	0.0244283531%	7,234,978	1,608,685	449.74%	59.86%
2018	0.0242765167%	5,651,185	1,721,717	328.23%	48.10%
2019	0.0236745200%	4,661,395	1,715,233	271.76%	53.60%
2020	0.0240206327%	4,328,154	1,808,547	239.32%	56.27%
2021	0.0246492168%	4,019,643	1,639,998	245.10%	58.32%
2022	0.0243384895%	2,883,259	1,621,312	177.83%	70.33%
2023	0.0218504767%	3,297,538	1,728,119	190.82%	62.91%

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	\$		\$				
2015	\$ 213,991	\$	(213,991)	\$ -	\$ 1,700,413	12.58%	
2016	208,873		(208,873)	-	1,712,076	12.20%	
2017	217,018		(217,018)	-	1,608,685	13.49%	
2018	224,896		(224,896)	-	1,721,717	13.06%	
2019	235,485		(235,485)	-	1,715,233	13.73%	
2020	233,652		(233,652)	-	1,808,547	12.92%	
2021	269,650		(269,650)	-	1,639,998	16.44%	
2022	285,032		(285,032)	-	1,621,312	17.58%	
2023	275,545		(275,545)	-	1,728,119	15.94%	

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

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

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's		District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
			Proportionate Share of the Net Pension Liability Associated with the District (Asset)	\$			
2015	0.1030691358%		\$	55,087,099	10,216,526	0.00%	33.64%
2016	0.1077074691%			68,075,720	11,180,935	0.00%	28.71%
2017	0.1029186239%			80,962,342	11,883,703	0.00%	22.33%
2018	0.1001415840%			67,519,067	12,039,990	0.00%	25.41%
2019	0.1080491144%			68,738,526	12,073,861	0.00%	26.49%
2020	0.1145407150%			70,294,718	12,284,692	0.00%	26.95%
2021	0.1131018144%			74,476,184	12,125,532	0.00%	24.60%
2022	0.1112970597%			53,506,271	12,568,112	0.00%	35.52%
2023	0.1091692769%			56,325,251	13,567,071	0.00%	32.29%

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



**PALISADES PARK BOARD OF EDUCATION**  
**Note to Required Schedules of Supplementary Information - Part III**  
**Fiscal Year Ended June 30, 2023**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

**PALISADES PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2023

	Palisades Park High School Student Activity Fund	Cultural Arts Student Activity Fund	Scholarships	Lindbergh School Student Activity Fund	Palisades Park High School Athletic Account	Total Carried Forward
<b>REVENUES</b>						
Local Sources	101,537	-	38,705	71,964	136,514	348,720
State Sources						-
Federal Sources						-
<b>Total Revenues</b>	<b>101,537</b>	<b>-</b>	<b>38,705</b>	<b>71,964</b>	<b>136,514</b>	<b>348,720</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers						-
Other Salaries for Instruction						-
Purchased Professional - Educational Services						-
Other Purchased Services (400-500 series)						-
General Supplies						-
Textbooks						-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support services:</b>						
Salaries of Supervisors of Instruction						-
Salaries of Program Directors						-
Personal Services - Employee Benefits						-
Purchased Professional - Technical Services						-
Purchased Professional - Educational Services						-
Other Purchased Services						-
Supplies and Materials						-
Other Objects						-
Scholarships	99,126		28,200	71,567	129,265	28,200
Student Activities						299,958
<b>Total support services</b>	<b>99,126</b>	<b>-</b>	<b>28,200</b>	<b>71,567</b>	<b>129,265</b>	<b>328,158</b>
<b>Facilities acquisition and const. serv.:</b>						
Buildings/Renovations						-
Non-instructional Equipment						-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>99,126</b>	<b>-</b>	<b>28,200</b>	<b>71,567</b>	<b>129,265</b>	<b>328,158</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>2,411</b>	<b>-</b>	<b>10,505</b>	<b>397</b>	<b>7,249</b>	<b>20,562</b>
Fund Balance, July 1	54,317	31,947	28,158	32,925	38,912	186,259
Fund Balance, June 30	56,728	31,947	38,663	33,322	46,161	206,821

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

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Costs	3,186,896	3,746,715	2,096,346	2,008,844	2,219,564	\$ 2,687,346
Interest on Total OPEB Liability	1,243,519	1,460,914	1,404,324	1,675,438	1,837,177	1,580,742
Changes in Benefit Terms		(59,942)				
Differences between Expected and Actual Experiences	(43,996)	(12,257,842)	11,726,686	(6,396,766)	(5,954,074)	
Changes in Assumptions	(12,587,594)	55,561	11,779,144	575,035	(4,802,849)	(6,854,117)
Gross Benefit Payments	(1,231,742)	(1,150,791)	(1,122,626)	(1,183,887)	(1,119,136)	(1,149,622)
Contribution from the Member	39,515	37,348	34,027	35,094	38,679	42,332
<b>Net Changes in total Share of OPEB Liability</b>	<u>(9,393,402)</u>	<u>(8,168,037)</u>	<u>25,917,901</u>	<u>(3,286,242)</u>	<u>(7,780,639)</u>	<u>(3,693,319)</u>
<b>Total OPEB Liability - Beginning</b>	<u>\$ 56,316,692</u>	<u>\$ 64,484,729</u>	<u>\$ 38,566,828</u>	<u>\$ 41,853,070</u>	<u>\$ 49,633,709</u>	<u>53,327,028</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 46,923,290</u>	<u>\$ 56,316,692</u>	<u>\$ 64,484,729</u>	<u>\$ 38,566,828</u>	<u>\$ 41,853,070</u>	<u>\$ 49,633,709</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>\$ 46,923,290</u>	<u>\$ 56,316,692</u>	<u>\$ 64,484,729</u>	<u>\$ 38,566,828</u>	<u>\$ 41,853,070</u>	<u>49,633,709</u>
Total OPEB Liability - Ending	<u>\$ 46,923,290</u>	<u>\$ 56,316,692</u>	<u>\$ 64,484,729</u>	<u>\$ 38,566,828</u>	<u>\$ 41,853,070</u>	<u>\$ 49,633,709</u>
District's Covered Employee Payroll	<u>\$ 15,295,190</u>	<u>\$ 14,189,424</u>	<u>\$ 13,765,530</u>	<u>\$ 14,093,239</u>	<u>\$ 13,789,094</u>	<u>\$ 13,761,707</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

**Notes to Schedule:**

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

Change in benefit terms                      None

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

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

**Other Supplementary Information**

**SPECIAL REVENUE FUND**

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**June 30, 2023**

	Total Brought Forward (Ex. E-1a)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Handicapped Services, Chp. 193 Supplemental Instruction	Examination & Classification	Corrective Speech	Totals 2023
<b>REVENUES</b>							
Local Sources	371,324						371,324
State Sources	1,308,435	24,100	41,888	10,986	8,522	26,783	1,420,714
Federal Sources	6,918,034						6,918,034
<b>Total Revenues</b>	<b>8,597,793</b>	<b>24,100</b>	<b>41,888</b>	<b>10,986</b>	<b>8,522</b>	<b>26,783</b>	<b>8,710,072</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	1,006,093		41,888				1,047,981
Other Salaries for Instruction	67,649						67,649
Purchased Professional - Educational Services	155,251			10,986	8,522	26,783	201,542
Other Purchased Services (400-500 series)	379,301						379,301
General Supplies	627,483						627,483
Textbooks	-	24,100					24,100
<b>Total instruction</b>	<b>2,235,777</b>	<b>24,100</b>	<b>41,888</b>	<b>10,986</b>	<b>8,522</b>	<b>26,783</b>	<b>2,348,056</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction	3,060						3,060
Salaries of Program Directors	40,000						40,000
Salaries of Other Professional Staff	60,000						60,000
Salaries of Secr. And Clerical Assistants	50,395						50,395
Other Salaries	62,223						62,223
Salaries for Community Parent Involvement Spec.	270						270
Salaries for Master Teachers	64,905						64,905
Personal Services - Employee Benefits	391,433						391,433
Purchased Professional - Technical Services	123,226						123,226
Purchased Professional - Educational Services	58,430						58,430
Other Purchased Services	19,046						19,046
Supplies & Materials	88,741						88,741
Scholarships	28,200						28,200
Student Activities	299,958						299,958
<b>Total support services</b>	<b>1,289,887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,289,887</b>
<b>Facilities acquisition and const. serv.:</b>							
Buildings/Renovations	5,031,567						5,031,567
Non-instructional Equipment	20,000						20,000
<b>Total facilities acquisition and const. serv.</b>	<b>5,051,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,051,567</b>
<b>Total Expenditures</b>	<b>8,577,231</b>	<b>24,100</b>	<b>41,888</b>	<b>10,986</b>	<b>8,522</b>	<b>26,783</b>	<b>8,689,510</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>20,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>
Fund Balance, July 1	186,259						186,259
Fund Balance, June 30	206,821						206,821

**PALISADES PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis  
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	N.J. Nonpublic Auxiliary Services, Chp. 192			Total Carried Forward
		Compensatory Education	English as a Second Language	Nonpublic Security Aid	
<b>REVENUES</b>					
Local Sources	371,324				371,324
State Sources	1,060,859	120,671	34,580	76,670	1,308,435
Federal Sources	6,918,034				6,918,034
<b>Total Revenues</b>	<b>8,350,217</b>	<b>120,671</b>	<b>34,580</b>	<b>76,670</b>	<b>8,597,793</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	1,006,093				1,006,093
Other Salaries for Instruction	67,649				67,649
Purchased Professional - Educational Services	-	120,671	34,580		155,251
Other Purchased Services (400-500 series)	379,301				379,301
General Supplies	611,828			15,655	627,483
Textbooks	-				-
<b>Total instruction</b>	<b>2,064,871</b>	<b>120,671</b>	<b>34,580</b>	<b>-</b>	<b>2,235,777</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	3,060				3,060
Salaries of Program Directors	40,000				40,000
Salaries of Other Professional Staff	60,000				60,000
Salaries of Sec. And Clerical Assistants	50,395				50,395
Other Salaries	62,223				62,223
Salaries for Community Parent Involvement Spec.	270				270
Salaries for Master Teachers	64,905				64,905
Personal Services - Employee Benefits	391,433				391,433
Purchased Professional - Technical Services	123,226				123,226
Purchased Professional - Educational Services	58,430				58,430
Other Purchased Services	19,046				19,046
Supplies & Materials	12,071			76,670	88,741
Scholarships	28,200				28,200
Student Activities	299,958				299,958
<b>Total support services</b>	<b>1,213,217</b>	<b>-</b>	<b>-</b>	<b>76,670</b>	<b>1,289,887</b>
<b>Facilities acquisition and const. serv.:</b>					
Buildings/Renovations	5,031,567				5,031,567
Non-instructional Equipment	20,000				20,000
<b>Total facilities acquisition and const. serv.</b>	<b>5,051,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,051,567</b>
<b>Total Expenditures</b>	<b>8,329,655</b>	<b>120,671</b>	<b>34,580</b>	<b>76,670</b>	<b>8,577,231</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>20,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>
Fund Balance, July 1	186,259				186,259
Fund Balance, June 30	206,821				206,821

