ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2024

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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Palisades Park School District

410 2nd St Palisades Park, NJ 07650

Dr. Joseph Cirillo Chief School Administrator Aleksandar Kondovski School Business Administrator

January 15, 2025

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Palisades Park School District for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's Organizational Chart and a list of principal officials. The Financial Section includes the general-purpose financial statements and schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidelines) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the Single Audit Section of this report.

1) <u>REPORTING ENTITY AND ITS SERVICES</u>:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular, as well as special education for handicapped youngsters. The District completed the 2023/2024 fiscal year with an enrollment of 1,771 students, which is less than the prior year finish. The following details the changes in the student enrollment of the District over the last five years.

Fiscal Year	Student Enrollment	Percent Change
2023-24	1,771	(1.06%)
2022-23	1,790	0.85%
2021-22	1,775	6.61%
2020-21	1,665	(8.88%)
2019-20	1,813	6.65%

2) ECONOMIC CONDITION AND OUTLOOK:

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

3) MAJOR INITIATIVES:

- ➤ Continued focus on safety and security improvements has been a hallmark of the Palisades Park School District community.
- > Implementation of the New Jersey Learning Standards and their inclusion in the curriculum has yielded gains in standardized testing in ELA, Mathematics, and Science.
- All students receive instruction in the following areas by teacher specialists: Art, Gifted and Talented/Enrichment, Music, Technology, and World Languages.
- > Special education services are provided by certified teachers both in pull-out and push-in settings. Additionally, paraprofessionals support students in both settings.
- > Staff development is provided for all professional staff to address academic, technology, and social/emotional issues.
- The District has a 1 to 1 Chromebook environment that is supported through Instruction using Samsung Interactive Panels. Technology is continually reviewed and hardware, software, and subscription services are updated regularly.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that; (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by Management.

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

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

5) **BUDGETARY CONTROLS:**

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

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

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END:

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

8) CASH MANAGEMENT:

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

9) **RISK MANAGEMENT:**

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

10) OTHER INFORMATION:

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

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Palisades Park Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Dr Joseph Cirillo

Superintendent of Schools

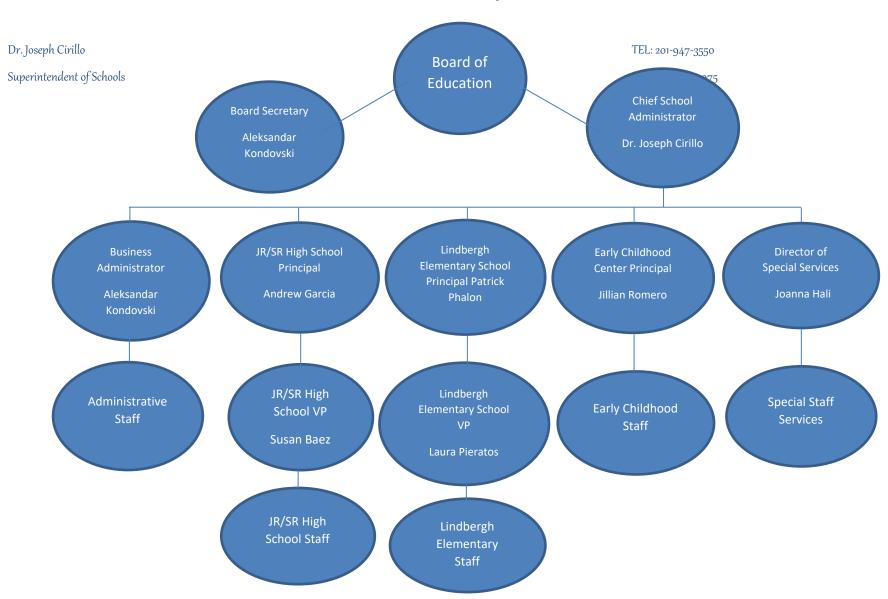
Aleksandar Kondovski

School Business Administrator

PALISADES PARK BOARD OF EDUCATION

410 2ND STREET

PALISADES PARK, NJ 07650



PALISADES PARK SCHOOL DISTRICT Roster of Officials June 30, 2024

Members of the Board of Education	Title	Term Expires
Soo Chung Charlie Shin Eun Min Anthony Kim William Kim Rebekah Lee Aaron Pak Sookyung Park Boyoung Yu	President Vice President	2024 2024 2024 2025 2025 2025 2026 2026 2026
Other Officials Joseph Cirillo Aleksandar Kondovski	Superintendent School Business Adı	ninistrator/Board Secretary

PALISADES PARK SCHOOL DISTRICT Consultants and Advisors June 30, 2024

AUDIT FIRM

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

ATTORNEY

Busch Law Group 450 Main Street Metuchen, NJ 08840

ARCHITECT

LAN Associates 445 Godwin Ave #9 Midland Park, NJ 07432

OFFICIAL DEPOSITORIES

PNC Bank 264 Broad Avenue Palisades Park, NJ 07650

> Connect One Bank 204 Main Street Fort Lee, NJ 07024



Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Palisades Park School District (the District) in the County of Bergen, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 15, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

BKC, CPAs, PC

Michael Holk, CPA, PSA NO. 20CS00265600

January 15, 2025 Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

The discussion and analysis of Palisades Park School District's (the District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the Basic Financial Statements and Notes to the Financial Statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$4,318,319 which represents a 20.95% increase from 2023.
- General revenues accounted for \$39,593,566 in revenue or 80.22% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for \$9,764,938 or 19.78% to total revenues of \$49,358,504.
- Total assets of governmental activities increased by \$4,068,110 as cash and cash equivalents decreased by \$504,969, receivables and other assets increased by \$228,903, and capital assets increased by \$4,344,176.
- The School District had \$45,040,185 in expenses; only \$9,764,938 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$39,593,566 were adequate to provide for these programs.
- Among major funds, the general fund had \$36,683,790 in revenues, \$36,598,223 in expenditures and \$656,083 in other financing uses. The general fund's balance decreased \$570,516 from 2023.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2024 compared to June 30, 2023.

Table 1 Net Position

		11001 031	uon					
			06/30/23		Variance			
		06/30/24	(as restated)		Dollars		Percent	
Assets		_		_		_		
Current & other assets	\$	9,205,239	\$	9,593,374	\$	(388,135)	-4.05%	
Capital assets		23,419,138		19,003,394		4,415,744	23.24%	
Total assets		32,624,377		28,596,768		4,027,609	14.08%	
Deferred outflows of resources								
Deferred amount on pension activity		360,149	524,144			(163,995)	-31.29%	
Liabilities								
Long-term liabilities		6,250,342		6,369,254		(118,912)	-1.87%	
Other liabilities		1,136,705		1,187,747		(51,042)	-4.30%	
Total liabilities		7,387,047		7,557,001		(169,954)	-2.25%	
Deferred inflows of resources								
Deferred amount on pension activity		665,896		950,647		(284,751)	-29.95%	
Net position								
Net investment in capital assets		23,016,888		18,667,609		4,349,279	23.30%	
Restricted		2,654,057		2,783,254		(129,197)	-4.64%	
Unrestricted		(739,362)		(837,599)		98,237	11.73%	
Total net position	\$	24,931,583	\$	20,613,264	\$	4,318,319	20.95%	

Total assets increased \$4,027,609. Cash and cash equivalents decreased by \$629,967, receivables and other assets increased by \$241,832, and capital assets increased by \$4,415,744. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$4,318,319. The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

PALISADES PARK SCHOOL DISTRICT Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 2 Changes in Net Position

	Changes in Net Position							
		06/30/24		06/30/23		Variance		
						Dollars	Percent	
Revenues								
Program revenues								
Charges for services	\$	710,762	\$	705,867	\$	4,895	.69%	
Operating grants and contributions		8,762,320		4,196,823		4,565,497	108.78%	
Capital grants and contributions		291,856		-		291,856	*	
General revenues								
Property taxes		25,854,028		25,347,089		506,939	2.00%	
Grants and entitlements		13,221,523		9,239,082		3,982,441	43.10%	
Other		518,015		191,599		326,416	170.36%	
Total revenues		49,358,504		39,680,460		9,678,044	24.39%	
Expenses								
Instruction								
Regular		17,920,265		11,555,997		6,364,268	55.07%	
Special		3,803,295		2,169,713		1,633,582	75.29%	
Other special		3,914,195		1,536,889		2,377,306	154.68%	
Other		938,919		478,502		460,417	96.22%	
Support services						•		
Tuition		2,307,309		1,693,071		614,238	36.28%	
Student & instructional related						·		
services		7,203,374		4,112,967		3,090,407	75.14%	
General & business administration		1,798,241		1,168,513		629,728	53.89%	
School administration		2,367,647		1,466,407		901,240	61.46%	
Maintenance		2,466,046		2,548,211		(82,165)	-3.22%	
Transportation		1,149,947		895,274		254,673	28.45%	
Unallocated benefits		-		7,198,555		(7,198,555)	-100.00%	
Transfer to charter schools		77,030		35,022		42,008	119.95%	
Unallocated depreciation		-		331,740		(331,740)	-100.00%	
Food service		1,081,650		1,041,131		40,519	3.89%	
Interest on long-term debt		12,267		6,701		5,566	83.06%	
Total expenses		45,040,185		36,238,693		8,801,492	25.47%	
Cancellation of leased assets		<u>-</u>		(132,472)		(132,472)	-100.00%	
Change in net position	\$	4,318,319	\$	3,309,295	\$	1,009,024	30.49%	

^{*} Undefined

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

Governmental Activities

Local property taxes made up 53.68% of revenues for governmental activities for the Palisades Park School District for fiscal year 2024.

Instruction comprises 64.13% of district expenses. Support services expenses and interest on long term debt make up 35.87% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2024 compared to June 30, 2023.

Table 3
Cost of Governmental Services

		Total Cost	of Ser	vices		ices			
		06/30/24		06/30/23		06/30/24	06/30/23		
Instruction	\$	26,576,674	\$	15,741,101	\$	21,722,034	\$	13,325,473	
Support services									
Tuition		2,307,309		1,693,071		1,732,393		1,693,071	
Student & instructional staff		7,203,374		4,112,967		4,570,558		2,778,271	
General & business									
administration		1,798,241		1,168,513		1,600,045		1,168,513	
School administration	2,367,647		1,466,407			2,129,820		1,466,407	
Plant operations &									
maintenance		2,466,046		2,548,211		2,385,415		2,548,211	
Pupil transportation	1,149,947			895,274		1,147,028		895,274	
Unallocated benefits	-		7,198,555			-		7,198,555	
Transfers to charter schools		77,030		35,022		77,030		35,022	
Unallocated depreciation	-			331,740		-		331,740	
Food services				1,041,131		(101,343)		(111,235)	
Interest on long-term debt	12,267			6,701	12,267			6,701	
Total expenses	\$ 45,040,185		\$	36,238,693	\$	35,275,247	\$	31,336,003	

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

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

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

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

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

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

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

The dependence upon tax revenues is apparent. For all activities, general revenue support is 80.22%. The community, as a whole, is the primary support or funding source for the Palisades Park School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$45,212,735, expenditures of \$45,864,920. The general fund had a decrease in fund balance of \$570,516.

General Fund Budgeting Highlights

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

During the course of fiscal year 2024, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenue was \$29,654,878, \$1,036,790 above original budgeted estimates of \$28,618,088. This difference was primarily due to receiving unbudgeted extraordinary aid and interest on District bank accounts.

The general fund expenditures and other financing uses of the School District exceeded revenues and other financing sources by \$542,654. The District made transfers to of \$100,000 to the capital reserve account and \$250,000 to the maintenance reserve account at year end. The financial position of the School District remains strong.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

Capital Assets

At the end of the fiscal year 2024, the School District had \$23,419,138 invested in land, building, furniture and equipment. Table 4 shows June 30, 2024 balances compared to June 30, 2023.

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

						Varian	ce
	06/30/24		06/30/23		Dollars		Percent
Land	\$	9,613,650	\$	9,613,650	\$	-	0.00%
Construction in progress		4,758,583		1,520,746		3,237,837	212.91%
Land improvements		124,846		124,134		712	.57%
Buildings & improvements		8,278,923		7,036,933		1,241,990	17.65%
Furniture & equipment		483,453		505,666		(22,213)	-4.39%
Right to use		159,683		202,265		(42,582)	-21.05%
	\$	23,419,138	\$	19,003,394	\$	4,415,744	23.24%

Overall capital assets increased \$4,415,744 from fiscal year 2023 to fiscal year 2024. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2024, the School District had \$6,250,342 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2024 compared to June 30, 2023.

Table 5
Long-Term Liabilities at Year End

			(06/30/23		Variance			
	06/30/24		As restated		Dollars		Percent		
Capital leases	\$	238,078	\$	335,785	\$	(97,707)	-29.10%		
Compensated absences payable		2,854,878		2,808,740		46,138	1.64%		
PERS net pension liability		2,993,214		3,021,343		(28,129)	-0.93%		
Right to use		164,172		203,386		(39,214)	-19.28%		
	\$	6,250,342	\$	6,369,254	\$	(118,912)	-1.87%		

At June 30, 2024, the legal debt limit is \$159,402,398. General obligation debt at June 30, 2024 is \$0 resulting in a legal debt margin of \$159,402,398.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

For the Future

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have increased to the point that the legislature and governor have approved a State Aid funding bill for the 2023-2024 school year that is slightly higher than the level of the 2022-2023 school year.

The following factors were considered in preparing the 2023-2024 fiscal year budget:

- Estimated student enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated programs
- Requirements for health and safety issues

Contacting the School District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

PALISADES PARK SCHOOL DISTRICT Statement of Net Position June 30, 2024

	overnmental Activities	iness-Type	Total
Assets	 _		 _
Cash and cash equivalents	\$ 4,377,433	\$ 407,614	\$ 4,785,047
Receivables, net	1,321,356	193,081	1,514,437
Inventory	-	9,803	9,803
Due from other funds	-	719	719
Restricted assets			
Capital projects account - cash	267,605	-	267,605
Capital reserve account - cash	1,177,360	-	1,177,360
Maintenance reserve - cash	1,090,669	-	1,090,669
Scholarships- cash	41,430	-	41,430
Student activities - cash	269,897	-	269,897
Unemployment claims - cash	48,272	-	48,272
Capital assets, net			
Land	9,613,650	-	9,613,650
Construction in progress	4,758,583	-	4,758,583
Other capital assets, net of depreciation			
and amortization	8,766,107	280,798	9,046,905
Total assets	 31,732,362	892,015	32,624,377
Deferred outflows of resources			
Deferred amount on pension activity	 360,149		 360,149
Liabilities			
Accounts payable	687,126	28,804	715,930
Due to other funds	719	_	719
Due to other governments	88,253	-	88,253
Accrued interest	6,736	-	6,736
Payroll deductions and			
withholdings payable	57,000	-	57,000
Unearned revenue	257,504	9,928	267,432
Unemployment compensation			
claims payable	635	_	635
Long-term liabilities			
Due within one year	206,773	_	206,773
Due beyond one year	6,043,569	-	6,043,569
Total liabilities	7,348,315	38,732	7,387,047
Deferred inflows of resources			
Deferred amount on pension liability	 665,896	-	665,896

PALISADES PARK SCHOOL DISTRICT Statement of Net Position (continued) June 30, 2024

	 Governmental Activities		Business-Type Activities		Total	
Net position	 					
Net investment in capital assets	\$ 22,736,090	\$	280,798	\$	23,016,888	
Restricted for						
Capital projects	134,284		-		134,284	
Capital reserve	1,177,360		-		1,177,360	
Maintenance reserve	1,090,669		-		1,090,669	
Scholarships	41,430		-		41,430	
Student activities	146,346		-		146,346	
Unemployment claims	63,968		-		63,968	
Unrestricted	 (1,311,847)		572,485		(739,362)	
Total net position	\$ 24,078,300	\$	853,283	\$	24,931,583	

Statement of Activities For the Fiscal Year Ended June 30, 2024

Net (Expense) Revenue & Program Revenues Changes in Net Position Indirect Operating Capital Business-Direct Expenses Grants & Grants & Governmental Type Charges for Functions/Programs Contribution Contribution Expenses Allocation Services Activities Activities Total Governmental activities Instruction \$ 10,003,859 \$ 7,916,406 \$ 143,009 Regular \$ 3,038,886 \$ (14,738,370) \$ \$ (14,738,370) 1,957,133 300,900 32,104 Special education 1.846,162 (3,470,291)(3,470,291)Other special education 2,200,110 1,714,085 1,229,700 26,267 (2,658,228)(2,658,228)Other instruction 506,919 432,000 77,937 5,837 (855,145)(855,145)Support services Tuition 2,307,309 574,916 (1,732,393)(1,732,393)Students & instruction related services 5,611,230 1,592,144 297,783 2,305,847 29,186 (4,570,558)(4,570,558)1,194,206 General & business administration services 604,035 183,603 14.593 (1,600,045)(1,600,045)School administration services 953,640 217,397 20,430 1,414,007 (2,129,820)(2,129,820)Plant operations & maintenance 2,003,601 462,445 53,000 10,120 17,511 (2,385,415)(2,385,415)1,086,926 63,021 2,919 (1,147,028)Pupil transportation (1,147,028)Transfer to charter schools 77,030 (77,030)(77,030)Interest on long-term debt 12,267 (12,267)(12,267)Total governmental activities 28,374,597 15,583,938 350,783 7,939,306 291,856 (35,376,590) (35,376,590)Business-type activities Food service 1,081,650 359,979 823,014 101,343 101,343 1,081,650 359,979 823,014 101,343 101,343 Total business-type activities Total primary government \$ 29,456,247 \$ 15,583,938 \$ 710,762 \$ 8,762,320 291,856 (35,376,590)101,343 (35,275,247) General revenues, special items & transfers Property taxes levied for general purposes 25,854,028 25,854,028 Federal & state aid not restricted 13,221,523 13.221.523 Investment earnings 261,634 8,453 270,087 Miscellaneous income 247,593 335 247,928 8,788 Total general revenues, special items & transfers 39,584,778 39,593,566 110,131 4,318,319 Change in net position 4,208,188 Net position - beginning (as restated) 19,870,112 743,152 20,613,264

Net position - ending

24,078,300

853,283

24,931,583

FUND FINANCIAL STATEMENTS

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

Governmental Funds Balance Sheet June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Ser	ebt vice ınd	Go	Total overnmental Funds
Assets							
Cash & cash equivalents	\$ 4,377,433	\$ -	\$ -	\$	-	\$	4,377,433
Due from other funds	340,362	-	-		-		340,362
Receivables from other governments							
State	639,563	-	291,856		-		931,419
Federal	-	335,716	-		_		335,716
Local	54,221	-	-		_		54,221
Restricted cash and cash equivalents	2,316,301	311,327	267,605		_		2,895,233
Total assets	\$ 7,727,880	\$ 647,043	\$ 559,461	\$		\$	8,934,384
Liabilities and fund balances							
Liabilities							
Due to other funds	\$ 719	\$ -	\$ 340,362	\$	_	\$	341,081
Accounts payable	333,265	269,046	84,815		_		687,126
Payable to other governments							
State	_	73,398	-		-		73,398
Federal	_	14,855	-		-		14,855
Payroll deductions and							
withholdings payable	57,000	_	-		-		57,000
Unearned revenue	-	257,504	-		-		257,504
Unemployment compensation							
claims payable	635	-	=		-		635
Total liabilities	391,619	614,803	425,177				1,431,599