**PALISADES PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1c)	Preschool Education Aid	SDA Emergent Capital Needs	Climate Awareness Education Grant	Title I, Improving Basic Programs	Title I, SIA Improving Basic Programs	Total Carried Forward
<b>REVENUES</b>							
Local Sources	371,324	-	-	-	-	-	371,324
Slate Sources	-	1,005,186	49,013	6,660	882,978	58,697	1,060,859
Federal Sources	5,976,359	-	-	-	-	-	6,918,034
<b>Total Revenues</b>	<b>6,347,683</b>	<b>1,005,186</b>	<b>49,013</b>	<b>6,660</b>	<b>882,978</b>	<b>58,697</b>	<b>8,350,217</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	46,713	521,475	-	-	425,195	12,710	1,006,093
Other Salaries for Instruction	-	67,649	-	-	-	-	67,649
Purchased Professional - Educational Services	379,301	-	-	-	163,290	107	379,301
Other Purchased Services (400-500 series)	389,130	55,125	-	4,176	-	-	611,828
General Supplies	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
<b>Total instruction</b>	<b>815,144</b>	<b>644,249</b>	<b>-</b>	<b>4,176</b>	<b>588,485</b>	<b>12,817</b>	<b>2,064,871</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction	-	-	-	-	3,060	-	3,060
Salaries of Program Directors	-	40,000	-	-	-	-	40,000
Salaries of Other Professional Staff	-	60,000	-	-	-	-	60,000
Salaries of Secr. And Clerical Assistants	-	50,395	-	-	-	-	50,395
Other Salaries	19,493	15,325	-	-	27,405	-	62,223
Salaries for Community Parent Involvement Spec.	-	270	-	-	-	-	270
Salaries for Master Teachers	-	64,905	-	-	-	-	64,905
Personal Services - Employee Benefits	-	100,000	-	-	291,433	-	391,433
Purchased Professional - Technical Services	116,851	-	-	-	-	6,375	123,226
Purchased Professional - Educational Services	47,100	8,846	-	2,484	-	-	58,430
Other Purchased Professional Services	17,850	1,196	-	-	-	-	19,046
Supplies & Materials	(29)	-	-	-	-	12,100	12,071
Scholarships	28,200	-	-	-	-	-	28,200
Student Activities	299,958	-	-	-	-	-	299,958
<b>Total support services</b>	<b>529,423</b>	<b>340,937</b>	<b>-</b>	<b>2,484</b>	<b>294,493</b>	<b>45,880</b>	<b>1,213,217</b>
<b>Facilities acquisition and const. serv.:</b>							
Buildings/Renovations	4,982,554	-	49,013	-	-	-	5,031,567
Non-instructional Equipment	-	20,000	-	-	-	-	20,000
<b>Total facilities acquisition and const. serv.</b>	<b>4,982,554</b>	<b>20,000</b>	<b>49,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,051,567</b>
<b>Total Expenditures</b>	<b>6,327,121</b>	<b>1,005,186</b>	<b>49,013</b>	<b>6,660</b>	<b>882,978</b>	<b>58,697</b>	<b>8,329,655</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>20,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>
Fund Balance, July 1	186,259	-	-	-	-	-	186,259
Fund Balance, June 30	206,821	-	-	-	-	-	206,821



**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures – Budgetary Basis**  
**Fiscal Year Ended June 30, 2023**

	Total Brought Forward (Ex. E-1d)	Title II, A, Teacher/Principal Training & Recruiting	Title III, English Language Acquisition and Language Enhancement	Title IV, Student Support & Academic Enrichment	I.D.E.A Part B, Basic	Total Carried Forward
<b>REVENUES</b>						
Local Sources	371,324					371,324
State Sources	-					-
Federal Sources	5,382,977	66,379	75,155	66,124	385,724	5,976,359
<b>Total Revenues</b>	<b>5,754,301</b>	<b>66,379</b>	<b>75,155</b>	<b>66,124</b>	<b>385,724</b>	<b>6,347,683</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	46,713					46,713
Other Salaries for Instruction	-					-
Purchased Professional - Educational Services	-				379,301	379,301
Other Purchased Services (400-500 series)	280,974		51,532	56,624		389,130
General Supplies	-					-
Textbooks	-					-
<b>Total instruction</b>	<b>327,687</b>	<b>-</b>	<b>51,532</b>	<b>56,624</b>	<b>379,301</b>	<b>815,144</b>
<b>Support services:</b>						
Salaries of Supervisors of Instruction	-					-
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	-					-
Salaries of Secr. And Clerical Assistants	-					-
Other Salaries	1,050		18,443			19,493
Salaries for Community Parent Involvement Spec.	-					-
Salaries for Master Teachers	-					-
Personal Services - Employee Benefits	-					-
Purchased Professional - Technical Services	29,340	66,408	5,180	9,500	6,423	116,851
Purchased Professional - Educational Services	47,100					47,100
Other Purchased Services	17,850					17,850
Supplies & Materials	-					(29)
Scholarships	28,200					28,200
Student Activities	299,958					299,958
<b>Total support services</b>	<b>423,498</b>	<b>66,379</b>	<b>23,623</b>	<b>9,500</b>	<b>6,423</b>	<b>529,423</b>
<b>Facilities acquisition and const. serv.:</b>						
Buildings/Renovations	4,982,554					4,982,554
Non-instructional Equipment	-					-
<b>Total facilities acquisition and const. serv.</b>	<b>4,982,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,982,554</b>
<b>Total Expenditures</b>	<b>5,733,739</b>	<b>66,379</b>	<b>75,155</b>	<b>66,124</b>	<b>385,724</b>	<b>6,327,121</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>20,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>
Fund Balance, July 1	186,259	-	-	-	-	186,259
Fund Balance, June 30	206,821	-	-	-	-	206,821

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures – Budgetary Basis**  
**Fiscal Year Ended June 30, 2023**

	Total Brought Forward (Ex. E-1e)	I.D.E.A Part B, Preschool	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	Total Carried Forward
<b>REVENUES</b>						
Local Sources	371,324					371,324
State Sources	-					-
Federal Sources	3,565,967	11,637	1,765,140	29,883	10,350	5,382,977
<b>Total Revenues</b>	<b>3,937,291</b>	<b>11,637</b>	<b>1,765,140</b>	<b>29,883</b>	<b>10,350</b>	<b>5,754,301</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	46,713					46,713
Other Salaries for Instruction	-					-
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-					-
General Supplies	269,337	11,637				280,974
Textbooks	-					-
<b>Total instruction</b>	<b>316,050</b>	<b>11,637</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327,687</b>
<b>Support services:</b>						
Salaries of Supervisors of Instruction	-					-
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	-					-
Salaries of Secr. And Clerical Assistants	-					-
Other Salaries	-		1,050			1,050
Salaries for Community Parent Involvement Spec.	-					-
Salaries for Master Teachers	-					-
Personal Services - Employee Benefits	-					-
Purchased Professional - Technical Services	29,340					29,340
Purchased Professional - Educational Services	7,917			28,833	10,350	47,100
Other Purchased Services	17,850					17,850
Supplies and Materials	-					-
Scholarships	28,200					28,200
Student Activities	299,958					299,958
<b>Total support services</b>	<b>383,265</b>	<b>-</b>	<b>-</b>	<b>29,883</b>	<b>10,350</b>	<b>423,498</b>
<b>Facilities acquisition and const. serv.:</b>						
Buildings/Renovations	3,217,414		1,765,140			4,982,554
Non-instructional Equipment	-					-
<b>Total facilities acquisition and const. serv.</b>	<b>3,217,414</b>	<b>-</b>	<b>1,765,140</b>	<b>-</b>	<b>-</b>	<b>4,982,554</b>
<b>Total Expenditures</b>	<b>3,916,729</b>	<b>11,637</b>	<b>1,765,140</b>	<b>29,883</b>	<b>10,350</b>	<b>5,733,739</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>20,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>
Fund Balance, July 1	186,259					186,259
Fund Balance, June 30	206,821					206,821

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2023**

	Total Brought Forward (Ex. E-1f)	ARP ESSER	ARP ESSER Accelerated Learning Coach & Educator Support	ARP ESSER Evidence Based Summer Learning & Enrichment	ARP ESSER Evidence Based Comprehension Beyond the School Day	Total Carried Forward
<b>REVENUES</b>						
Local Sources	371,324	-	-	-	-	371,324
State Sources	-	3,464,147	25,767	34,200	12,513	3,565,967
Federal Sources	-	-	-	-	-	-
<b>Total Revenues</b>	<b>400,664</b>	<b>3,464,147</b>	<b>25,767</b>	<b>34,200</b>	<b>12,513</b>	<b>3,937,291</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	-	-	-	34,200	12,513	46,713
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	22,604	246,733	-	-	-	269,337
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
<b>Total instruction</b>	<b>22,604</b>	<b>246,733</b>	<b>-</b>	<b>34,200</b>	<b>12,513</b>	<b>316,050</b>
<b>Support services:</b>						
Salaries of Supervisors of Instruction	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-	-
Salaries of Secr. And Clerical Assistants	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Salaries for Community Parent Involvement Spec.	-	-	-	-	-	-
Salaries for Master Teachers	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Professional - Technical Services	29,340	-	7,917	-	-	29,340
Purchased Professional - Educational Services	-	-	-	-	-	7,917
Other Purchased Services	-	-	17,850	-	-	17,850
Supplies and Materials	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Scholarships	28,200	-	-	-	-	28,200
Student Activities	299,958	-	-	-	-	299,958
<b>Total support services</b>	<b>357,498</b>	<b>-</b>	<b>25,767</b>	<b>-</b>	<b>-</b>	<b>383,265</b>
<b>Facilities acquisition and const. serv.:</b>						
Buildings/Renovations	-	3,217,414	-	-	-	3,217,414
Non-instructional Equipment	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>3,217,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,217,414</b>
<b>Total Expenditures</b>	<b>380,102</b>	<b>3,464,147</b>	<b>25,767</b>	<b>34,200</b>	<b>12,513</b>	<b>3,916,729</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>20,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>
Fund Balance, July 1	186,259	-	-	-	-	186,259
Fund Balance, June 30	206,821	-	-	-	-	206,821

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures – Budgetary Basis**  
**Fiscal Year Ended June 30, 2023**

	Total Brought Forward (Ex. E-1g)	ARP ESSER NUTSS Mental Health Support Staffing	ARP IDEA Basic	Donation - Korean Consulate	Italian American Committee - Academic Grant	Total Carried Forward
<b>REVENUES</b>						
Local Sources	348,720	-	-	12,604	10,000	371,324
State Sources	-	18,763	10,577	-	-	29,340
Federal Sources	-	-	-	-	-	-
<b>Total Revenues</b>	<b>348,720</b>	<b>18,763</b>	<b>10,577</b>	<b>12,604</b>	<b>10,000</b>	<b>400,664</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	-	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	12,604	10,000	22,604
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,604</b>	<b>10,000</b>	<b>22,604</b>
<b>Support services:</b>						
Salaries of Supervisors of Instruction	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-	-
Salaries of Secr. And Clerical Assistants	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Salaries for Community Parent Involvement Spec.	-	-	-	-	-	-
Salaries for Master Teachers	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Professional - Technical Services	-	18,763	10,577	-	-	29,340
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-
Supplies and Materials	28,200	-	-	-	-	28,200
Scholarships	299,958	-	-	-	-	299,958
Student Activities	-	-	-	-	-	-
<b>Total support services</b>	<b>328,158</b>	<b>18,763</b>	<b>10,577</b>	<b>-</b>	<b>-</b>	<b>357,498</b>
<b>Facilities acquisition and const. serv.:</b>						
Buildings/Renovations	-	-	-	-	-	-
Non-instructional Equipment	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>328,158</b>	<b>18,763</b>	<b>10,577</b>	<b>12,604</b>	<b>10,000</b>	<b>380,102</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>20,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,562</b>
Fund Balance, July 1	186,259	-	-	-	-	186,259
Fund Balance, June 30	206,821	-	-	-	-	206,821

**PALISADES PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2023**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	521,475	521,475	-
Other Salaries for Instruction	94,675	67,649	27,026
General Supplies	55,125	55,125	-
<b>Total instruction</b>	<u>671,275</u>	<u>644,249</u>	<u>27,026</u>
<b>Support services:</b>			
Salaries of Program Directos	40,000	40,000	-
Salaries of Other Professional Staff	60,000	60,000	-
Salaries of Secr and Clerical Assistants	50,395	50,395	-
Other Salaries	15,325	15,325	-
Salaries of Community Parent Involvement Spec.	2,500	270	2,230
Salaries of Master Teachers	64,980	64,905	75
Personal Services - Employee Benefits	100,000	100,000	-
Other Purchased Professional - Educational Services	20,000	8,846	11,154
Other Purchased Professional Services	5,000	1,196	3,804
<b>Total support services</b>	<u>358,200</u>	<u>340,937</u>	<u>17,263</u>
<b>Equipment</b>			
Instructional equipment	-	-	-
Non-Instructional Equipment	20,000	20,000	-
<b>Total Equipment</b>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,049,475</u>	<u>1,005,186</u>	<u>44,289</u>