Governmental Funds Balance Sheet (continued) June 30, 2024

Fund balances Fund balance Fun			General Fund		Special Revenue Fund	Capital Project Fund	Ser	ebt vice ınd	Go	Total overnmental Funds
Restricted fund balance Excess surplus - designated for subsequent year's expenditures \$ 1,600,000 \$ - \$ \$ - \$ \$ 1,600,000 \$ Excess surplus - current year 1,309,517 - \$ - \$ 1,309,517 Capital reserve 1,177,360 - \$ - \$ 1,177,360 Maintenance reserve 1,090,669 - \$ - \$ 1,090,669 Unemployment claims 63,968 - \$ - \$ 63,968 Scholarships - \$ 41,430 - \$ 41,430 Student activities - \$ 146,346 Capital projects - \$ 134,284 - \$ 134,284 Capital projects - \$ - \$ 134,284 - \$ 134,284 Capital projects - \$ - \$ 134,284 - \$ 134,284 Committed fund balance Year-end encumbrances 562,253 - \$ - \$ - \$ 562,253 Assigned fund balance Designated for subsequent year's expenditures \$ 613,046 - \$ - \$ - \$ 613,046 Capital projects - \$ 763,912 Total fund balance 919,448 (155,536) - \$ - \$ 763,912 Total fund balance 919,448 (155,536) - \$ - \$ 763,912 Total fund balances \$ 7,727,880 \$ 647,043 \$ 559,461 \$ - \$ \$	Liabilities and fund balances (continued)									
Excess surplus - designated for subsequent year's expenditures \$ 1,600,000 \$ - \$ - \$ - \$ 1,600,000 Excess surplus - current year 1,309,517 1,309,517 Capital reserve 1,177,360 1,177,360 Maintenance reserve 1,090,669 1,177,360 Unemployment claims 63,968 - 41,430 63,968 Scholarships 63,968 - 41,430 41,430 Student activities - 146,346 146,346 Capital projects - 146,346 146,346 Capital projects - 134,284 Committed fund balance Year-end encumbrances 562,253 562,253 Assigned fund balance Designated for subsequent year's expenditures 613,046 613,046 Unassigned fund balance 919,448 (155,536) 763,912 Total fund balances 77,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$ 7,737,880 \$ 647,043 \$ 559,461 \$ - 763,912 Total fund balances S 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 10,100,100,100,100,100,100,100,100,100,	Fund balances									
for subsequent year's expenditures \$ 1,600,000 \$. \$. \$. \$ 1,600,000 Excess surplus - current year 1,309,517 1,309,517 Capital reserve 1,177,360 1,177,360 Maintenance reserve 1,177,360	Restricted fund balance									
Excess surplus - current year	Excess surplus - designated									
Excess surplus - current year	for subsequent year's									
Capital reserve 1,177,360 1,177,360 Maintenance reserve 1,090,669 1,090,669 Unemployment claims 63,968 63,968 Scholarships - 41,430 146,346 Capital projects - 146,346 146,346 Capital projects - 134,284 Committed fund balance Year-end encumbrances 562,253 562,253 Assigned fund balance Designated for subsequent year's expenditures 919,448 (155,536) 613,046 Unassigned fund balance 919,448 (155,536) 613,046 Unassigned fund balance 919,448 (155,536) 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances 5 7,727,880 647,043 559,461 5 - 763,912 Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	expenditures	\$	1,600,000	\$	-	\$ -	\$	-	\$	1,600,000
Maintenance reserve	Excess surplus - current year		1,309,517		-	-		-		1,309,517
Unemployment claims 63,968 - 63,968 - 63,968 Scholarships - 41,430 - 41,430 Student activities - 146,346 - 146,346 - 146,346 Capital projects - 134,284 - 134,284 Committed fund balance Year-end encumbrances 562,253 - 5 - 562,253 Assigned fund balance Designated for subsequent year's expenditures - 919,448 (155,536) - 7 - 613,046 Unassigned fund balance 919,448 (155,536) - 7 - 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities and fund balances 8 7,727,880 \$ 647,043 \$ 559,461 \$ - 7,502,785 Total liabilities, including bonds payable and compensated absences are not duflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)	Capital reserve		1,177,360		-	-		-		1,177,360
Scholarships	Maintenance reserve		1,090,669		-	-		-		1,090,669
Student activities - 146,346 - 1446,346 Capital projects - 134,284 - 134,284 Committed fund balance Year-end encumbrances 562,253 - 5 562,253 Assigned fund balance Designated for subsequent year's expenditures 613,046 - 5 613,046 Cunassigned fund balance 919,448 (155,536) - 763,912 Total fund balances 7,336,261 32,240 134,284 - 7639,12 Total liabilities and fund balances \$ 7,727,880 \$ 647,043 \$ 559,461 \$ - 763,912 Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (305,747) Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)	Unemployment claims		63,968		-	-		-		63,968
Capital projects - 134,284 - 134,284 Committed fund balance Year-end encumbrances 562,253 562,253 Assigned fund balance Designated for subsequent year's expenditures 613,046 613,046 Unassigned fund balance 919,448 (155,536) 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$ 7,27,880 \$ 647,043 \$ 559,461 \$ - 7502,785 Total liabilities and fund balances	Scholarships		=		41,430	-		-		41,430
Committed fund balance Year-end encumbrances 562,253 562,253 Assigned fund balance Designated for subsequent year's expenditures 613,046 613,046 Unassigned fund balance 919,448 (155,536) - 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$7,727,880 \$647,043 \$559,461 \$ - Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)	Student activities		=		146,346	-		-		146,346
Year-end encumbrances 562,253 562,253 Assigned fund balance Designated for subsequent year's expenditures 613,046 613,046 Unassigned fund balance 919,448 (155,536) 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$7,727,880 \$647,043 \$559,461 \$ - 763,912 Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (305,747) Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)	Capital projects		-		-	134,284		-		134,284
Assigned fund balance Designated for subsequent year's expenditures 613,046 Unassigned fund balance 919,448 (155,536) 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$ 7,727,880 \$ 647,043 \$ 559,461 \$ - Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (305,747) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,250,342)	Committed fund balance									
Designated for subsequent year's expenditures Capital labelities and fund balance Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Capital in the funds. The cost of the assets are not due and payable in the current period and therefore are not reported and therefore are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	Year-end encumbrances		562,253		-	-		-		562,253
expenditures 613,046 613,046 Unassigned fund balance 919,448 (155,536) 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$7,727,880 \$647,043 \$559,461 \$ - 7,502,785 Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)	Assigned fund balance									
Unassigned fund balance 919,448 (155,536) 763,912 Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$7,727,880 \$647,043 \$559,461 \$ 7,502,785 Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. 23,138,340 Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (305,747) Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)	Designated for subsequent year's									
Total fund balances 7,336,261 32,240 134,284 - 7,502,785 Total liabilities and fund balances \$ 7,727,880 \$ 647,043 \$ 559,461 \$ - Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)	expenditures		613,046		-	-		-		613,046
Total liabilities and fund balances \$\frac{\\$7,727,880}{\\$5,461} \\$5,59,461}{\\$5,59,461} \\$ Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (305,747) Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	Unassigned fund balance		919,448		(155,536)	 				763,912
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (305,747) Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	Total fund balances		7,336,261		32,240	134,284		_		7,502,785
Statement of Net Position (A-1) are different because: Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (305,747) Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	Total liabilities and fund balances	\$	7,727,880	\$	647,043	\$ 559,461	\$			
and therefore are not reported in the funds. The cost of the assets is \$33,735,644 and the accumulated depreciation is \$10,597,304. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (305,747) Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)										
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are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,250,342) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (6,736)			•		funds.					(305,747)
is recognized as an expenditure when due. (6,736)	are not due and payable in the current per		_							(6,250,342)
Total net position of governmental activities \$24,078,300		-	ernmental fun	ds, bı	ıt rather					(6,736)
	Total net position of governmental activitie	s							\$	24,078,300

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Revenue Projects		Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 25,854,028	\$ -	\$ -	\$ -	\$ 25,854,028
Interest	261,634	-	-	-	261,634
Rents and royalties	53,000	-	-	-	53,000
Miscellaneous	247,593	354,138	-	-	601,731
Total local sources	26,416,255	354,138	-	-	26,770,393
State sources	10,194,489	2,015,058	291,856	-	12,501,403
Federal sources	73,046	5,867,893	-	-	5,940,939
Total revenues	36,683,790	8,237,089	291,856		45,212,735
Expenditures					
Current					
Instructional					
Regular instruction	8,643,177	1,399,896	-	-	10,043,073
Special education instruction	1,957,133	-	-	-	1,957,133
Other special instruction	1,521,502	678,608	-	-	2,200,110
Other instruction	506,919	-	-	-	506,919
Support service &					
undistributed costs					
Tuition	1,732,393	574,916	-	-	2,307,309
Student & instruction					
related services	3,956,505	1,654,725	-	-	5,611,230
General & business					
administrative services	1,194,206	-	-	-	1,194,206
School administrative					
services	1,414,007	-	-	-	1,414,007
Plant operations &					
maintenance	1,995,211	10,120	-	-	2,005,331
Pupil transportation	1,103,050	-	-	-	1,103,050
Unallocated benefits	11,978,699	413,001	-	-	12,391,700

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued) For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 425,937	\$ 3,684,527	\$ 850,904	\$ -	\$ 4,961,368
Transfer to charter school	77,030	-	_	-	77,030
Debt service					
Lease principal	79,853	-	_	-	79,853
Interest & other charges	12,601	-	-	-	12,601
Total expenditures	36,598,223	8,415,793	850,904	_	45,864,920
Excess (deficit) of revenues					
over (under) expenditures	85,567	(178,704)	(559,048)	-	(652,185)
Other financing sources (uses)					
Operating transfers in (out)	(656,083)	4,123	651,960		
Net change in fund balance	(570,516)	(174,581)	92,912	-	(652,185)
Fund balances, July 1	7,906,777	206,821	41,372		8,154,970
Fund balances, June 30	\$ 7,336,261	\$ 32,240	\$ 134,284	\$ -	\$ 7,502,785

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2024

Total net changes in fund balances - governmental fund (from B-2)	\$ (652,185)
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period: Capital outlays Capital outlays S 4,961,368 Depreciation and amortization expense (617,192)	4,344,176
Repayment of debt principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:	126 021
Lease principal payments	136,921
In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	334
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	425,080
In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	 (46,138)
Change in net position of governmental activities	\$ 4,208,188

Proprietary Funds Statement of Net Position June 30, 2024

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 407,614
Due from other funds	719
Receivables from other governments	
State	1,227
Federal	27,965
Inventory	9,803
Other accounts receivable	163,889
Total current assets	611,217
Noncurrent assets	
Capital assets	467,495
Less: accumulated depreciation	186,697
Total noncurrent assets	280,798
Total assets	892,015
Liabilities	
Current liabilities	
Accounts Payable	28,804
Unearned revenues	9,928
Total liabilities	38,732
Net position	
Invested in capital assets, net of related debt	280,798
Unrestricted	572,485
Total net position	\$ 853,283

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Year Ended June 30, 2024

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 237,259
Daily sales - non-reimbursable programs	122,720
Total operating revenues	359,979
Operating expenses	
Cost of sales - reimbursable programs	399,926
Cost of sales - non-reimbursable programs	74,926
Commodity food costs	86,202
Salaries	301,919
Supports services - employee benefits	22,932
Purchased professional/technical services	53,790
Purchased property services	20,591
Other purchased services	
Insurance	31,334
Management fee	48,222
Other purchased services	8,260
Supplies and materials	2,738
Miscellaneous	2,055
Depreciation	28,755
Total operating expenses	1,081,650
Operating income (loss)	(721,671)

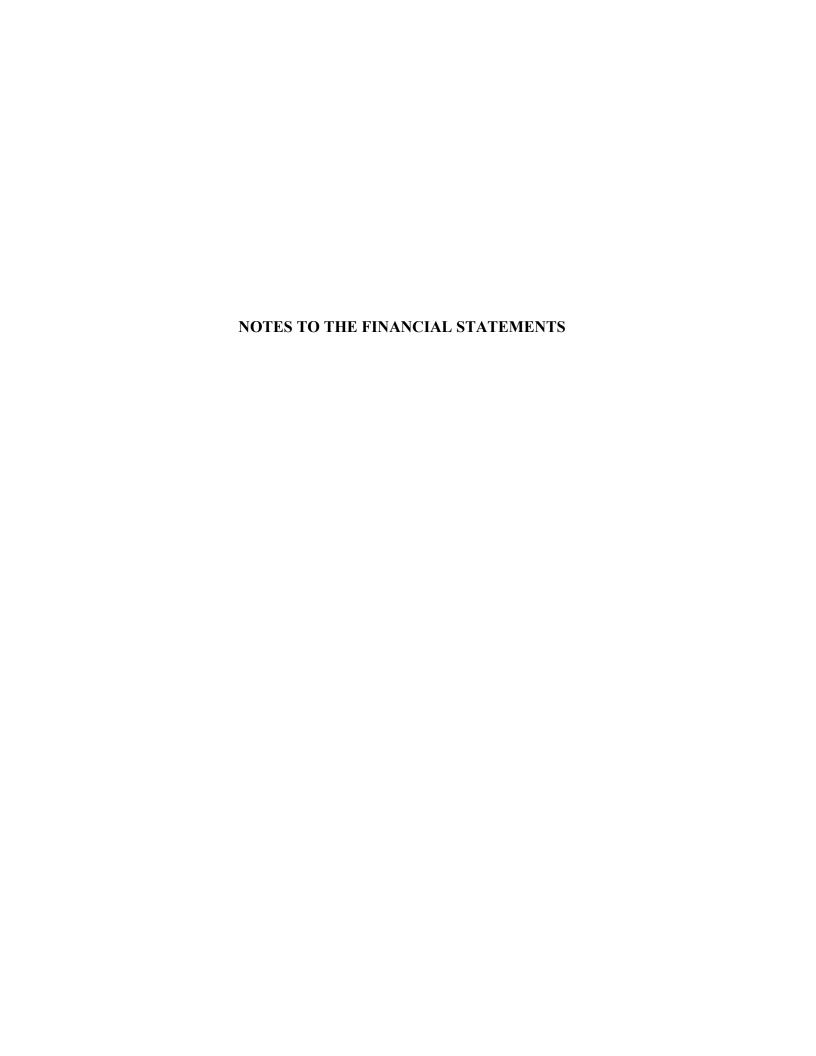
Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position (continued) For the Fiscal Year Ended June 30, 2024

	Foo	od Service Fund
Non-operating revenues (expenses)		
State sources		
State school breakfast program	\$	404
State school lunch program		27,553
Federal sources		
National school breakfast program		25,997
National school lunch program		
Cash assistance		614,585
Non-cash assistance (commodities)		86,202
Supply chain assistance		64,838
Other		3,435
Other sources		
Interest earned on investments		8,453
Miscellaneous		335
Total non-operating revenues (expenses)		831,802
Change in net position		110,131
Net position, beginning		743,152
Net position, ending	\$_	853,283

Proprietary Funds Statement of Cash Flows For the Fiscal Year Ended June 30, 2024

	Food Service Fund
Cash flows from operating activities Receipts from customers Payments to Food Service Management Company Payments to vendors (net) Net cash provided by (used for) operating activities	\$ 276,689 (977,388) (129,007) (829,706)
Cash flows from non-capital financing activities State sources Federal sources General fund interfund activity Miscellaneous Net cash provided by (used for) non-capital financing activities	30,320 766,642 (719) 335 796,578
Cash flows from capital financing activities Acquisition of capital assets Net cash provided by (used for) capital financing activities	(100,323) (100,323)
Cash flows from investing activities Interest earned on investments Net cash provided by (used for) investing activities	8,453 8,453
Net increase (decrease) in cash and cash equivalents	(124,998)
Cash and cash equivalents, beginning	532,612
Cash and cash equivalents, ending	\$ 407,614
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities Depreciation Federal food donation program	\$ (721,671) 28,755 86,202
(Increase) decrease in accounts receivable	(89,383)
Increase (decrease) in accounts payable	(138,322)
(Increase) decrease in inventory Increase (decrease) in deferred revenue	(2,923) 7,636
Net cash provided by (used for) operating activities	\$ (829,706)



Note 1 - Summary of significant accounting policies

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

The Basic Financial Statements include:

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

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

A. Reporting entity

The District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-12. The District had an approximate enrollment at June 30, 2024 of 1,771 students.

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

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

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

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

Note 1 - Summary of significant accounting policies (continued)

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

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

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary fund types (continued)

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

The District's enterprise fund is comprised of the food service fund.

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

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

Site improvements 20 years Equipment 5-12 years

Fiduciary fund types

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

D. Budgets/budgetary control

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

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2023-2024 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-infirst-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

J. Capital assets

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

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

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

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

K. Compensated absences

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

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

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

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

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

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

Note 2 - Tax assessments and property taxes

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

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

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

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2024, the District had no investments.

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

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

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

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

As of June 30, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 419,782
Insured by GUDPA	6,823,272
Deposits with NJ ARM	 2,105,737
Total bank balances	\$ 9,348,791

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	Ref.	
Unrestricted cash		
Governmental funds, balance sheet	B-1	\$ 4,377,433
Enterprise funds, statement of net position	B-4	407,614
Restricted cash		
Governmental funds, balance sheet	B-1	2,895,233
Total cash		\$ 7,680,280

Investments

In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management fund (NJ ARM).

The NJARM, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Security and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJARM without penalty. At June 30, 2024, the District's balance was \$2,105,737 with NJARM, The NJARM Joint Account portfolio is rated AAA by Standard & Poor's.

Note 4 - <u>Capital assets</u> Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	 Beginning Balance		Increases	De	creases	Ending Balance		
Governmental activities Capital assets, not being depreciated or amortized								
Land Construction in	\$ 9,613,650	\$	-	\$	-	\$	9,613,650	
progress	1,520,746		4,602,140		1,364,303		4,758,583	
Total	 11,134,396		4,602,140		1,364,303		14,372,233	
Capital assets, being depreciated or amortized								
Land improvements Building &	202,808		8,680		-		211,488	
improvements Furniture &	16,042,516		1,676,817		-		17,719,333	
equipment	1,181,645		38,034		_		1,219,679	
Right-to-use-asset	212,911		-		_		212,911	
Total	 17,639,880	-	1,723,531		-		19,363,411	
Accumulated depreciation								
Land improvements Building &	78,674		7,968		-		86,642	
improvements Furniture &	9,082,505		489,967		-		9,572,472	
equipment	808,287		76,675		_		884,962	
Right-to-use-asset	10,646		42,582		-		53,228	
Total	9,980,112		617,192		-		10,597,304	
Total capital assets, being depreciated or								
amortized, net	 7,659,768		1,106,339				8,766,107	
Transfers	 		(1,364,303)	(1,364,303)		<u>-</u>	
Governmental activities capital assets, net	\$ 18,794,164	\$	4,344,176	\$	_	\$	23,138,340	
* ′	 						 _	

Note 4 -	Ca	pital	assets ((continued)	į

	Beginning Balance		Increases		Decreases		Ending Balance	
Business type activities								
Capital assets being								
depreciated or								
amortized								
Furniture &								
equipment	\$	234,122	\$	35,279	\$	-	\$	269,401
Site improvements		133,050		65,044		-		198,094
Total		367,172		100,323			-	467,495
Accumulated								
depreciation or								
amortization								
Furniture &								
equipment		101,814		18,851		-		120,665
Site improvements		56,128		9,904		-		66,032
Total		157,942	'	28,755				186,697
Business type activities		,						
capital assets, net	\$	209,230	\$	71,568	\$	-	\$	280,798

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

Instruction	
Regular	\$ 244,061
Special education	46,141
Other special instruction	51,870
Other instruction	11,951
Support services	
Student & instruction	145,053
General & business administration	28,155
School administration	55,463
Plant maintenance	31,141
Pupil transportation	 3,357
Total depreciation expense, governmental activities	\$ 617,192

Note 5 - <u>Long-term debt</u> Long-term liability activity for the year ended June 30, 2024 is as follows:

	I	Beginning Balance	Additions		Reductions		 Ending Balance	 Due Within One Year	
Governmental activities									
Leases Payable	\$	539,171	\$	-	\$	136,921	\$ 402,250	\$ 126,773	
Compensated									
absences payable		2,808,740		46,138		-	2,854,878	80,000	
PERS net pension		2 021 242				20.120	2 002 214		
liability		3,021,343				28,129	 2,993,214	 	
Total governmental activities long-term									
liabilities	\$	6,445,850	\$	46,138	\$	165,050	\$ 6,250,342	\$ 206,773	

The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2024 is \$159,402,398. General obligation debt at June 30, 2024 is \$0 resulting in a legal debt margin of \$159,402,398.

Leases payable - Leases payable at June 30, 2024, with their outstanding balances are comprised of the following:

Year Ended June 30,	F	Principal	Ι	nterest	Total
2025	\$	126,773	\$	16,408	\$ 143,181
2026		123,716		11,206	134,922
2027		79,954		6,269	86,223
2028		71,807		2,481	74,288
	\$	402,250	\$	36,364	\$ 438,614
\$36,884 - 2020 Ford F-350 interest, due in annual instruction October 8, 2024.	*	\$ 7,792			
\$231,036 - Security camera 2.69% interest, due in annua to August 26, 2025.	•	93,593			
\$231,036 - Security camera 4.47% interest, due in annua to August 1, 2027.	•	136,693			
\$193,861 - Copiers lease comin monthly installments begin Total		\$ 164,172 402,250			

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

A. Public Employees' Retirement System (PERS)

Plan description

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

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

The following represents the membership tiers for PERS:

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

Note 6 - Pension plan (continued)

A. Public Employees' Retirement Systems (PERS) (continued)

Plan description (continued)

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

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

Note 6 - <u>Pension plan (continued)</u>

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and Nonemployer Allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2023 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023 measurement date.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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

The District's contractually required contribution rate for the year ended June 30, 2024 was 17.50% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Note 6 - Pension plans

A. Public Employees' Retirement System (PERS) (continued)

Special funding situation

Investment rate of return

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2023:

Net pension liability	\$ 2,993,214
Proportionate share	0.0206651229%

Plan fiduciary net position as a percentage of the total pension liability 65.23%

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75% - 6.55%

7.00%

Note 6 - <u>Pension plan (continued)</u>

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocations as of June 30, 2023 measurement date are summarized in the following table:

		Long-Term
	Target	Expected Rate
Asset Class	Allocations	of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Note 6 - <u>Pension plans (continued)</u>

A. Public Employees' Retirement System (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of 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 projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 2,993,214
At a 1% lower rate (6.00%)	3,929,378
At a 1% higher rate (8.00%)	2,243,128

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Out	tflows of	In	Deferred flows of
Re	esources	R	esources
\$	28,619	\$	12,235
	6,575		181,402
	13,784		-
	34,976		472,259
	276,195		<u>-</u>
\$	360,149	\$	665,896
	Out Re	6,575 13,784 34,976 276,195	Outflows of Resources Reso

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2024, the Plan measurement date is June 30, 2023) of \$276,195 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Note 6 - <u>Pension plan (continued)</u>

A. Public Employees' Retirement System (PERS) (continued)

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2023 measurement date:

	Beginn	ning Balance	Net Cha	nge in Activity	End	ing Balance
Deferred outflows of resources						
Differences between expected						
and actual experience	\$	23,800	\$	4,819	\$	28,619
Changes of assumptions		10,217		(3,642)		6,575
Differences between expected						
and actual experience		136,482		(122,698)		13,784
Deferred inflows of resources						
Differences between expected						
and actual experience		(20,988)		8,753		(12,235)
Changes of assumptions		(493,772)		312,370		(181,402)
Net changes	\$	(344,261)	\$	199,602	\$	(144,659)

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

<u>Fiscal Year Ended June 30,</u>	
2024	\$ (158,031)
2025	(88,207)
2026	123,263
2027	(22,059)
2028	 375
Total	\$ (144,659)