**Calculation of Budget and Carryover**

Total revised 2022-23 Preschool Education Aid	1,049,475.00
Add: Actual Preschool Education Aid Carryover (June 30, 2022)	306,950.00
Add: Budgeted Transfer from the General Fund 2022-23	-
Total Preschool Education Aid Funds Available for 2022-23 Budget	<u>1,356,425.00</u>
Less: 2022-23 Budgeted Preschool Education Aid (prior year budgeted carryover)	<u>(1,049,475.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	306,950.00
Add: Prior Year Accounts Payable Cancelled	
Add: June 30, 2023 Unexpended Preschool Education Aid	44,289.00
2022-23 Carryover - Preschool Education Aid/Preschool	<u>351,239.00</u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-24	<u>306,950.00</u>

**CAPITAL PROJECTS FUND**

**PALISADES PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance-Budgetary Basis**  
**Fiscal Year Ended June 30, 2023**

**Revenues**

State Sources - SCC Grant	577
Certificates of Participation	-
Sale of Property	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Food Service Fund	-
Interest earnings	-
	577

**Expenditures**

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	-

Net change in fund balance	577
Fund balance - beginning	40,795
Fund balance - ending	\$ 41,372

**Analysis of Fund Balance**

Assigned to:	
1997 School Renovation Project	205
Roof Replacement - Jr./Sr. High School	614
Early Childhood Center	16,568
Board Office Conversion to Classrooms	23,985
	\$ 41,372

**PALISADES PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**1997 School Renovation Project**  
**Fiscal Year Ended June 30, 2023**

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



**PALISADES PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Jr./Sr. High School Roof Replacement**  
**Fiscal Year Ended June 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
State Sources - SCC Grant	100,823	577	101,400	
Certificates of Participation			-	
Sale of Property			-	
Transfers from Capital Reserve	135,266		135,266	
Transfers from Capital Outlay	15,969		15,969	
Donations			-	
	<u>252,058</u>	<u>577</u>	<u>252,635</u>	<u>-</u>
<b>Expenditures</b>				
Purchased professional and technical services	-		-	
Land and improvements			-	
Construction services	252,021		252,021	
Equipment purchases			-	
	<u>252,021</u>	<u>-</u>	<u>252,021</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37</u>	<u>577</u>	<u>614</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	3910-050-04-00RA			
Grant Date	7/15/2004			
Bond authorization date				
Bonds authorized				
Bonds issued				
Original authorization cost	252,058			
Additional authorized cost				
Revised authorized cost	252,058			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date				
Revised target completion date				

**PALISADES PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Early Childhood Center**  
**Fiscal Year Ended June 30, 2023**

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

**PALISADES PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Board Office Conversion to Classrooms**  
**Fiscal Year Ended June 30, 2023**

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

**PALISADES PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Fiscal Year Ended June 30, 2023**

Project Title/Issue	Date	Appropriations	Expenditures to Date		Prior Year Payable Cancelled	Unexpended Balance June 30, 2023
			Prior Years	Current Year		
1997 - School renovation project	1997	2,500,000	2,499,795			205
Roof Replacement - Jr./Sr. High School	2004	252,058	252,021		(577)	614
Early Childhood Center	2005	5,577,959	5,367,391			210,568
Board Office Conversion to Classrooms	2011	55,137	31,152			23,985
		<u>8,385,154</u>	<u>8,150,359</u>	<u>-</u>	<u>(577)</u>	<u>235,372</u>
Analysis						
						<u>235,372</u>
						<u>(194,000)</u>
						<u>41,372</u>

**PROPRIETARY FUNDS**

**PALISADES PARK BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2023**

	<b>Food Service Program</b>	<b>Totals</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	532,612	532,612
Accounts receivable:		
State	3,590	3,590
Federal	105,698	105,698
Other	74,506	74,506
Inventories	6,880	6,880
Total current assets	723,286	723,286
Noncurrent assets:		
Capital assets:		
Equipment	234,122	234,122
Site Improvements	133,050	133,050
Less accumulated depreciation:		
Equipment	(101,814)	(101,814)
Site Improvements	(56,128)	(56,128)
Total capital assets (net of accumulated depreciation)	209,230	209,230
Total assets	932,516	932,516
<b>LIABILITIES</b>		
Current liabilities:		
Unearned Revenue	22,238	22,238
Accounts payable	167,126	167,126
Total current liabilities	189,364	189,364
<b>NET POSITION</b>		
Net Investment in Capital Assets	209,230	209,230
Unrestricted	533,922	533,922
Total net position	743,152	743,152

**PALISADES PARK BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2023**

	<b>Food Service Program</b>	<b>After School Child Care</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	344,596		344,596
Daily sales - non-reimbursable programs	12,551		12,551
Total operating revenues	<u>357,147</u>	<u>-</u>	<u>357,147</u>
Operating expenses:			
Cost of sales - reimbursable programs	349,556		349,556
Cost of sales - non-reimbursable programs	147,018		147,018
Salaries	258,441		258,441
Supplies and materials	41,430		41,430
Employee benefits	88,582		88,582
Cleaning repair & maintenance	42,608		42,608
Purchased professional & technical services	4,475		4,475
Purchased services	39,112		39,112
Miscellaneous	47,195		47,195
Depreciation	22,714		22,714
Total Operating Expenses	<u>1,041,131</u>	<u>-</u>	<u>1,041,131</u>
Operating income (loss)	<u>(683,984)</u>	<u>-</u>	<u>(683,984)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	291		291
Breakfast program	19,411		19,411
Federal sources:			
National school lunch program	542,129		542,129
Breakfast program	19,481		19,481
Summer food program	2,291		2,291
Supply chain assistance funding	72,084		72,084
P-EBT administrative cost - FY23	653		653
U.S.D.A. Commodities	97,732		97,732
Payroll protection program reimbursement	41,147		41,147
Interest and investment revenue	3,479		3,479
Total nonoperating revenues (expenses)	<u>798,698</u>	<u>-</u>	<u>798,698</u>
Income (loss) before contributions & transfers	<u>114,714</u>	<u>-</u>	<u>114,714</u>
Transfers in (out)			-
Change in net position	<u>114,714</u>	<u>-</u>	<u>114,714</u>
Total net position—beginning	<u>628,438</u>	<u>-</u>	<u>628,438</u>
Total net position—ending	<u><u>743,152</u></u>	<u><u>-</u></u>	<u><u>743,152</u></u>

**PALISADES PARK BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2023**

	<b>Food Service Program</b>	<b>Totals</b>
	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	357,147	357,147
Sales owed from customers	(63,792)	(63,792)
Payments to outside food service management company	(819,177)	(819,177)
Payments for repairs, maintenance	(42,088)	(42,088)
Payments for purchased professional & technical services	(4,475)	(4,475)
Payments for supplies	(1,014)	(1,014)
Payments for miscellaneous expenditures	-	-
Net cash provided by (used for) operating activities	<u>(573,399)</u>	<u>(573,399)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	17,008	17,008
Federal Sources - Payroll Protection Program Reimbursement	41,147	41,147
Federal Sources	591,684	591,684
Net cash provided by (used for) non-capital financing activities	<u>649,839</u>	<u>649,839</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(22,390)	(22,390)
Net cash provided by (used for) capital and related financing activities	<u>(22,390)</u>	<u>(22,390)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	3,479	3,479
Net cash provided by (used for) investing activities	<u>3,479</u>	<u>3,479</u>
Net increase (decrease) in cash and cash equivalents	57,529	57,529
Balances—beginning of year	<u>475,083</u>	<u>475,083</u>
Balances—end of year	<u>532,612</u>	<u>532,612</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	(683,984)	(683,984)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	22,714	22,714
Food Distribution Program	97,732	97,732
(Increase) decrease in accounts receivable, net	(63,961)	(63,961)
Increase (decrease) in unearned revenue	17,391	17,391
(Increase) decrease in inventories	8,346	8,346
Increase (decrease) in accounts payable	28,363	28,363
Total adjustments	<u>110,585</u>	<u>110,585</u>
Net cash provided by (used for) operating activities	<u>(573,399)</u>	<u>(573,399)</u>



**LONG-TERM DEBT**

**PALISADES PARK BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Obligations under Leases**  
**June 30, 2023**

Description	Amount of Original Issues	Annual Maturities		Interest Rate Payable	Amount Outstanding on July 1, 2022	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2023
		Date	Amount					
Lease Purchase Agreements								
2019 Ford F-250	41,770	01/09/24	8,773	4.82%	17,142		8,369	8,773
2020 Ford F-350	36,884	10/08/23 10/08/24	7,352 7,791	5.90%	22,080		6,937	15,143
Security System	231,036	8/26/2023 8/26/2024 8/26/2025	44,963 46,175 47,419	2.69%	182,340		43,783	138,557
Intercom and Wireless Clocks	173,312	8/1/2023 8/1/2024 8/1/2025 8/1/2026 8/1/2027	35,183 32,300 33,745 35,254 36,830	4.472%		173,312		173,312
Right to Use Leased Assets								
Copiers	193,861	7/30/2019			95,412		95,412	-
Copiers	212,911	3/22/2023				212,911	9,525	203,386
<b>TOTAL</b>					<u>316,974</u>	<u>386,223</u>	<u>164,026</u>	<u>539,171</u>
					Payments Cancelled		100,825 63,201 <u>164,026</u>	

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

#### Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

#### Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

#### Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

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- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

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- J-18 School Building Information\*
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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.	

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 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	18,458,379
Unrestricted	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	4,558,104
	(4,009,752)	(8,479,601)	(8,860,937)	(9,596,353)	(9,154,903)	(8,643,203)	(8,661,332)	(7,568,405)	(3,094,671)	(3,222,967)
<b>Total governmental activities net position</b>	<b>\$ 14,083,648</b>	<b>\$ 9,714,533</b>	<b>\$ 10,039,932</b>	<b>\$ 9,828,615</b>	<b>\$ 9,514,330</b>	<b>\$ 9,859,889</b>	<b>\$ 11,074,558</b>	<b>\$ 13,617,135</b>	<b>\$ 16,598,935</b>	<b>\$ 19,793,516</b>
<b>Business-type activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 45,910	\$ 42,727	\$ 39,544	\$ 42,211	\$ 38,378	\$ 42,980	144,320	135,882	148,057	209,230
Unrestricted	279,719	243,529	244,442	298,822	245,248	298,277	227,055	368,508	480,381	533,922
	\$ 325,629	\$ 286,256	\$ 283,986	\$ 341,033	\$ 283,626	\$ 341,257	\$ 371,375	\$ 504,390	\$ 628,438	\$ 743,152
<b>Total business-type activities net position</b>										
<b>District-wide</b>										
Net Investment in Capital Assets										
Restricted	\$ 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	18,667,609
Unrestricted	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	4,558,104
	(3,730,033)	(8,236,072)	(8,616,495)	(9,297,531)	(8,909,655)	(8,346,926)	(8,434,277)	(7,199,897)	(2,614,290)	(2,689,045)
<b>Total district net position</b>	<b>\$ 14,409,277</b>	<b>\$ 10,000,789</b>	<b>\$ 10,323,918</b>	<b>\$ 10,169,648</b>	<b>\$ 9,797,956</b>	<b>\$ 10,201,146</b>	<b>\$ 11,445,933</b>	<b>\$ 14,121,525</b>	<b>\$ 17,227,373</b>	<b>\$ 20,536,668</b>