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 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Note 6 - <u>Pension plan (continued)</u>

A. Public Employees' Retirement System (PERS) (continued)

Pension expense (benefit)

For the year ended June 30, 2024, the District recognized net pension expense (benefit) of (\$141,365), which represents the District's proportionate share of allocable plan pension revenue of (\$30,170), plus the net amortization of deferred amounts from changes in proportion of (\$118,716), plus the pension expense related to specific liabilities of individual employers of \$8,171, and plus other adjustments to the net pension liability of (\$650). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 250,397
Interest on total pension liability	945,621
Benefit changes	-
Member contributions	(201,946)
Administrative expense	4,419
Expected investment return net of investment expense	(557,397)
Pension expense related to specific liabilities of individual employers	(3,721)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	16,324
Changes of assumptions	(456,619)
Difference between projected and actual investment earnings on	
pension plan investments	 (27,248)
Pension expense (benefit)	\$ (30,170)

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

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

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

Note 6 - <u>Pension plan (continued)</u>

B. Teacher's Pension and Annuity fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For State fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Note 6 - <u>Pension plan (continued)</u>

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2023, the State of New Jersey contributed \$4,371,636 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 81,965,591
Less: State proportionate share of net pension liability	28,422,000
Net pension liability	\$ 53,543,591

Proportionate share 0.1049202229%

Plan fiduciary net position as a percentage of the total pension liability

34.68%

Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

1		~ -	. •		
	10:	HIC	111	an	rate
		117	111	()	1415

Price	2.75%
Wage	3.25%

Salary increases (based on years of service) 2.75 - 4.25%

Investment rate of return 7.00%

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

Note 6 - <u>Pension plan (continued)</u>

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions (continued)

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

	Target	Long-Term Expected
Asset Class	Allocations	Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

Note 6 - <u>Pension plan (continued)</u>

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 53,543,591
At a 1% lower rate (6.00%)	63,137,610
At a 1% higher rate (8.00%)	45,463,146

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense (benefit) related to specific liabilities of individual employers, for the District for the year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 1,429,241
Interest on total pension liability	5,519,853
Member contributions	(977,460)
Administrative expense	14,229
Expected investment return net of investment expense	(1,785,122)
Pension expense related to specific liabilities of individual employers	(471)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	205,083
Changes of assumptions	(3,194,147)
Difference between projected and actual investment earnings on	
pension plan investments	104,204
Pension expense (benefit)	\$ 1,315,410

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: niplans.empower-retirement.com.

Note 6 - Pension plan (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2024 was \$0.

D. Other pension plan information

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$1,276,558 to the TPAF for postretirement medical benefits, \$52,888 for non-contributory insurance premiums, \$1,962 for long-term disability insurance, and \$4,637,521 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,087,845 during the fiscal year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

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

Note 7 - Postretirement benefits (continued)

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at https://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

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

For purposes of reporting required GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	48,405,033
Employer OPEB expense and related revenue	1,629,243

Allocable proportionate percentage

0.0924436417%

Note 7 - <u>Postretirement benefits (continued)</u> Changes in the total OPEB liability

		Cotal OPEB
	Liability	
Total OPEB liability at June 30, 2022	\$	46,923,290
Service cost		2,334,352
Interest cost		1,704,766
Differences between expected and actual experiences		(1,369,734)
Changes of assumptions		97,565
Member contributions		43,687
Gross benefit payments		(1,328,893)
Total OPEB liability at June 30, 2023	\$	48,405,033

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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:

	TPAF	PERS
	(based on years	(based on years
	of service)	of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 - June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the Municipal Bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (3.65%)	\$ 48,405,033
At a 1% lower rate (2.65%)	56,746,591
At a 1% higher rate (4.65%)	41,707,730

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

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

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$ 48,405,033
At a 1% lower rate (1% decrease)	40,183,640
At a 1% higher rate (1% increase)	59,162,747

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,629,243 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred and inflows of resources related to OPEB (continued)

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

Note 8 - Deferred compensation

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

Equitable
Mass Mutual/Capstone Financial
Aspire Financial
AIG Valic
Great American Plan Administrators
Security Benefits Group

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2024 consisted of the following:

Food	\$ 7,600
Supplies	2,203
Total	\$ 9,803

Note 10 - Interfund receivables and payables

The capital projects fund had an interfund payable of \$340,362 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The general fund had an interfund payable of \$719 due to the food service fund relating to transactions in the general fund affecting the food service fund.

Note 11 - Contingent liabilities

Litigation

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the District.

Grantor agencies

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

PALISADES PARK SCHOOL DISTRICT Notes to the Financial Statements

Note 12 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this Plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the state. The District is billed quarterly for amounts due to the state. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

								1	Ending
								E	Balance
	Board	In	terest	Eı	nployee	A	Amount	Ava	ailable for
Fiscal Year	Contrib.	Ea	Earnings Contrib.		Contrib.	Reimbursed		Claims	
2023 - 2024	\$ 15,000	\$	505	\$	32,893	\$	48,925	\$	64,603
2022 - 2023	-		208		33,755		55,325		65,130
2021 - 2022	-		4		29,981		503		86,492

Note 13 - District reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Notes to the Financial Statements

Note 13 - <u>District reserve accounts (continued)</u>

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended lineitem appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

				Return		
Reserve	Beginning	District	Interest	Unused		Ending
Туре	Balance	Contrib.	Earnings	Withdrawal	Withdrawal	Balance
Capital	\$1,645,929	\$100,000	\$ 83,391	\$ 434,640	\$ 1,086,600	\$ 1,177,360
Maintenance	840,669	250,000				1,090,669
Total	\$2,486,598	\$350,000	\$ 83,391	\$ 434,640	\$1,086,600	\$2,268,029

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

Restricted Excess surplus - designated for subsequent year's expenditures. Amount	d	1 (00 000
appropriated in the succeeding year's budget to reduce tax requirements. Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated	\$	1,600,000
for utilization in succeeding year's budgets. Capital reserve account - represents funds restricted to capital projects in the		1,309,517
District's long range facilities plan.		1,177,360
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).		1,090,669
Unemployment compensation - represents funds accumulated for future unemployment claims.		63,968
Committed		
Year-end encumbrance - represents fund balance committed for purchase orders		5.62.252
that have been issued but goods or services were not received as of June 30.		562,253
Assigned Fund Balance		
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 – June 30, 2024		613,046
Unassigned		•
Undesignated - represents fund balance which has not been restricted or designated.		1,144,625
Total fund balance - budgetary basis (Exhibit C-1)		7,561,438
Last state aid payments not recognized on GAAP basis		(225,177)
Total fund balance - GAAP basis (Exhibit B-1)	\$	7,336,261

Notes to the Financial Statements

Note 15 - <u>Calculation of excess surplus</u>

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$1,309,517.

Note 16 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of (\$155,536) in the special revenue fund as of June 30, 2024 as reported in the fund statements. PL 2005, Chapter 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the last state aid payment in the subsequent fiscal year, the School District cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the District is facing financial difficulties.

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2024 of (\$1,311,847) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 18 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

PALISADES PARK SCHOOL DISTRICT Notes to the Financial Statements

Note 19 - Restatement of prior year net position

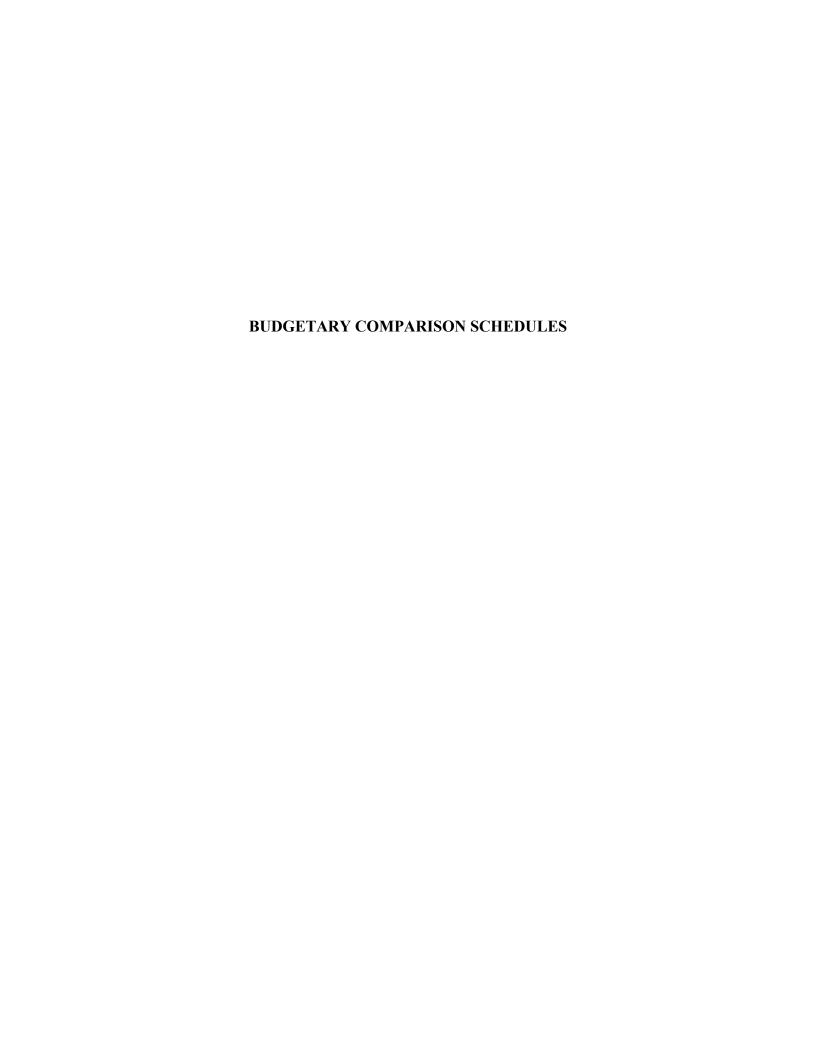
During the fiscal year ended June 30, 2024, the District has determined a restatement of the prior year net position is necessary after reviewing the amounts for the compensated absence and PERS net pension liabilities. The following is a summary of the District's restatement of net position as of June 30, 2023:

	Governmental				
	Activities				
Net position, June 30, 2023	\$	19,793,516			
Additions					
Change in PERS net pension liability		276,195			
Reductions					
Change in PERS net pension liability		(199,599)			
Net position, June 30, 2023, as restated	\$	19,870,112			

Note 20 - Subsequent events

The District has evaluated subsequent events through January 15, 2025, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II