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	11,555,997
Special education	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	2,169,713
Other special education	987,753	864,562	860,482	1,023,609	1,082,831	1,171,257	1,419,050	1,870,163	3,560,360	1,536,889
Other instruction	435,634	407,524	441,448	429,877	562,925	592,432	556,450	481,011	813,242	478,502
Support Services:										
Tuition	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	1,693,071
Attendance & Social Work		3,324	3,319	2,000	2,453	4,379	4,793	2,648		2,337
Health Services		292,826	268,640	232,561	289,594	323,339	288,584	306,597		259,560
Student & instruction related services	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	3,851,070
School administrative services	1,241,805	1,298,130	1,412,144	1,442,504	1,521,676	1,661,232	1,748,306	1,745,304	2,135,743	1,299,743
General administrative services	707,186	700,945	896,399	877,883	885,459	1,035,893	928,874	952,538	1,427,690	877,832
Central Services	390,943	401,785	291,514	261,395	259,505	327,560	353,404	323,466		290,681
Plant operations and maintenance	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	2,548,211
Pupil transportation	305,563	311,896	333,313	385,142	397,734	523,293	434,533	419,080	783,028	895,274
Administration of Information Technology	4,558,274	106,058	126,676	170,964	182,646	189,292	182,646	186,305		166,664
Unallocated Benefits	50,333	4,765,636	6,701,000	4,231,356	6,215,623	5,514,211	4,734,732	8,384,826		7,198,555
Charter Schools	37,860	51,148	50,809	37,291	34,363	45,642	30,972	25,512	36,970	35,022
Interest on long-term debt	277,747	42,421	26,409	15,263	9,879	7,996	2,369	22,444		6,701
Unallocated depreciation			277,747	280,202	280,202	296,054	289,359	296,267		321,094
Amortization										10,646
Capital Outlay - nondepreciable	15,455	32,533	27,021	41,812	47,399	12,601	12,601	8,916		
Total governmental activities expenses	27,100,371	28,512,835	31,170,907	28,871,341	33,037,610	34,275,170	32,705,863	35,954,697	39,724,035	35,197,562
Business-type activities:										
Food service	696,434	724,018	762,950	812,485	806,638	791,427	632,692	482,934	968,203	1,041,131
After School Child Care	82,508	83,894	90,073	116,355	124,905	99,165				
Total business-type activities expense	778,942	807,912	853,023	928,840	931,543	890,592	632,692	482,934	968,203	1,041,131
Total district expenses	\$ 27,879,313	\$ 29,320,747	\$ 32,023,930	\$ 29,800,181	\$ 33,969,153	\$ 35,165,762	\$ 33,338,555	\$ 36,437,631	\$ 40,692,238	\$ 36,238,693
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)										
Student & Instruction related services								148,754	325,190	348,720
Pupil transportation										
Business and other support services	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	3,401,604
Operating grants and contributions										
Capital grants and contributions										
Total governmental activities program revenues	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	3,750,324

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type activities:</b>										
Charges for services										
Food service	341,732	320,233	309,782	354,426	342,360	345,777	250,165	351	92,335	357,147
Child care	135,641	101,740	111,285	125,236	129,120	73,610				
Operating grants and contributions	367,996	346,558	429,680	506,861	531,987	527,932	411,206	615,571	1,059,912	795,219
Capital grants and contributions	845,369	768,531	850,747	986,523	1,003,467	947,319	661,371	615,922	1,152,247	1,152,366
Total business-type activities program revenues	\$ 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	\$ 4,902,690
Total district program revenues										
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (31,447,238)
Business-type activities	66,427	(39,381)	(2,276)	57,683	71,924	56,727	28,679	132,988	184,044	111,235
Total district-wide net expense	\$ (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)	\$ (31,336,003)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	25,347,089
Taxes levied for debt service	752,448	611,767	439,987	271,624	112,506	113,718	115,242	116,344		
Unrestricted grants and contributions	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	7,773,800
Restricted grants and contributions - Capital Outlay						9,000	10,855	5,529		1,465,282
Tuition Received				108,519	165,166	131,060	153,500	-		79,304
Rents and Royalties										
Payments in lieu of taxes										
Investment earnings	1,158	907	593	251	638	2,765	2,054	86	779	25,969
Miscellaneous income	85,076	140,861	193,164	52,636	35,380	129,531	101,540	30,722	60,127	82,847
Loss on Disposal of Fixed Assets					(3,431)					
Slate Aid-State Facilities Grant										
Retirement of Debt - Refinancing Credit										
Additional Debt Issued via Refinancing										
Tax Levy Receivable Cancelled									60,018	
Transfer in (out)					129,526					
Transfer from After School Child Care					(129,526)					
Other Financing Sources (Uses)										
Refund of Disallowed Costs										
Total governmental activities	\$ 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	\$ 34,641,819
Business-type activities:										
Investment earnings	8	8	6	14	195	904	1,439	27	22	3,479
Transfers					(129,526)				(60018)	
Total business-type activities	\$ 24,208,594	\$ 27,576,057	\$ 30,067,177	\$ 27,516,002	\$ 31,108,840	\$ 33,135,915	\$ 32,499,694	\$ 36,283,778	\$ 39,536,317	\$ 34,645,298
Total district-wide										
<b>Change in Net Position</b>										
Governmental activities	\$ (1,916,417)	\$ 273,841	\$ 325,399	\$ (211,317)	\$ (314,285)	\$ 345,559	\$ 1,214,669	\$ 2,358,441	\$ 2,637,145	\$ 3,194,581
Business-type activities	66,435	(39,373)	(2,270)	57,697	(57,407)	57,631	30,118	133,015	124,048	114,714
Total district	\$ (1,849,982)	\$ 234,468	\$ 323,129	\$ (153,620)	\$ (371,692)	\$ 403,190	\$ 1,244,787	\$ 2,491,456	\$ 2,761,193	\$ 3,309,295

Source: ACFR Schedule A-2



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	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	4,958,734
Committed									757,690	
Assigned	343,310	121,010	285,896	508,035	155,167	113,070	1,086,020	178,028	251,215	1,909,194
Unassigned	274,289	349,492	375,524	382,717	428,422	542,081	383,168	1,199,682	1,323,954	1,038,849
Total general fund	\$ 1,779,209	\$ 1,779,233	\$ 2,450,980	\$ 2,994,589	\$ 2,650,766	\$ 2,717,219	\$ 4,052,749	\$ 6,569,542	\$ 8,030,963	\$ 7,906,777
All Other Governmental Funds										
Reserved										
Unreserved, reported in:								163,149	10,836	206,821
Special revenue fund										
Capital projects fund										
Debt service fund										
Assigned, reported in:										
Capital projects fund	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795	40,795	41,372
Debt service fund	(65,891)									
Total all other governmental funds	\$ (25,096)	\$ 40,795	\$ 40,795	\$ 40,795	\$ 40,795	\$ 40,795	\$ 40,795	\$ 203,944	\$ 51,631	\$ 248,193

Source: ACFR Schedule B-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	\$ 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	25,347,089
Tuition				108,519	165,166	131,060	153,500	-		
Interest earnings	1,158	907	593	251	638	2,765	2,054	86	779	25,761
Rents and Royalties									78,069	79,304
Miscellaneous	85,076	140,861	193,164	52,636	35,380	129,531	101,540	30,722	349,939	83,055
Scholarship Donations										38,705
Student Group Receipts								148,754		310,015
Local sources						11,663	12,648	5,809		26,110
State sources	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	11,154,558
Federal sources	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	3,318,460
Total revenue	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	40,383,057
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	11,199,135
Special education instruction	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	2,035,361
Other special instruction	785,828	692,297	679,368	813,629	853,466	846,346	1,009,841	1,389,355	1,459,971	1,438,348
Other instruction	368,463	345,893	371,422	366,169	464,516	459,437	449,141	377,170	449,226	457,787
Support Services:										
Tuition	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	1,693,071
Attendance & Social Work		2,650	2,600	2,000	1,925	3,150	3,469	1,964	4,328	2,187
Health services	233,023	235,731	212,118	232,561	229,902	236,996	211,579	232,344	241,325	244,846
Student & instruction related services	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	3,734,610
School Administrative services	986,468	1,034,403	1,108,504	1,138,907	1,201,583	1,206,704	1,270,569	1,298,767	1,354,160	1,217,224
General administrative services	663,021	653,230	810,236	796,030	800,466	896,003	798,921	824,265	861,051	850,341
Central services	318,668	330,959	238,442	216,535	214,751	250,970	283,065	273,353	263,660	299,524
Plant operations and maintenance	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	2,594,189
Pupil transportation	305,563	311,896	333,313	385,142	397,734	486,213	400,866	410,715	759,662	885,639
Administration of Information Technology		84,560	104,572	144,844	192,178	140,625	142,539	141,393		168,141
Business and other support services										
Unallocated employee benefits	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	4,583,527
TPAF Pension / Social Security	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	6,503,581
Special Schools										
Charter Schools	50,333	51,148	50,809	37,291	34,563	45,642	30,972	25,512	734,050	35,022
Capital outlay	442,059	50,009	91,042	121,601	64,474	21,601	65,226	124,264	36,970	2,644,072
Special Revenue Fund									2,839,112	
Debt service:										
Principal	577,327	503,228	413,235	255,884	102,000	105,000	109,000	113,000	101,408	100,825
Interest and other charges	61,902	42,648	26,732	15,740	10,506	8,718	6,242	3,344	12,601	9,474
Bond issuance costs										
Total expenditures	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	40,696,904
Excess (Deficiency) of revenues over (under) expenditures	(29,957)	65,915	671,747	543,609	(343,823)	66,453	1,293,760	2,458,922	1,018,053	(313,847)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Other financing sources (uses)</b>										
Capital leases (non-budgeted)	-	-	-	-	-	-	41,770	36,884	231,036	173,312
Lease Liabilities Issues	-	-	-	-	-	-	-	-	-	212,911
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding debt	-	-	-	-	-	-	-	-	-	-
Payment of Unfunded Pension Liability	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Cancellation of tax levy receivable	-	-	-	-	-	-	-	-	-	-
Transfers in	383,630	-	-	-	129,526	-	-	-	60,018	-
Transfers out	(383,630)	-	-	-	(129,526)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,770</b>	<b>36,884</b>	<b>291,054</b>	<b>386,223</b>
<b>Net change in fund balances</b>	<b>\$ (29,957)</b>	<b>\$ 65,915</b>	<b>\$ 671,747</b>	<b>\$ 543,609</b>	<b>\$ (343,823)</b>	<b>\$ 66,453</b>	<b>\$ 1,335,530</b>	<b>\$ 2,495,806</b>	<b>\$ 1,309,107</b>	<b>\$ 72,376</b>
Debt service as a percentage of noncapital expenditures	2.58%	2.08%	1.61%	0.97%	0.37%	0.36%	0.37%	0.37%	0.32%	0.29%

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

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

Fiscal Year Ended June 30,	Tuition Revenue	Rent	Refunds	Fines	Insurance Reimb- ursements	Interest on Investments	Misc.	Ameripay Bankruptcy Settlement	Voided Checks	Total
2014	-	50,300	31,887	343	-	950	1,596			85,076
2015	1,852	48,250	12,690	366	9,792	996	11,992		54,923	140,861
2016	-	41,000	5,167	705		444	7,126	138,722		193,164
2017	108,519	27,500	11,335	30		106	3,166		10,499	161,155
2018	165,166	35,380				638				201,184
2019	131,060	71,300	882	381		2,765	56,968			263,356
2020	153,500	59,400				25,111	2,129		16,954	257,094
2021						1,641	29,167			30,808
2022		78,069	14,109			779	39,523		6,495	138,975
2023		79,304	41,963			35,416	2,442		3,026	162,151

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2013	16,176,700	1,714,414,800	-	-	299,296,600	88,895,500	183,279,200	2,302,062,800	139,130,200	768,264	2,163,700,864	0.881	2,676,189,031	80.85%
2014	11,110,300	1,747,064,600	-	-	303,428,798	87,836,600	163,105,100	2,312,545,398	138,685,400	659,782	2,174,519,780	0.894	2,450,292,418	88.75%
2015	13,416,900	1,759,411,600	-	-	292,012,798	86,725,800	160,550,800	2,312,117,898	144,525,200	724,845	2,168,317,543	0.945	2,569,744,732	84.38%
2016	11,152,000	1,789,792,400	-	-	290,131,598	83,630,300	159,898,200	2,334,604,498	144,734,700	693,067	2,190,562,865	0.955	2,795,287,869	78.37%
2017	11,405,800	1,802,131,900	-	-	293,068,898	83,821,100	162,373,200	2,352,800,898	141,388,700	645,152	2,208,711,350	0.969	2,937,607,951	75.19%
2018	15,641,600	1,823,466,500	-	-	289,818,898	83,876,100	161,763,400	2,374,566,498	141,388,700	621,995	2,233,799,793	0.984	2,977,015,199	75.03%
2019	13,859,100	1,838,877,600	-	-	291,926,198	83,033,100	161,783,400	2,389,479,398	142,412,900	627,760	2,247,694,258	1.005	3,124,538,595	71.94%
2020	(1)	2,444,266,400	-	-	421,949,100	117,528,200	259,908,200	3,267,657,900	171,308	807,230	3,268,293,822	0.749	3,328,699,989	98.19%
2021	23,650,200	2,431,435,700	-	-	419,049,700	118,339,100	256,554,100	3,249,028,800	-	815,176	3,249,843,976	0.764	3,294,306,104	98.65%
2022	21,376,800	2,597,510,200	-	-	437,831,200	130,739,700	280,397,600	3,467,855,500	-	816,599	3,468,672,099	0.731	3,636,266,332	95.39%
2023	14,541,700	2,776,943,800	-	-	479,751,400	142,126,100	316,011,100	3,729,374,100	175,819,400	834,101	3,554,388,801	0.693	3,973,436,083	89.41%

Source: Municipal Tax Assessor  
(1) - Revaluation

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Exhibit J-7

Palisades Park Board of Education  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years

(rate per \$100 of assessed value)

Year Ended Dec. 31,	Palisades Park Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	General		Borough of Palisades Park	Bergen County			
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>		Total Direct			
2014	0.861	0.033	0.894	0.634	0.249	1.777	
2015	0.915	0.030	0.945	0.660	0.256	1.861	
2016	0.935	0.020	0.955	0.677	0.269	1.901	
2017	0.964	0.005	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	0.746	0.003	0.749	0.549	0.245	1.543	
2021	0.761	0.003	0.764	0.564	0.256	1.584	
2022	0.731		0.731	0.554	0.254	1.539	
2023	0.693		0.693	0.537	0.249	1.479	

Source: District Records and Municipal Tax Collector

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

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable. (Divide debt payment by total)

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

\* Revaluation

Exhibit J-8

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Leems Inc.	21,813,600	1	0.61%			
Marino Enterprises	18,523,500	2	0.52%			
D&W Shin Realty Corp.	14,895,600	3	0.42%			
Blvd East Assoc LTD	14,723,700	4	0.41%			
Ruby Realty Co.	14,755,300	5	0.42%			
BSJ Realty LLC	11,444,600	6	0.32%			
Smart City Real Estate LLC	11,632,500	7	0.33%			
Star Ridge Management Corp	14,829,300	8	0.42%			
200 Roosevelt Place LLC	13,166,700	9	0.37%			
FAN Associates	12,418,700	10	0.35%			
Leems Inc.				16,062,600	1	0.74%
BSJ Realty LLC				13,814,800	2	0.64%
Marino Enterprises				12,250,000	3	0.56%
Ruby Realty Co.				10,353,300	4	0.48%
Pine Tree Enterprise LLC				7,200,000	5	0.33%
Star Ridge Management Corp				7,651,600	6	0.35%
Blvd East Assoc LTD				7,400,000	7	0.34%
Dream USA Unlimited Corp				7,363,200	8	0.34%
Bonanno Real Estate Group				6,400,000	9	0.29%
TYCR LLC				5,000,000	10	0.23%
<b>Total</b>	<b>\$ 135,784,800</b>		<b>4.17%</b>	<b>\$ 93,495,500</b>		<b>4.30%</b>

Net Assessed Valuation: \$ 3,554,388,801

Source: Municipal Tax Assessor.

**Exhibit J-9**

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

Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$20,285,757	\$20,285,757	100.00%	\$ -
2015	\$20,677,315	\$20,677,315	100.00%	\$ -
2016	\$21,865,610	\$21,865,610	100.00%	\$ -
2017	\$22,290,110	\$22,132,080	99.29%	\$ 158,030
2018	\$22,803,149	\$22,882,421	100.35%	(\$79,272)
2019	\$23,366,973	\$23,312,752	99.77%	\$54,221
2020	\$24,000,370	\$23,946,149	99.77%	\$54,221
2021	\$24,479,175	\$24,831,300	101.44%	(\$352,125)
2022	\$24,850,088	\$24,795,867	99.78%	\$54,221
2023	\$25,347,089	\$25,292,868	99.79%	\$54,221

Source: Municipal Tax Collector

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



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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Bonds Payable <sup>b</sup>	Loans Payable	Certificates of Participation	Lease Purchase Agreements	Lease Purchase Agreements			
2014	\$ 717,000	-	-	\$ 884,347	-	\$ 1,601,347	0.11%	\$ 74,480
2015	624,000	-	-	474,119	-	1,098,119	0.07%	77,767
2016	529,000	-	-	155,884	-	684,884	0.04%	79,407
2017	429,000	-	-	-	-	429,000	0.03%	81,676
2018	327,000	-	-	-	-	327,000	0.02%	86,404
2019	222,000	-	-	-	-	222,000	0.01%	89,456
2020	113,000	-	-	-	32,743	145,743	0.01%	90,759
2021	-	-	-	-	187,346	187,346	0.01%	97,343
2022	-	-	-	-	316,974	316,974	Not Available	Not Available
2023	-	-	-	-	539,171	539,171	Not Available	Not Available

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

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

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

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 529,000	\$ -	\$ 529,000	0.02%	\$ 74,480
2017	429,000	-	429,000	0.02%	77,767
2018	327,000	-	327,000	0.02%	79,407
2019	222,000	-	222,000	0.01%	81,676
2020	113,000	-	113,000	0.01%	86,404
2021	-	-	-	0.00%	89,456
2020		-	-	0.00%	90,759
2021	-	-	-	0.00%	97,343
2022		-	-	0.00%	Not Available
2023	-	-	-	0.00%	Not Available

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

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

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

**Palisades Park Board of Education**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2023</b>		\$	-
<b>Net overlapping debt of School District:</b>			
Borough of Palisades Park	100.00% \$	14,883,369	
Bergen County Utilities Authority	2.766%	2,391,786	
County of Bergen - Borough's share	2.061%	20,105,784	
<b>Subtotal, overlapping debt</b>		37,380,940	
<b>Total direct and overlapping debt</b>		\$	37,380,940

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2022	\$ 3,636,266,332
2021	\$ 3,294,306,104
2020	\$ 3,328,699,989
[A]	\$ 10,259,272,425

Average equalized valuation of taxable property	[A/3]	\$ 3,419,757,475
Debt limit (4 % of average equalization value)	[B]	136,790,299 <sup>a</sup>
Net bonded school debt	[C]	-
Legal debt margin	[B-C]	\$ 136,790,299

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 100,040,358	\$ 100,841,294	\$ 99,688,090	\$ 104,289,032	\$ 110,701,874	\$ 116,132,147	\$ 120,522,157	\$ 125,736,717	\$ 136,567,023	\$ 136,790,299
Total net debt applicable to limit	717,000	624,000	529,000	429,000	327,000	222,000	113,000	-	-	-
Legal debt margin	\$ 100,807,462	\$ 99,936,681	\$ 99,323,358	\$ 100,217,294	\$ 99,159,090	\$ 103,860,032	\$ 110,374,874	\$ 115,910,147	\$ 81,354,051	\$ 136,790,299

Total net debt applicable to the limit as a percentage of debt limit	0.72%	0.62%	0.53%	0.41%	0.30%	0.19%	0.09%	0.00%	0.00%	0.00%
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Source: Abstract of Rates and District Records.

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2014	20,337	\$ 1,514,699,760	\$ 74,480	3.30%
2015	20,441	1,589,635,247	77,767	3.10%
2016	20,491	1,627,128,837	79,407	2.90%
2017	20,611	1,683,424,036	81,676	2.60%
2018	20,721	1,790,377,284	86,404	2.30%
2019	20,716	1,853,170,496	89,456	10.80%
2020	20,277	1,840,320,243	90,759	8.20%
2021	20,155	1,961,948,165	97,343	5.20%
2022	20,106	Not Available	Not Available	2.60%
2023	Not Available	Not Available	Not Available	Not Available

**Source:**

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

**Exhibit J-15**

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

	2023			2014		
	Employers	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	-		0.00%	-		0.00%

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

**Source:** Borough of Palisades Park

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

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction	133	136	137	138	136	133	128	129	134	144
Regular	40	48	49	49	65	36	39	40	42	32
Special education	10	10	10	10	11	18	25	29	26	28
Other special education										
Vocational										
Other instruction	4	4	4	4	2	2	4	4	4	5
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Attendance	1	1	1	1	1	1	1	1	1	1
Student/Instr Related Services: Nurse	3	3	3	3	5	4	3	3	3	3
Student/Instr Related Services: Speech						3	4	4	4	4
Student/Instr Related Services: Extraord	4	3	4	4	5	6	6	5	5	5
Student/Instr Related Services: Guidance	9	10	10	10	12	8	8	8	8	12
Student/Instr Related Services: CST	1	1	1	1	1	1	1	1	1	1
Student/Instr Related Services: Curriculum	2	2	1	1	6	4	4	4	4	2
Student/Instr Related Services: Media	1	3	3	3	3	3	3	3	3	3
General administrative services	13	6	6	6	5	5	6	6	6	6
School administrative services	3	2	2	2	2	2	2	2	2	2
Business administrative services	20	21	23	23	31	10	18	18	18	18
Plant operations and maintenance	7	3	3	6	6					
Lunchroom/Playground Aides										
Pupil transportation						7	2	2	-	5
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<b>251</b>	<b>253</b>	<b>257</b>	<b>261</b>	<b>291</b>	<b>243</b>	<b>254</b>	<b>259</b>	<b>261</b>	<b>275</b>

**Source:** District Personnel Records

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

Palisades Park Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching Staff <sup>a</sup>	Pupil/Teacher Ratio			Average	Average Daily	% Change in	Student
						Elementary	Middle School	High School				
2014	1,640	24,167,988	14,737	-5.59%	163			1,616	1,546	2.41%	95.67%	
2015	1,602	25,756,972	16,078	9.10%	187			1,619	1,545	0.19%	95.43%	
2016	1,672	26,960,899	16,125	0.29%	198			1,635	1,551	0.99%	94.86%	
2017	1,677	27,723,190	16,531	2.52%	200			1,678	1,558	2.63%	92.85%	
2018	1,696	30,356,569	17,899	8.27%	201			1,717	1,626	2.32%	94.70%	
2019	1,700	31,497,844	18,528	3.52%	214			1,710	1,610	-0.41%	94.15%	
2020	1,813	30,825,355	17,002	-8.23%	189			1,815	1,718	6.14%	94.66%	
2021	1,665	31,555,952	18,953	11.47%	194			1,692	1,566	-6.78%	92.55%	
2022	1,775	35,181,918	19,821	4.58%	202			1,808	1,668	6.86%	92.27%	
2023	1,790	37,942,533	21,197	6.94%	224			1,790	1,681	-1.00%	93.91%	