General Fund

Original Budget	Budget Fransfers - -	Final Budget \$25,854,031 60,000	Actual \$25,854,028		Final Actual
Revenues Local sources Local tax levy \$25,854,031 Rents and royalties 60,000 Unrestricted miscellaneous revenues 14,123 Interest earned on maintenance reserve 500	 -	\$25,854,031		to	Actual
Local sources\$ 25,854,031Local tax levy\$ 25,854,031Rents and royalties60,000Unrestricted miscellaneous revenues14,123Interest earned on maintenance reserve500	\$ - -		\$25 854 028		
Local tax levy\$ 25,854,031Rents and royalties60,000Unrestricted miscellaneous revenues14,123Interest earned on maintenance reserve500	\$ -		\$25,954,029		
Rents and royalties 60,000 Unrestricted miscellaneous revenues 14,123 Interest earned on maintenance reserve 500	\$ -		\$25,954,029		
Unrestricted miscellaneous revenues 14,123 Interest earned on maintenance reserve 500	-	60.000	\$23,634,026	\$	(3)
Interest earned on maintenance reserve 500		00,000	53,000		(7,000)
	_	14,123	425,331		411,208
Interest earned on capital reserve funds 2,500	-	500	-		(500)
	-	2,500	83,391		80,891
Other restricted miscellaneous revenues	-	-	505		505
Total 25,931,154	 	25,931,154	26,416,255		485,101
State sources					
Categorical transportation aid 101,852	_	101,852	101,852		_
Extraordinary aid -	_	101,032	540,674		540,674
Categorical special education aid 1,588,448	_	1,588,448	1,588,448		-
Equalization aid 711,969	_	711,969	711,969		_
Categorical security aid 212,501		212,501	212,501		_
Adjustment aid 212,501		10,133	10,133		_
TPAF Pension (on-behalf)		10,133	4,637,521	4	637,521
TPAF Non-contributory insurance		_	52,888		52,888
TPAF Social Security (reimbursed)		_	1,087,845	1	087,845
TPAF Post retirement benefits -	_	_	1,276,558		,276,558
TPAF Long-term disability insurance	_	-	1,962	1	1,962
Total 2.624,903	 	2,624,903	10,222,351	7	597,448
2,024,703	 	2,024,903	10,222,331		,391,440
Federal Sources					
Medicaid reimbursement 62,031	 <u>-</u>	62,031	73,046		11,015
Total 62,031	 	62,031	73,046		11,015
Total revenues \$ 28,618,088	\$ -	\$28,618,088	\$36,711,652	\$ 8	,093,564
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten \$ 336,395	\$ (1,000)	\$ 335,395	\$ 330,915	\$	4,480
Grades 1-5 3,158,189	(49,100)	3,109,089	3,109,060		29
Grades 6-8 876,910	(72,047)	804,863	804,831		32
Grades 9-12 3,739,663	106,711	3,846,374	3,846,374		_
Home instruction					
Salaries of teacher 12,500	1,000	13,500	10,955		2,545
Purchased professional - educational services 16,000	(12,073)	3,927	3,877		50
Regular programs - undistributed instruction	, , ,	•	ŕ		
Other salaries for instruction 241,965	(198,793)	43,172	41,690		1,482
Purchased technical services 261,472	(87,689)	173,783	169,014		4,769
Other purchased services 121,688	(33,335)	88,353	87,510		843
General supplies 285,364	(50,751)	234,613	232,950		1,663
Textbooks 6,000	1	6,001	6,001		-
Other objects 500	(500)	-	-		_
Total 9,056,646	 (397,576)	8,659,070	8,643,177		15,893

General Fund

Special education Ring lauget Final part (instance) Section of the part (instance) \$15,405 \$16,185 \$2,608 \$30,602 \$2,018 \$2,000			Unaudited							Variance	
Percase Perc		Origi	nal	Budget		Final					
Salaries of teachers		Budg	get	Transfers		Budget		Actual	tc	Actual	
Salaries of teachers \$14,515 \$ (16),835 \$35,080 \$35,062 \$2,018 Other salaries for instruction 232,990 (20,813) 23,177 1,500 7,108 Total 762,895 373,012 388,983 369,792 19,101 Resource room/resource center Salaries of teachers 1,619,635 (70,823) 1,548,812 1,548,773 8,705 Other salaries for instruction 86,005 (40,547) 36,458 27,755 8,705 General supplies 17,000 (17,000) 1,585,270 1,576,525 8,705 Posterional supplies 1,722,640 (13,330) 1,585,270 1,576,525 8,705 Purchased professional - educational services 2 2,800 </td <td>Special education</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Special education										
Other salaries for instruction 232,990 (20,913) 23,177 13,200 9,977 General supplies 15,390 (2,204) 13,126 3,930 7,106 Total 762,895 (373,912) 388,983 36,972 19,101 Resource room/resource center 1,619,635 (70,823) 1,548,812 1,548,773 39 Other salaries for instruction 86,005 (40,547) 36,458 27,753 8,705 General supplies 1,700 (17,00) (17,00) 1,585,270 1,576,526 8,744 Preschool disabilities - full-time 2,800											
General supplies 15,390 C,264 13,126 5,930 7,106 Total 762,895 373,912 388,983 369,792 19,109 Resource room/resource center Salaries of teachers 1,619,635 (70,823) 1,548,812 1,548,773 8,70 Other salaries for instruction 86,005 (49,547) 36,458 2,7753 8,70 General supplies 17,000 (17,000) 1,585,270 1,576,526 8,74 Porchool disabilities full-time Purchased professional - educational services 2 2,800 <t< td=""><td></td><td></td><td></td><td>` ' '</td><td></td><td></td><td>\$</td><td>-</td><td>\$</td><td>,</td></t<>				` ' '			\$	-	\$,	
Protection	Other salaries for instruction	23:	2,990	(209,813)		23,177		13,200		9,977	
Resource room/resource center Salaries of teachers 1,619,635 70,823 1,548,812 1,548,773 39 39 30 30 36,458 27,753 8,705 30 30 30 30 30 30 30	General supplies										
Salaries of teachers 1,619,635 70,823 1,548,812 1,548,773 3.9 Other salaries for instruction 86,005 (49,547) 36,488 27,753 8,705 Total 1,7000 (17,000) 1,736,526 8,744 Preschool disabilities - full-time Purchased professional - educational services - 2,800 2,800 2,800 - Total 3,000 5,015 8,015 - - Total 3,000 5,015 8,015 - - Salaries of teachers 3,000 5,015 8,015 8,015 - Total special education 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction 3,191 - 3,191 - 3,191 - 3,191 1,168 2,023 Total special education instruction 3,191 - 3,191 1,252,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,	Total	76	2,895	(373,912)		388,983		369,792		19,191	
Other salaries for instruction 86,005 (17,000) (17,00	Resource room/resource center										
General supplies 17,000 (17,000) -	Salaries of teachers	1,61	9,635	(70,823)		1,548,812		1,548,773		39	
Preschool disabilities - full-time Purchased professional - educational services	Other salaries for instruction	8	6,005	(49,547)		36,458		27,753		8,705	
Preschool disabilities - full-time - 2,800 2,800 2,800 2,800 - Total - 2,800 2,800 2,800 - Home instruction 3,000 5,015 8,015 8,015 - Total 3,000 5,015 8,015 8,015 - Total special education 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction Salaries of teachers 1,515,117 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,168 2,023 Total 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29	General supplies	1	7,000	(17,000)	1	-				-	
Purchased professional - educational services - 2,800 2,800 2,800 - Total - 2,800 2,800 2,800 - Home instruction - 3,000 5,015 8,015 8,015 - Total 3,000 5,015 8,015 8,015 - Total special education 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction 3,191 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,168 2,023 Textbooks 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,520,941 1,521,502 5,439 Sharies 97,850 86,298 11,552 Purchased services 4,000 - 97,850 86,298 11,552	Total	1,72	2,640	(137,370)		1,585,270		1,576,526		8,744	
Total 2,800 2,800 2,800 - Home instruction 3,000 5,015 8,015 8,015 - Total 3,000 5,015 8,015 8,015 - Total special education 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction 3,191 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,68 2,023 Textbooks 1,500 (133) 1,567 - 1,367 Total 1,519,808 7,133 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 313,460 (15,269) 16,911 97,278	Preschool disabilities - full-time										
Home instruction Salaries of teachers 3,000 5,015 8,015 8,015 8,015 - 1 Total special education 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction Salaries of teachers 1,515,117 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,168 2,023 Textbooks 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction Salaries 97,850 86,298 11,552 Purchased services 4,000 - 4,000 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 311,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 50 50,500 50,337 163 Supplies and materials 64,289 (4,000 60,289 58,342 1,947 Total 405,289 (3,500 401,789 324,327 77,462 Before/after school programs - instruction Salaries of teachers 20,000 3,000 23,000 22,033 967	Purchased professional - educational services		-	2,800		2,800		2,800		-	
Salaries of teachers 3,000 5,015 8,015 8,015 - Total 3,000 5,015 8,015 8,015 - Total special education 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction 3 1,515,117 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,66 2,023 Textbooks 1,519,808 7,133 1,520,431 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction 3,191 - 3,194 1,521,502 5,439 Salaries 97,850 - 97,850 86,298 11,552 11,552 Purchased services 4,000 - 97,850 86,298 11,552 11,552 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,512 11,	Total		-	2,800	_	2,800		2,800			
Total 3,000 5,015 8,015 8,015 - Total special education 2,488,535 (503,467) 1,985,068 1,957,133 27,935 Bilingual education - instruction Salaries of teachers 1,515,117 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,168 2,023 Textbooks 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction 31,460 15,269 116,191 97,278 18,913 School-sponsored athletics - instruction 291,000 50,500	Home instruction										
School-sponsored co/extra curricular activities - instruction Salaries of teachers Salaries S	Salaries of teachers		3,000	5,015		8,015		8,015		-	
Bilingual education - instruction Salaries of teachers 1,515,117 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,168 2,023 Textbooks 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,50	Total		3,000	5,015		8,015		8,015		-	
Salaries of teachers 1,515,117 7,266 1,522,383 1,520,334 2,049 General supplies 3,191 - 3,191 1,168 2,023 Textbooks 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 50 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947	Total special education	2,48	8,535	(503,467)		1,985,068		1,957,133		27,935	
General supplies 3,191 - 3,191 1,168 2,023 Textbooks 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction 81 - 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction 50,000 50 50,500 50,337 163 Salaries 291,000 - 291,000 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after	Bilingual education - instruction										
Textbooks 1,500 (133) 1,367 - 1,367 Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction Salaries of teachers 20,000	Salaries of teachers	1,51	5,117	7,266		1,522,383		1,520,334		2,049	
Total 1,519,808 7,133 1,526,941 1,521,502 5,439 School-sponsored co/extra curricular activities - instruction 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction 20,000 3,000 23,000 22,033 967	General supplies		3,191	-		3,191		1,168		2,023	
School-sponsored co/extra curricular activities - instruction Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction Salaries of teachers 20,000 3,000 23,000 22,033 967	Textbooks		1,500	(133)		1,367				1,367	
Salaries 97,850 - 97,850 86,298 11,552 Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction 20,000 3,000 23,000 22,033 967	Total	1,51	9,808	7,133	_	1,526,941		1,521,502		5,439	
Purchased services 4,000 - 4,000 - 4,000 Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction Salaries of teachers 20,000 3,000 23,000 22,033 967	School-sponsored co/extra curricular activities - instruction										
Supplies and materials 29,610 (15,269) 14,341 10,980 3,361 Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction Salaries of teachers 20,000 3,000 23,000 22,033 967	Salaries	9	7,850	-		97,850		86,298		11,552	
Total 131,460 (15,269) 116,191 97,278 18,913 School-sponsored athletics - instruction 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction 20,000 3,000 23,000 22,033 967	Purchased services		4,000	-		4,000		-		4,000	
School-sponsored athletics - instruction Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction Salaries of teachers 20,000 3,000 23,000 22,033 967	Supplies and materials	2	9,610	(15,269)	1	14,341		10,980		3,361	
Salaries 291,000 - 291,000 215,648 75,352 Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction 20,000 3,000 23,000 22,033 967	Total	13	1,460	(15,269)		116,191		97,278		18,913	
Purchased services 50,000 500 50,500 50,337 163 Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction 20,000 3,000 23,000 22,033 967	School-sponsored athletics - instruction										
Supplies and materials 64,289 (4,000) 60,289 58,342 1,947 Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction Salaries of teachers 20,000 3,000 23,000 22,033 967	Salaries	29	1,000	-		291,000		215,648		75,352	
Total 405,289 (3,500) 401,789 324,327 77,462 Before/after school programs - instruction 20,000 3,000 23,000 22,033 967	Purchased services	5	0,000	500		50,500		50,337		163	
Before/after school programs - instruction Salaries of teachers 20,000 3,000 23,000 22,033 967	Supplies and materials	6	4,289	(4,000)		60,289		58,342		1,947	
Salaries of teachers 20,000 3,000 23,000 22,033 967	Total	40.	5,289	(3,500)		401,789		324,327		77,462	
	Before/after school programs - instruction										
Total 20,000 3,000 23,000 22,033 967	Salaries of teachers	2	0,000	3,000		23,000		22,033		967	
	Total	2	0,000	3,000		23,000		22,033		967	