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

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

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



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
Lindbergh School										
Square Feet	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584
Capacity: FES (students)	621	621	621	621	621	621	621	621	621	621
Enrollment	669	669	738	808	808	809	866	772	773	780
<b><u>High School</u></b>										
Palisades Park High School										
Square Feet	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626	106,626
Capacity: FES (students)	493	493	493	493	493	493	493	493	493	493
Enrollment	556	556	560	659	681	692	753	740	751	743
<b><u>Early Childhood Center</u></b>										
Charles Smith Early Childhood Center										
Square Feet	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600
Capacity: FES (students)	360	360	360	360	360	360	360	360	360	360
Enrollment	274	274	337	202	216	199	194	153	285	267
<b><u>Other</u></b>										
Administration Building										
Square Feet	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500

Number of Schools at June 30, 2023  
 Elementary = 1  
 High School = 1  
 Early Childhood Center = 1  
 Other = 1

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Palisades Park High School	N/A	134,614	53,547	72,391	42,825	44,993	15,167	18,284	59,036	40,010	58,046
Lindbergh School	N/A	200,481	27,529	45,091	28,750	30,206	24,127	17,870	44,724	36,183	19,901
Early Childhood Center	N/A	38,728	10,045	5,369	8,274	8,693	599	12,787	12,423	18,590	9,004
Administrative Building	N/A	-	1,163								
<b>Grand Total</b>		<b>373,823</b>	<b>92,284</b>	<b>122,851</b>	<b>79,849</b>	<b>83,892</b>	<b>39,893</b>	<b>48,941</b>	<b>116,183</b>	<b>94,783</b>	<b>86,951</b>

**Palisades Park Board of Education**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund			
	Property - Building, Contents & Valuable Papers	500,000,000/occurrence	2,500
	Extra Expense	50,000,000	2,500
	Newly Acquired Property	25,000,000	2,500
	Builders Risk (New Construction)	25,000,000	2,500
	Property in Transit	25,000,000	2,500
	Unnamed Locations	25,000,000	2,500
	Demolition	25,000,000	2,500
	Earthquake	25,000,000/occurrence	2,500
	Flood		
	Excluding Zones A&V	10,000,000/occurrence	2,500
		50,000,000 annual aggregate	
	In Flood Zone A&V	25,000,000/occurrence	2,500
		50,000,000 annual aggregate	
	Accounts Receivable	2,500,000	2,500
	Fine Arts	2,500,000	2,500
	Loss of Rents	500,000	2,500
		2,500,000 aggregate	
	Terrorism	100,000,000/occurrence	2,500
		200,000,000 annual aggregate	
	Boiler & Machinery		
	Property Damage	100,000,000/occurrence	2,500
	Cyber Liability		
	Liability Limit	2,000,000	10,000
	Crime and Fidelity		
	Employee Dishonesty w/faithful performance		
	Each Loss	500,000	1,000
	Money & Securities (Inside and Out)	100,000	1,000
	Comprehensive General Liability	5,000,000/occurrence	
		30,000,000 fund aggregate	
	Sexual Molesation Coverage	10,000,000/occurrence	
		30,000,000 fund aggregate	
	Automobile Liability	5,000,000/occurrence	
		30,000,000 fund aggregate	
	Additional Excess Liability (Auto & General)	5,000,000/claim	
	Employee Benefits	5,000,000/occurrence	1,000
		30,000,000 fund aggregate	
		100,000/occurrence	1,000
	Abuse or Molestation	100,000/occurrence	
	Real Property	100,000/occurrence	
	Liability and Fire	100,000/occurrence	
	Workers Compensation	5,000,000/occurrence	
	Foreign Travel Liability	1,000,000/occurrence	
		1,000,000 aggregate	

**Palisades Park Board of Education  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2023  
Unaudited**

Company	Type of Coverage	Coverage	Deductible
	Student Accident Insurance	1,000,000/occurrence	
	School Leaders Liability & Employment Practices Liability	5,000,000/claim 10,000,000 aggregate/occurrence	5,000
	IEP Hearing Limit of Liability Crisis Fund	100,000/claim limit of liability 25,000/member sublimit of liability	5,000
	NJUEP Excess Liability	30,000,000	
	NJCAP Excess Liability	25,000,000 (Shared Limit)	
Illinois Union Insurane Co.	Environmental Impairment Liability	1,000,000/occurrence 25,000,000 annual aggregate	10,000
Gerber Life	Accidental Death, Dismemberment & Paralysis	100,000 500,000 Aggregate Limit	

Source: District Records

**SINGLE AUDIT SECTION**



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Palisades Park School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 12, 2024.

***Internal Control Over Financial Reporting***

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



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

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

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

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

We noted certain matters that were required to be reported to the Board of Education of the Palisades Park Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 12, 2024.

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

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

*Steven D. Wielkotz*

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

*Wielkotz & Company, LLC*

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

January 12, 2024





# WIELKOTZ & COMPANY LLC

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08**

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

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

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

We have audited the Board of Education of the Borough of Palisades Park School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Palisades Park Board of Education’s major federal and state programs for the year ended June 30, 2023. The Borough of Palisades Park Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Palisades Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

**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; and 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 N.J. OMB Circular 15-08. Our





responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Borough of Palisades Park Board of Education'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 Borough of Palisades Park Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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 Borough of Palisades Park Board of Education'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 N.J. OMB Circular 15-08, 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 Borough of Palisades Park Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Borough of Palisades Park Board of Education’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Palisades Park Board of Education’s internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 - 2023-06. Our opinion on each major federal and state program is not modified with respect to these matters.

The Borough of Palisades Park Board of Education’s responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Borough of Palisades Park Board of Education’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on these responses.

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

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

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



Honorable President and  
Members of the Board of Education

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

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

*Steven D. Wielkotz*

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

*Wielkotz & Company, LLC*

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

January 12, 2024



BOROUGH OF PALISADES PARK SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
					From	To					(Accounts Receivable)	Declined Revenues/ Interfund Payable	
<b>US Department of Education</b>													
<b>Passed Through State Department of Education</b>													
<b>General Fund</b>													
Medicaid Administrative Claiming (MAC)	93.778	2005NJSMAP	N/A	15,355	7/1/2022	6/30/2023		15,355	15,355				15,355
Medical Assistance Program (SEMI)	93.778	2005NJSMAP	N/A	68,296	7/1/2022	6/30/2023		68,296	68,296				68,296
FCRA/SEMI Revenue	93.775	2005NJSMAP	N/A	3,581	7/1/2022	6/30/2023		3,581	3,581				3,581
<b>Total General Fund</b>							\$	87,232	87,232				87,232
<b>US Department of Education</b>													
<b>Passed Through State Dept of Education:</b>													
<b>Special Revenue Fund</b>													
Title I, Part A - Improving Basic Programs	84.010A	S010A220030	ESEA391023	638,617	7/1/22	9/30/23		582,006	882,978	(304,667)			882,978
Title I, Part A - Improving Basic Programs	84.010A	S010A210030	ESEA391022	751,112	7/1/21	9/30/22	(3,695)						335,748
Title I, Part A - Improving Basic Programs	84.010A	S010A210030	ESEA391023	65,300	7/1/22	9/30/23	(22,046)	76,537	58,697	(4,206)			55,697
Title I, Part A - Improving Basic Programs	84.010A	S010A210030	ESEA391022	113,799	7/1/21	9/30/22	(22,046)						107,714
Title I, Part A - Improving Basic Programs	84.010A	S010A200030	ESEA391021	104,400	7/1/20	9/30/21	14,855						
Title I, Part A - Teacher Principal Training and Recruiting	84.367A	S367A220029	ESEA391023	86,107	7/1/22	9/30/23	(37,298)	73,226	66,379	(30,451)			66,379
Title II, Part A - Teacher Principal Training and Recruiting	84.367A	S367A210029	ESEA391022	140,503	7/1/21	9/30/22	(37,298)						61,724
Title III - English Language Acquisition and Language Enhancement	84.365A	S365A220030	ESEA391023	123,428	7/1/22	9/30/23	(100,697)	159,182	75,155	(16,670)			75,155
Title III - English Language Acquisition and Language Enhancement	84.365A	S365A210030	ESEA391022	162,836	7/1/21	9/30/22	(100,697)	10,897					123,115
Title III - Immigrant	84.365A	S365A210030	ESEA391022	30,472	7/1/21	9/30/22	(15,260)						12,947
Title IV - Student Support/Academic Enrichment	84.424A	S424A220031	ESEA391023	48,833	7/1/22	9/30/23	(17,404)	69,254	66,124	(14,274)			66,124
Title IV - Student Support/Academic Enrichment	84.424A	S424A210031	ESEA391022	70,152	7/1/21	9/30/22	(17,404)						31,350
IDEA, Part B-Basic	84.027	H027A220100	IDEA391023	425,902	7/1/22	9/30/23	(93,647)	494,391	385,724	6,656	21,676		385,724
IDEA, Part B-Basic	84.027	H027A210100	IDEA391022	510,818	7/1/21	9/30/22	(93,647)						481,066
IDEA, Part B-Preschool	84.173	H173A220114	IDEA391023	12,468	7/1/22	9/30/23		11,637	11,637				11,637
COVID-19													
CARES Emergency Relief	84.425D	S425D200027	CARES391022	406,908	3/13/20	9/30/23	(6,728)	3		6,725			406,908
CRISA - ESSER II	84.425D	S425D200027	CRISA391023	1,797,140	3/13/20	9/30/23		952,228	1,765,140	(812,912)			1,797,140
CRISA - Learning Acceleration	84.425D	S425D200027	CRISA391023	115,332	3/13/20	9/30/23		29,883	29,883				102,572
CRISA - Mental Health	84.425D	S425D200027	CRISA391023	45,000	3/13/20	9/30/23		9,150	10,350	(1,200)			27,835
ARP - ESSER	84.425U	S425U200027	ESSER391024	4,038,956	3/13/20	9/30/24	(375,284)	1,059,051	3,464,147	(2,780,380)			3,839,431
ARP - ESSER - Accelerated Learning Coach and Educator Support	84.425U	S425U200027	ESSER391024	192,078	3/13/20	9/30/24	(30,000)	55,767	25,767				55,767
ARP - ESSER: Evidence Based Summer Learning and Enrichment	84.425U	S425U200027	ESSER391024	40,000	3/13/20	9/30/24		34,200	34,200				34,200
ARP - ESSER: Evidence Based Comprehensive Beyond the School Day	84.425U	S425U200027	ESSER391024	40,000	3/13/20	9/30/24		12,513	12,513				12,513
ARP - IDEA Basic	84.425U	S425U200027	ESSER391024	45,000	3/13/20	9/30/24		18,763	18,763				18,763
ARP - IDEA Basic	84.027X	H027X210100	ARP319022	107,689	7/1/21	9/30/22	(10,697)	10,697	10,577	(10,577)			107,689
ARP - Homeless	84.425W	H173X210114	ARP319023	10,697	7/1/21	9/30/22	(10,697)	10,697					10,697
ASCERS Program	21.027	SLFRPDOEISES	ASCERS391022	114,012	7/1/21	6/30/22	(811,913)	114,012					114,012
<b>Total U.S. Department of Education</b>								3,773,397	6,918,034	(3,979,700)	21,676	14,855	9,197,885
<b>Total Special Revenue Fund</b>								3,773,397	6,918,034	(3,979,700)	21,676	14,855	9,197,885