General Fund

		Unaudited			Variance	
	Original	Budget		Final		
	Budget	Transfers	Budget	Actual	to Actual	
Summer school - instruction						
Salaries of teachers	\$ 50,000	\$ 13,358	\$ 63,358	\$ 63,281	\$ 77	
Total	50,000	13,358	63,358	63,281	77	
Total summer school	50,000	13,358	63,358	63,281	77	
Total instruction regular	\$ 13,671,738	\$ (896,321)	\$12,775,417	\$12,628,731	\$ 146,686	
Undistributed expenditures						
Undistributed expenditures - instruction						
Tuition to other LEAs within the state - regular	\$ -	\$ 1,536	\$ 1,536	\$ 1,501	\$ 35	
Tuition to other LEAs within the State - special	808,050	(555,474)	252,576	249,483	3,093	
Tuition to county vocational school district - regular	455,400	119,189	574,589	562,684	11,905	
Tuition to cssd & regional day schools	665,845	(303,170)	362,675	361,063	1,612	
Tuition to priv. school for the disabled in state	244,114	313,871	557,985	557,662	323	
Total	2,173,409	(424,048)	1,749,361	1,732,393	16,968	
Undistributed expenditures - attendance & social work Salaries	4,050	_	4,050	3,181	869	
Total	4,050		4,050	3,181	869	
10.00	.,020		.,000	2,101	007	
Undistributed expenditures - health services						
Salaries	174,012	873	174,885	174,382	503	
Purchased professional and technical services	19,300	10,988	30,288	29,488	800	
Supplies and materials	10,516	(5,000)	5,516	5,133	383	
Total	203,828	6,861	210,689	209,003	1,686	
Undistributed expenditures - speech, ot, pt & related services						
Salaries	232,725	4,813	237,538	237,538	_	
Purchased professional - educational services	1,004,408	1,298,754	2,303,162	2,241,479	61,683	
Total	1,237,133	1,303,567	2,540,700	2,479,017	61,683	
Undistributed expend - other supp. service stds extra service						
Purchased professional - educational services	1,110	1,133	2,243	1,133	1,110	
Total	1,110	1,133	2,243	1,133	1,110	
1000	1,110		2,2.3	1,155	1,110	
Undistributed expenditures - guidance						
Salaries of other professional staff	328,015	6,644	334,659	329,362	5,297	
Salaries of secretarial and clerical assistants	59,880	13,066	72,946	72,869	77	
Supplies and materials	5,400	(570)	4,830	4,695	135	
Total	393,295	19,140	412,435	406,926	5,509	
Undistributed expenditures - child study teams						
Salaries of other professional staff	741,296	67,298	808,594	791,609	16,985	
Salaries of secretarial and clerical assistants	60,405	(16,825)	43,580	39,587	3,993	
Supplies and materials	15,359	1,051	16,410	15,795	615	
Other objects	1,000	(1,000)				
Total	818,060	50,524	868,584	846,991	21,593	

General Fund

		Unaudited		Variance		
	Original	Budget	Final		Final	
	Budget	Transfers	Budget	Actual	to Actual	
Undistributed expenditures - improvement of inst. service						
Salaries of other professional staff	\$ 3,150	\$ -	\$ 3,150	\$ -	\$ 3,150	
Other purchased professional & technical services	500		500	20	480	
Total	3,650		3,650	20	3,630	
Undistributed expenditures - edu. media service/sch. library						
Salaries	60,000	(56,095)	3,905	495	3,410	
Supplies and materials	29,160	(20,300)	8,860	7,739	1,121	
Total	89,160	(76,395)	12,765	8,234	4,531	
Undistributed expend instructional staff training services						
Purchased professional - educational services	3,000	_	3,000	2,000	1,000	
Total	3,000		3,000	2,000	1,000	
		· ·				
Undistributed expend support service - general admin.						
Salaries	359,561	49,811	409,372	406,181	3,191	
Legal services	51,964	22,743	74,707	70,139	4,568	
Audit fees	50,000	-	50,000	50,000	-	
Architectural/engineering services	25,000	-	25,000	19,610	5,390	
Other purchased professional services	46,000	5,628	51,628	38,254	13,374	
Communications/telephone	199,300	(56,135)	143,165	139,884	3,281	
BOE other purchased services	6,600	-	6,600	6,514	86	
Misc. purchased services	159,450	(405)	159,045	156,176	2,869	
General supplies	1,000	-	1,000	820	180	
Miscellaneous expenditures	3,930	(723)	3,207	2,413	794	
BOE membership dues and fees	14,600	2,000	16,600	16,572	28	
Total	917,405	22,919	940,324	906,563	33,761	
Undistributed expend support service - school admin.						
Salaries of principals/assistant principals	686,936	(16,289)	670,647	670,647	_	
Salaries of secretarial and clerical assistants	526,920	(20,110)	506,810	503,151	3,659	
Other purchased services	600	-	600	-	600	
Supplies and materials	17,000	25,110	42,110	9,936	32,174	
Other objects	31,700	-	31,700	17,330	14,370	
Total	1,263,156	(11,289)	1,251,867	1,201,064	50,803	
Undistributed expend central services						
Salaries	149,431	51,114	200,545	197,041	3,504	
Purchased professional services	42,375	(20,748)	21,627	16,499	5,128	
Purchased technical services	43,884	(4,570)	39,314	38,224	1,090	
Miscellaneous purchased services	1,600	7,019	8,619	7,948	671	
Supplies and materials	11,834	4,772	16,606	16,298	308	
Interest on lease purchase agreements	7,027	(1,020)	6,007		6,007	
Other objects	11,000	2,125	13,125	11,633	1,492	
Total	267,151	38,692	305,843	287,643	18,200	
2 0 1002	207,131	30,072	505,045	207,043	10,200	

General Fund

		Unaudited	Variance			
	Original	Budget	Final		Final	
	Budget	Transfers	Budget	Actual	to Actual	
Undistributed expenditures - admin. info. technology						
Salaries	\$ 167,284	\$ 8,898	\$ 176,182	\$ 174,554	\$ 1,628	
Purchased technical services	28,936	14,261	43,197	35,907	7,290	
Supplies and materials	20,000	(17,515)	2,485	2,482	3	
Total	216,220	5,644	221,864	212,943	8,921	
Undistributed expend required maint. for school facilities						
Salaries	132,996	(47,590)	85,406	83,286	2,120	
Cleaning, repair, and maintenance services	258,273	(222,660)	35,613	8,502	27,111	
General supplies	10,000	(1,000)	9,000	3,972	5,028	
Total	401,269	(271,250)	130,019	95,760	34,259	
Undistributed expend custodial services						
Salaries	788,783	13,819	802,602	796,567	6,035	
Salaries of non-instructional aides	193,888	(19,800)	174,088	167,894	6,194	
Cleaning, repair, and maintenance service	181,000	(56,854)	124,146	121,705	2,441	
Other purchased property services	47,759	21,112	68,871	68,771	100	
Insurance	222,000	10,292	232,292	232,290	2	
General supplies	106,046	39,138	145,184	135,472	9,712	
Energy (natural gas)	200,000	(2,887)	197,113	96,040	101,073	
Energy (electricity)	225,000	-	225,000	203,954	21,046	
Energy (gasoline)	28,425	(11,007)	17,418	16,824	594	
Other objects	3,000	(1,950)	1,050	500	550	
Total	1,995,901	(8,137)	1,987,764	1,840,017	147,747	
Undistributed expend security						
Purchased professional and technical services	55,000	9,550	64,550	59,434	5,116	
General supplies	1,500	-	1,500	-	1,500	
Total	56,500	9,550	66,050	59,434	6,616	
Undistributed expend student transportation service						
Salaries of non-instructional aides	73,330	48,531	121,861	119,639	2,222	
Cleaning, repair, & maint. services	4,000	(4,000)	-	-	-	
Contract serv-aid in lieu pymts-choice school students	-	30,000	30,000	28,811	1,189	
Contract services (between home & school) - vendors	-	19,959	19,959	17,970	1,989	
Contr service (oth. than between home & school) - vend.	76,268	(16,000)	60,268	60,000	268	
Contr service (between home & school) - joint agreements	400,507	(27,669)	372,838	372,797	41	
Contract service (sp ed stds) - vendors	292,055	211,238	503,293	503,292	1	
Other objects	500	41	541	541		
Total	846,660	262,100	1,108,760	1,103,050	5,710	