BOROUGH OF PALISADES PARK SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
					From	To					(Accounts Receivable)	Declared Revenues/ Interfund Payable	
<b>US Department of Agriculture</b>													
<b>Passed Through State Dept of Education:</b>													
<b>Enterprise Fund</b>													
Food Distribution Program	10.550	21NJ304N1099	N/A	95,177	7/1/22	6/30/23		95,177	92,885				*
USDA Commodities Program - Non Cash Assistance	10.550	221NJ304N1099	N/A	71,989	7/1/21	6/30/22	4,847		4,847		2,292		*
USDA Commodities Program - Non Cash Assistance	10.555	21NJ304N1099	N/A	542,129	7/1/22	6/30/23		443,167	542,129	(98,962)			*
National School Lunch Program	10.555	21NJ304N1099	N/A	326,062	7/1/21	6/30/22	(38,964)	38,964					*
National School Lunch Program	10.555	21NJ304N1099	N/A	19,481	7/1/22	6/30/23		15,689	19,481	(3,792)			*
National Breakfast Program	10.553	21NJ304N1099	N/A	30,236	7/1/21	6/30/22	(1,834)	1,834					*
National Breakfast Program	10.553	21NJ304N1099	N/A	38,275	3/1/22	9/30/23		38,275	38,275				*
Supply Chain Assistance	10.555	221NJ344N8903		35,154	3/1/22	9/30/23		35,154	33,809		1,345		*
Supply Chain Assistance	10.555	221NJ344N8903		18,601	10/1/22	9/30/24		18,601	18,601				*
Summer Food Service Program	10.559	201NJ304N1099		2,291	6/26/23	6/30/23			2,291	(2,291)			*
P-EBT Administrative Cost	10.649			653	7/1/22	6/30/23			653	(653)			*
<b>Total Enterprise Fund</b>								686,861	734,370	(105,698)	22,238		*
<b>Total Federal Financial Assistance</b>				\$	(847,864)			4,547,490	7,739,636	(4,085,398)	43,914	14,855	*

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

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Awards**  
**Year ended June 30, 2023**

State Grantor/Program Titles	Grant or State Project Number	Grant Period		Balance at June 30, 2022			Balance at June 30, 2023			Memo									
		From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Budgetary Expenditures Pass Through Funds	Repayment Prior Yrs. Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures						
		Award Amount					Cash Received												
<b>State Department of Education:</b>																			
<b>General Fund</b>																			
Equity Aid	23-495-034-5120-078	\$ 711,969	7/1/2022	6/30/2023	\$	652,068	711,969										59,901	711,969	
Special Education Categorical Aid	23-495-034-5120-086	1,308,804	7/1/2022	6/30/2023		1,308,689	1,308,804										110,115	1,308,804	
Transportation Aid	23-495-034-5120-084	101,852	7/1/2022	6/30/2023		93,283	101,852										8,569	101,852	
Security Aid	23-495-034-5120-085	212,501	7/1/2022	6/30/2023		194,623	212,501										17,878	212,501	
Adjustment Aid	23-495-034-5120-128	18,542	7/1/2022	6/30/2023		9,281	18,542										852	18,542	
Maintenance Equity Aid	23-495-034-5120-128	18,542	7/1/2022	6/30/2023		9,281	18,542											9,261	18,542
Securing our Children's Future Bond Act (Alyssa's Law)	23-100-034-5120-092	660,415	7/1/2022	6/30/2023		660,415	660,415											660,415	660,415
Extraordinary Aid	23-495-034-5120-044	379,032	7/1/2022	6/30/2023		379,032	379,032											379,032	379,032
Local Teaching Schools Aid	23-495-034-5120-044	3,675	7/1/2022	6/30/2023		3,675	3,675											3,675	3,675
Local Teaching Schools - Post Retirement	23-495-034-5120-044	1,142,206	7/1/2022	6/30/2023		1,142,206	1,142,206											1,142,206	1,142,206
On Behalf TPAF NCGI Premium	23-495-034-5095-004	59,508	7/1/2022	6/30/2023		59,508	59,508											59,508	59,508
On Behalf TPAF LTD	23-495-034-5095-004	1,509	7/1/2022	6/30/2023		1,509	1,509											1,509	1,509
On Behalf TPAF Pension - Contribution	23-495-034-5095-002	4,289,202	7/1/2022	6/30/2023		4,289,202	4,289,202											4,289,202	4,289,202
Reimbursement TPAF Social Security Contributions	23-495-034-5094-003	1,010,876	7/1/2022	6/30/2023		907,009	1,010,876											1,010,876	1,010,876
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	955,629	7/1/2022	6/30/2023		3,111	955,629											955,629	955,629
<b>Total General Fund</b>						9,028,061	9,631,472		(882,824)								197,315	11,060,718	
<b>Special Revenue Fund</b>																			
Preschool Education Aid	23-495-034-5120-086	1,049,475	7/1/2022	6/30/2023		1,119,950	1,005,186												1,005,186
Preschool Education Aid	22-495-034-5120-086	823,860	7/1/2021	6/30/2022															823,860
SDA Emergent & Capital Maintenance Needs	23-100-034-5120-519	41,997	7/1/2022	6/30/2023		41,997	8,516												8,516
Climate Resilience Education Grant Program	22-100-034-5120-519	40,497	7/1/2021	6/30/2022		40,497	40,497												40,497
<b>Non-Public Aid:</b>																			
Textbook Aid	23-100-034-5120-064	24,684	7/1/2022	6/30/2023		24,684	24,100												24,100
Textbook Aid	22-508-7/1/2021	22,508	7/1/2021	6/30/2022															22,508
Nursing Services	23-100-034-5120-070	41,888	7/1/2022	6/30/2023		41,888	41,888												41,888
Nursing Services	23-100-034-5120-070	1,312	7/1/2021	6/30/2022															1,312
Nursing Services	22-100-034-5120-509	76,670	7/1/2022	6/30/2023		76,670	76,670												76,670
Security Aid	23-100-034-5120-373	15,708	7/1/2022	6/30/2023		15,708	15,655												15,655
Technology Aid	22-100-034-5120-373	15,750	7/1/2021	6/30/2022															15,655
<b>Auxiliary Services (Chapter 193):</b>																			
Compensatory Education	23-100-034-5120-067	133,916	7/1/2022	6/30/2023		133,916	120,671												120,671
Compensatory Education	22-100-034-5120-067	91,372	7/1/2021	6/30/2022															91,372
English as a Second Language	23-100-034-5120-067	44,600	7/1/2022	6/30/2023		44,600	34,580												34,580
English as a Second Language	22-100-034-5120-067	38,093	7/1/2021	6/30/2022															38,093
<b>Unaided Services (Chapter 193):</b>																			
Examination & Classification	23-100-034-5120-066	14,409	7/1/2022	6/30/2023		14,409	8,522												8,522
Examination & Classification	22-100-034-5120-066	43,408	7/1/2021	6/30/2022															43,408
Corrective Speech	23-100-034-5120-066	36,270	7/1/2022	6/30/2023		36,270	26,783												26,783
Corrective Speech	22-100-034-5120-066	27,800	7/1/2021	6/30/2022															27,800
Supplementary Inst.	23-100-034-5120-066	16,520	7/1/2022	6/30/2023		16,520	10,986												10,986
Supplementary Inst.	22-100-034-5120-066	16,850	7/1/2021	6/30/2022															16,850
<b>Director's Grants:</b>																			
NJ Achievement Coaches Competitive Grant	15-100-034-5068-049	35,000	11/1/2014	6/30/2015															35,000
<b>Total Special Revenue Fund</b>						1,573,272	1,420,714		279,772								104,948	1,683,885	

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Awards**  
**Year ended June 30, 2023**

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2022		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures Pass Through Funds	Repayment Prior Yrs. Balances	Balance at June 30, 2023		Due to Grantor at	Memo	
					Deferred Revenue (Accts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/ Interfund Payable		Budgetary Receivable	Cumulative Total Expenditures
<b>Enterprise Fund</b>															
<b>State Department of Agriculture</b>															
State School Lunch Program	23-100-010-3350-023	19,411	7/1/2022	6/30/2023				15,886	19,411		(3,525)				19,411
State School Lunch Program	22-100-010-3350-023	22,062	7/1/2021	6/30/2023			896								22,062
State School Breakfast Program	23-100-010-3350-023	291	7/1/2022	6/30/2023			226		291		(65)				291
<b>Total Enterprise Fund</b>								17,008	19,702		(3,590)				41,764
<b>Total State Financial Assistance</b>								10,618,341	11,071,888	67,174	(886,414)	279,772	47,549	302,263	12,786,367
<b>Local Sources:</b>															
<b>Special Revenue Fund:</b>															
Donation - Korean Consulate - Lindsburgh	N/A	9,000	7/1/2022	6/30/2023			9,000		8,903			7			8,903
Donation - Korean Consulate - High School	N/A	8,000	7/1/2022	6/30/2023			8,000		3,611			4,389			3,611
Italian American Committee - Academic Grant	N/A	10,000	7/1/2022	6/30/2023			10,000		10,000						10,000
<b>Total Local Sources</b>								27,000	22,604			4,396			22,604
<b>Total State and Local Financial Assistance</b>								10,645,341	11,094,492	67,174	(886,414)	284,168	47,549	302,263	12,808,971
<b>Less: On-Behalf TPAF Pension System Contributions</b>															
On-Behalf TPAF Pension - Post Retirement	20-495-034-5104-001	1,142,396	7/1/2022	6/30/2023					1,142,396						
On-Behalf TPAF Pension - NCGI Premium	20-495-034-5105-004	59,508	7/1/2022	6/30/2023					59,508						
On-Behalf TPAF LTDI	20-495-034-5105-002	1,359	7/1/2022	6/30/2023					1,359						
On-Behalf TPAF Pension - Contribution	20-495-034-5105-002	4,289,202	7/1/2022	6/30/2023					4,289,202						
<b>Total for State Financial Assistance - Major Program Determination</b>									5,492,705						
									5,579,183						

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

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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



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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(87,039) for the general fund and \$(3,494,466) for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$87,232	\$9,544,433	\$9,631,665
Special Revenue Fund	22,604	3,231,228	1,609,548	4,863,380
Food Service Fund		<u>734,370</u>	<u>19,702</u>	<u>754,072</u>
Total Awards and Financial Assistance	<u>\$22,604</u>	<u>\$4,052,830</u>	<u>\$11,173,683</u>	<u>\$15,249,117</u>

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

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. Revenue and expenditures reported under the U.S.D.A. food distribution program represent current year value received and current year distributions, respectfully. TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$5,492,705 of on-behalf payments is excluded from major program determination.

**NOTE 7. INDIRECT COST RATE**

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

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$941,675
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	66,379
Title III: <i>English Language Acquisition State Grants</i>	95,155
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>66,124</u>
Total	<u>\$1,149,333</u>

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?                      yes       X       no

**Federal Awards**

Internal Control over major programs:

- 1. Significant deficiencies identified that are not considered to be material weaknesses?       X       yes                      no
- 2. Material weakness(es) identified?                      yes       X       no

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

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

Identification of major programs:

<u>CFDA Number(s)</u>		<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	(A)	<u>S010A220030</u>	<u>Title I, Part A, Improving Basic Programs</u>
<u>84.425U/W</u>	(A)	<u>S425D200027</u>	<u>American Rescue Plan</u>

Note: (A) Tested as Major Type A Program

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

Auditee qualified as low-risk auditee?                      yes       X       no

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**State Awards**

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

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

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

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses?       X   yes     \_\_\_\_\_ none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08, as applicable?               X   yes     \_\_\_\_\_ no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>123-495-034-5120-078/089/084/085/096/098/097/101</u> (A)	State Aid Public Cluster: Equalization Aid, Special Education Categorical Aid, Security Aid, Adjustment Aid
<u>123-495-034-5120-086</u> (A)	<u>Preschool Aid</u>
<u>123-495-034-5094-103</u> (A)	<u>Reimbursed TPAF Social Security Contribution</u>

Note: (A) Tested as Major Type A Program

**BOROUGH OF PALISADES PARK SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Section II – Financial Statement Findings*

NONE

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**FEDERAL AWARDS**

**Finding 2023-001**

**Information on the federal program:**

Title I, Part A – Improving Basic Programs; Title I, SIA – Reallocated; Title I SIA, Part A – Improving Basic Programs, CFDA #84.010A, Grant Period 7/1/22 – 6/30/23

**Compliance/Internal Control over Compliance:**

Allowable Costs/Cost Principles

**Criteria or specific requirement:**

As per UGG §200.430, *Compensation – personal services*, the Palisades Park Board of Education must approve personnel partially or fully funded by Title I monies via Board Resolution. The Board Resolution must state the Title I funded personnel’s name, salary, work location, and the funding percentage for each program.

**Condition:**

The District did not prepare Board Resolutions that approved all Title I funded personnel in the above described format.

**Questioned Costs:**

Unknown

**Context:**

Based on the results of our audit testing, we noted that the District was required to prepare and submit the Board Resolutions as described above. However, it was noted that not all resolutions detailed the employee and the allocation of their compensation to be funded through Title I funding.

**Effect:**

The District is not in compliance with federal requirements regarding allowable costs/cost principles. Ineffective controls to monitor program requirements could result in inaccurate information, increase the risk of non-compliance and exposes the Board of Education to the risk of loss of funding.

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**Finding 2023-001 (continued)**

**Cause:**

The Palisades Park Board of Education was unable to provide or did not prepare Board Resolutions that approved all Title I funded personnel.

**Recommendation:**

The Palisades Park Board of Education should implement policies and procedures to ensure that all employees participating in the Title I program are approved via Board Resolution, and that the Board Resolution stipulates the partial or full funding of the employees' salaries through the distribution of Title I monies.

**Management's response:**

The Palisades Park Board of Education will ensure that all required allowable cost/cost principle requirements are met by approving, via Board Resolution, the employee, their position and the allocation of their compensation to be paid by the applicable Title I allocation.

**Finding 2023-002**

**Information on the federal program:**

Title I, Part A – Improving Basic Programs; Title I, SIA – Reallocated; Title I SIA, Part A – Improving Basic Programs, CFDA #84.010A, Grant Period 7/1/22 – 6/30/23

**Compliance/Internal Control over Compliance:**

Allowable Costs/Cost Principles – *Documentation of Employee Time and Effort*

**Criteria or specific requirement:**

As per 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*, an employee whose salary and wages are supported, in whole or in part, with Federal funds must document his/her time spent working on Federal programs in order to ensure that charges to each Federal program reflect an accurate account of the employee's time and effort devoted to that program. The Appendix addresses two types of documentation: semiannual certifications and personnel activity reports.

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

***Section III – Federal Awards and State Financial Assistance Findings and Questioned Cost***

**Finding 2023-002 (continued)**

**Criteria or specific requirement (continued):**

Semiannual certifications must be completed semiannually by an employee whose contractual salary is funded in whole by the Federal program. The distribution of the employee’s salary and wages must be supported by periodic certifications that the employee worked solely on the Federal program for the period covered by the certification.

Personnel Activity Reports must be completed monthly by an employee whose contractual salary is partially funded by the Federal program. The distribution of the employee’s salary and wages must be supported by a personnel activity report (PAR) or equivalent documentation. The personnel activity reports must reflect:

Both the Semiannual certifications and the Personnel Activity Reports must reflect:

- (1) what, where, and when the Title I work is being performed;
- (2) the approving signature of the employee and the supervisory official having firsthand knowledge of the work performed by the employee;
- (3) dates coinciding to the payroll periods.

**Condition:**

There were instances in which multiple personnel did not have a Bi-Annual Certification on file in a manner consistent with the requirement of 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*.



**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**Finding 2023-002 (continued)**

**Questioned Costs:**

Unknown.

**Context:**

During our audit testing, we noted that the District’s Title I funded personnel were required to prepare and submit time and effort documentation that conform with the requirements of 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*. However, there were instances in which employees that are fully funded by Title I did not have bi-annual certifications prepared for the engagement team to review.

The District is not in compliance with federal requirements regarding allowable costs/cost principles. Ineffective controls to monitor program requirements could result in inaccurate information regarding the employee’s time and effort devoted to the program, the risk of non-compliance and increase the District’s risk of loss of funding.

**Cause:**

The District’s Title I fully funded personnel did not have any certifications that are required to be prepared Bi-Annually.

**Recommendation:**

The Palisades Park Board of Education should implement policies and procedures to ensure that Title I fully funded personnel have bi-annual certifications prepared in accordance with 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*.

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**Finding 2023-002 (continued)**

**Management’s response:**

The Palisades Park Board of Education will ensure that all required allowable cost/cost principle requirements are met by ensuring that more detailed time and effort documentation is prepared and approved for all employees whose salary is funded fully or in part by Title I.

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**STATE AWARDS**

**Finding 2023-003**

**Information on the state program:**

State Aid Grant Cluster, NJCFS Numbers 495-034-512-(78/89/14/84/85) Grant Period 7/1/22-6/30/23

**Compliance/Internal Control over Compliance:**

Eligibility

**Criteria or specific requirement:**

District workpapers provided for auditor review should be in agreement with what was reported on the Application for State School Aid (ASSA). All students reported should meet the eligibility requirements for each enrollment category.

**Condition:**

There were instances in which the workpapers provided for audit were not in agreement with what was reported on the Application for State School Aid. There were subsequent students selected for review that did not meet the eligibility criteria for low-income and private school for the disabled and the district could not provide documentation for the over-reported student enrollment for resident on-roll.

**Questioned Costs:**

None

**Context:**

During our audit testing, we noted that there were instances of students reported as low income on the Application for State School Aid (ASSA) that were not supported by a free/reduced lunch application or direct certification as well as a student reported as private school for the disabled for which no proof of attendance was provided, in addition, we noted that the amount of students reported on the (ASSA) as low income, and resident on-roll did not agree to the amount of students reported on the District workpapers.

**Cause:**

Unknown

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**STATE AWARDS**

**Finding 2023-003, (cont.)**

**Effect:**

The engagement team is unable to verify whether all the students reported as low-income and private school for the disabled were eligible to be classified as such nor were we able to determine what students were reported as resident on-roll that were not on the workpapers.

**Recommendation:**

The district needs to perform a more thorough review of information and supporting documentation it utilizes in reporting students on the Application for State School Aid.

**Management's Response:**

The business office will crosscheck the ASSA application workpapers to the on-line application prior to submission and will ensure all supporting documentation to substantiate student eligibility is available for auditor review.

**Finding 2023-004**

**Information on the state program:**

State Aid Grant Cluster, NJCFS Numbers 495-034-512-(78/89/14/84/85) Grant Period 7/1/22-6/30/23

**Compliance/Internal Control over Compliance:**

Special Tests and Provisions

**Criteria or specific requirement:**

A school district board of education shall not incur any obligation or approve any payment in excess of the amount appropriated by the district board of education/board of trustees in the applicable line-item account or program category account. (N.J.A.C. 6A:23A-16.10)

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**Finding 2023-004, (cont.)**

**Questioned Costs:**

None

**Context:**

During our testing procedures, we determined that the district erroneously increased the FY23 Preschool Education Aid budget appropriations to include the estimated carryover at June 30, 2022. This increase was not appropriated through the FY23 budget nor was Commissioner approval sought to increase the current year appropriations.

**Cause:**

Client did not fully research the requirements for the budgeting of Preschool Education Aid carryover.

**Effect:**

As a result of the increase in appropriations, the district incurred expenditures against Preschool Education Aid in excess of what was budgeted and approved. The resulting over-expenditures were reallocated to the appropriate budget lines in the general fund budget resulting in over-expenditures in some cases.

**Recommendation:**

Preschool Education Aid carryover can only be utilized if included in the approved budget for the subsequent fiscal year or by Commissioner approval.

**Management's Response:**

Business office staff is now cognizant of regulations regarding the budgeting of Preschool Education Aid carryover and will comply with those regulations in future budget years.

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**Finding 2023-005**

**Information on the state program:**

Preschool Education Aid, NJCFS Numbers 495-034-5120-086 Grant Period 7/1/22-6/30/23.

**Compliance/Internal Control over Compliance:**

Matching, Level of Effort and/or Earmarking

**Criteria or specific requirement:**

If the expenditures incurred by the district are less than the amount of Preschool Education Aid, awarded or available for expenditure, unexpended or unencumbered funds must be carried over and:

- 1) expended in the subsequent fiscal year when identified prior to the preparation of the subsequent year budget,
- 2) appropriated during the subsequent year with the approval of the Commissioner or his or her designee, or
- 3) retained as deferred revenue or deferred inflows of resources until the second subsequent year budget. All deferred revenue or deferred inflows of resources must be used for the purpose of preschool education programs unless approval by the Commissioner was received to transfer funds to the general fund.

**Condition:**

The district erroneously increased the FY23 Preschool Education Aid budget appropriations for prior year carryover that was neither budgeted nor approved by the Commissioner in the amount of \$307,249.

**Questioned Costs:**

None

**Context:**

During our testing procedures, we determined that the district erroneously increased the FY23 budget appropriations to include the estimated carryover at June 30, 2022. This increase was not appropriated through the FY23 budget nor was Commissioner approval sought to increase the current year appropriations.

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**Finding 2023-005, (cont.)**

**Cause:**

Client did not fully research the requirements for the budgeting of Preschool Education Aid carryover.

**Effect:**

As a result of the increase in appropriations, the district incurred expenditures against Preschool Education Aid in excess of what was budgeted and approved. The resulting over-expenditures were reallocated to the appropriate budget lines in the general fund budget resulting in over-expenditures in some cases.

**Recommendation:**

Preschool Education Aid carryover can only be utilized if included in the approved budget for the subsequent fiscal year or by Commissioner approval.

**Management's Response:**

Business office staff is now cognizant of regulations regarding the budgeting of Preschool Education Aid carryover and will comply with those regulations in future budget years.

**Finding 2023-006**

**Information on the state program:**

Preschool Education Aid, NJCFS Numbers 495-034-5120-086 Grant Period 7/1/22-6/30/23.

**Compliance/Internal Control over Compliance:**

Eligibility

**Criteria or specific requirement:**

District workpapers provided for auditor review should be in agreement with what was reported on the Application for State School Aid (ASSA). All students reported should meet the eligibility requirements for each enrollment category.

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

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

**Finding 2023-006, (cont.)**

**Effect:**

The engagement team is unable to verify whether all the students reported as low-income and private school for the disabled were eligible to be classified as such nor were we able to determine what students were reported as resident on-roll that were not on the workpapers.

**Recommendation:**

The district needs to perform a more thorough review of information and supporting documentation it utilizes in reporting students on the Application for State School Aid.

**Management's Response:**

The business office will crosscheck the ASSA application workpapers to the on-line application prior to submission and will ensure all supporting documentation to substantiate student eligibility is available for auditor review.



**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**STATUS OF PRIOR YEAR FINDINGS:**

**Finding 2022-01:** Net cash resources may not exceed three months average expenditures in the Food Service Fund.

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

**Status:** Unresolved - See AMR Finding – 2023-11

**Finding 2022-02:** All required federal employment forms should be on file for each employee.

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

**Status:** Resolved

**Finding 2022-03:** Minutes of Board Meetings should be signed by the Board Secretary.

**Corrective Action:** The District should ensure that minutes of Board meetings are properly signed.

**Status:** Resolved

**Finding 2022-04:** A general ledger should be maintained for the Food Service Fund.

**Corrective Action:** Transactions made out of the Food Service Fund should be maintained in a general ledger.

**Status:** Resolved

**Finding 2022-05:** Students reported as low income on the Application for State School Aid (ASSA) should meet state eligibility criteria.

**Corrective Action:** The District should ensure that students reported as low income meet eligibility requirements.

**Status:** Unresolved – See AMR Finding – 2023-13

**BOROUGH OF PALISADES PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

**STATUS OF PRIOR YEAR FINDINGS: (continued)**

**Finding 2022-06:** N.J.S.A 18A:19-1 requires checks from the warrant account be signed by the Board President, Board Secretary, and Superintendent or Treasurer of School Monies.

**Corrective Action:** The District should ensure that Warrant (Current Account) Checks are signed by the required authorized signors per N.J.S.A 18A:19-1.

**Status:** Resolved