General Fund

		Unau	ıdited		Variance		
	Original Budget Final			•	Final		
	Budget	Tran	sfers	Budget	Actual	to Actual	
Unallocated benefits - employee benefits			' '				
Social Security contributions	\$ 314,109	\$	-	\$ 314,109	\$ 286,366	\$ 27,743	
Other retirement contributions - PERS	306,000		27,588	333,588	328,142	5,446	
Other retirement contributions - regular	12,750		-	12,750	12,664	86	
Workmen's compensation	139,230	(28,000)	111,230	111,031	199	
Health benefits	4,329,350	(3)	67,588)	3,961,762	3,939,067	22,695	
Tuition reimbursement	17,222	,	-	17,222	17,222	, -	
Other employee benefits	76,738		-	76,738	54,682	22,056	
Unused sick payment to terminated/retired staff	182,751		_	182,751	172,751	10,000	
Total	5,378,150	(3)	68,000)	5,010,150	4,921,925	88,225	
1000	2,270,120		00,000)	2,010,120	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	00,220	
On-behalf TPAF Pension contribution	-		_	-	4,637,521	(4,637,521)	
On-behalf TPAF Non-contributory insurance	-		_	-	52,888	(52,888)	
On-behalf TPAF Post retirement medical benefits	-		-	-	1,276,558	(1,276,558)	
On-behalf TPAF Long-term disability insurance	_		-	_	1,962	(1,962)	
Reimbursed TPAF Social Security contribution	_		_	_	1,087,845	(1,087,845)	
Total				_	7,056,774	(7,056,774)	
Total undistributed expenditures	\$ 16,269,107	\$ 5	61,011	\$16,830,118	\$23,374,071	\$ (6,543,953)	
Total current	\$ 29,940,845	\$ (3:	35,310)	\$29,605,535	\$36,002,802	\$ (6,397,267)	
Capital outlay							
Equipment							
Grades 1-5	\$ -	\$	4,351	\$ 4,351	\$ 4,351	\$ -	
Undistributed			,	, , , , , , , , , , , , , , , , , , , ,	,		
Undistributed expenditures - instruction	_	2	56,884	256,884	256,884	_	
Undistributed expend support service - students - spl.	39,800		-	39,800		39,800	
Undistributed expend required maint. for school facilities	-		24,215	24,215	23,717	498	
Undistributed expend custodial services	-		5,800	5,800	5,800	_	
Total equipment	39,800	2:	91,250	331,050	290,752	40,298	
Facilities acquisition and construction service							
Architectural/engineering services	-		9,800	9,800	9,800	-	
Construction services	1,205,445		7,222	1,212,667	125,385	1,087,282	
Lease purchase agreements - principal	80,146		_	80,146	79,853	293	
Assessment for debt service on SDA funding	12,601		_	12,601	12,601	_	
Total facilities acquisition and construction service	1,298,192		17,022	1,315,214	227,639	1,087,575	
-							
Total capital outlay	\$ 1,337,992	\$ 3	08,272	\$ 1,646,264	\$ 518,391	\$ 1,127,873	
Transfer of funds to charter schools	\$ 59,994	\$	17,036	\$ 77,030	\$ 77,030	\$ -	
Total expenditures	\$ 31,338,831	\$ (10,002)	\$31,328,829	\$36,598,223	\$ (5,269,394)	
Excess (deficiency) of revenues over (under) expenditures	\$ (2,720,743)	\$	10,002	\$ (2,710,741)	\$ 113,429	\$ 2,824,170	

General Fund

		Unaudited			Variance	
	Original	Budget	Final		Final	
	Budget	Transfers	Budget	Actual	to Actual	
Other financing sources (uses)						
Operating transfer out						
Transfer to special revenue fund - preschool programs	\$ (4,123)	\$ -	\$ (4,123)	\$ (4,123)	\$ -	
Capital reserve - transfer to capital projects fund	-	(1,086,600)	(1,086,600)	(651,960)	434,640	
Total other financing sources (uses)	(4,123)	(1,086,600)	(1,090,723)	(656,083)	434,640	
Excess (deficiency) of revenues & other financing sources						
over (under) expenditures & other financing uses	(2,724,866)	(1,076,598)	(3,801,464)	(542,654)	3,258,810	
Fund balances, July 1	8,104,092	_	8,104,092	8,104,092	-	
Fund balances, June 30	\$ 5,379,226	\$ (1,076,598)	\$ 4,302,628	\$ 7,561,438	\$ 3,258,810	
Recapitulation of excess (deficiency) of revenues						
over (under) expenditures						
Adjustment for prior year encumbrances	\$ (1,084,093)	\$ -	\$ (1,084,093)	\$ (1,084,093)	\$ -	
Increase in capital reserve	\$ (1,00 1 ,0 <i>)</i> 3)	534,640	534,640	534,640	φ - -	
Interest deposit to capital reserve	2,500	334,040	2,500	83,391	80,891	
Withdrawal from capital reserve	2,300	(1,086,600)	(1,086,600)	(1,086,600)	50,671	
Increase in maintenance reserve	_	250,000	250,000	250,000		
Interest earned on maintenance reserve	500	230,000	500	230,000	(500)	
Increase in unemployment compensation	5,000	10,000	15,000	15,000	(300)	
Interest earned on unemployment compensation	3,000	10,000	15,000	505	505	
Budgeted fund balance	(1,648,773)	(784,638)	(2,433,411)	744,503	3,177,914	
Total	\$ (2,724,866)	\$ (1,076,598)	\$ (3,801,464)	\$ (542,654)	\$ 3,258,810	
Total	\$ (2,724,800)	\$ (1,070,398)	\$ (3,801,404)	\$ (342,034)	\$ 3,236,610	
Recapitulation of fund balance						
Restricted fund balance						
Excess surplus - designated for subsequent						
year's expenditures				\$ 1,600,000		
Excess surplus - current year				1,309,517		
Capital reserve				1,177,360		
Maintenance reserve				1,090,669		
Unemployment compensation				63,968		
Committed fund balance						
Year-end encumbrances				562,253		
Assigned fund balance						
Designated for subsequent year's expenditures				613,046		
Unassigned fund balance				1,144,625		
Fund balance per budgetary basis				7,561,438		
Reconciliation to governmental statements (GAAP)						
Last state aid payments not recognized on GAAP basis				(225,177)		
Fund balance per governmental funds (GAAP)				\$ 7,336,261		

Special Revenue Fund

		Unaudited		Variance	
	Original	Budget	Final		Final to
	Budget	Transfers	Budget	Actual	Actual
Revenues					
Local sources	\$ 363,629	\$ -	\$ 363,629	\$ 354,218	\$ (9,411)
State sources	2,377,291	-	2,377,291	2,142,884	(234,407)
Federal sources	2,900,760		2,900,760	2,305,731	(595,029)
Total revenues	5,641,680	-	5,641,680	4,802,833	(838,847)
Other Financing Sources					
Transfers in	4,123		4,123	4,123	
Total revenues and other financing sources	\$ 5,645,803	\$ -	\$ 5,645,803	\$ 4,806,956	\$ (838,847)
Expenditures					
Instruction					
Salaries	\$ 1,322,059	\$ (32,079)	\$ 1,289,980	\$ 1,178,054	\$ 111,926
Other Salaries - aides	182,000	(172,925)	9,075	-	9,075
Purchased professional					
& technical services	349,858	2,446	352,304	284,650	67,654
Other purchased services	183,546	(13,309)	170,237	45,951	124,286
Tuition - private	81,237	13,465	94,702	94,702	-
Tuition - public	480,214	-	480,214	480,214	-
Supplies	556,099	15,740	571,839	520,710	51,129
Textbooks	20,812	-	20,812	20,812	-
Other objects	1,000		1,000	750	250
Total	3,176,825	(186,662)	2,990,163	2,625,843	364,320
Support services					
Salaries	697,945	17,728	715,673	609,776	105,897
Employee benefits	442,493	52,638	495,131	439,493	55,638
Purchased professional					
& technical services	442,949	307,653	750,602	571,246	179,356
Purchase property services	10,000	120	10,120	10,120	-
Other purchased services	217,867	(191,075)	26,792	7,344	19,448
Supplies	159,544	(13,638)	145,906	120,919	24,987
Other objects	1,000	(237)	763	392	371
Program administration	52,638	(52,638)	-	-	-
Scholarships	32,383	-	32,383	32,383	-
Student activities	319,595		319,595	319,595	
Total	2,376,414	120,551	2,496,965	2,111,268	385,697

Special Revenue Fund

			Uı	naudited			7	ariance	
		Original	I	Budget		Final		I	Final to
		Budget	T	ransfers		Budget	Actual		Actual
Expenditures (continued)									
Capital outlay									
Building	\$	86,609	\$	39,548	\$	126,157	\$ 58,557	\$	67,600
Instructional equipment		20,000		(800)		19,200	_		19,200
Non-instructional equipment		5,000		27,363		32,363	 30,333		2,030
Total		111,609		66,111		177,720	 88,890		88,830
Total expenditures	\$	5,664,848	\$		\$	5,664,848	\$ 4,826,001	\$	838,847
Excess (deficiency) of revenues and other									
financing sources over (under)									
expenditures	\$	(19,045)	\$	-	\$	(19,045)	\$ (19,045)	\$	-
Fund halamass, July 1		206 921				206 921	206 921		
Fund balances, July 1		206,821		-		206,821	 206,821		-
Fund balances, June 30	\$	187,776	\$		\$	187,776	\$ 187,776	\$	
Recapitulation of fund balance									
Restricted fund balance									
Scholarships							\$ 41,430		
Student activities							146,346		
Fund balance per budgetary basis							 187,776		
	·								
Reconciliation to governmental statements	`	/					(155.500)		
Last state aid payments not recognized or	n GA	AP basis					 (155,536)		
Fund balance per governmental funds (GAA	AP)						\$ 32,240		

Notes to Required Supplementary Information Budget-to-GAAP Reconciliation For the Fiscal Year Ended June 30, 2024

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 36,711,652	\$ 4,802,833
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized: Outstanding encumbrances - prior year Outstanding encumbrances - prior year cancelled Outstanding encumbrances - current year	- - -	3,885,590 (13,627) (282,171)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33) State aid receivable prior year	197,315	(202,171)
State aid receivable current year	(225,177)	(155,536)
Total revenues (GAAP basis)	\$ 36,683,790	\$ 8,237,089
Uses/Outflows of Resources Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 36,598,223	\$ 4,826,001
Differences - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	3,885,590
Outstanding encumbrances - prior year cancelled	-	(13,627)
Outstanding encumbrances - current year	Φ 26 500 252	(282,171)
Total expenditures (GAAP basis)	\$ 36,598,223	\$ 8,415,793

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

						District's proportion of the	Plan fiduciary
	District's proport	ion (of the net			net pension liability (asset)	net position as
	pension liabi	pension liability (asset)			rict's covered	as a percentage of its	as a percentage of the
	Percentage		Value	emp	loyee payroll	covered employee payroll	total pension liability
2015	0.0242951347%	\$	5,453,771	\$	1,700,413	320.73%	47.93%
2016	0.0244283531%		7,234,978		1,712,076	422.59%	59.86%
2017	0.0242765167%		5,651,185		1,608,685	351.29%	48.10%
2018	0.0236745200%		4,661,395		1,721,717	270.74%	53.60%
2019	0.0240206327%		4,328,154		1,715,233	252.34%	56.27%
2020	0.0246492168%		4,019,643		1,808,547	222.26%	58.32%
2021	0.0243384895%		2,883,259		1,639,998	175.81%	70.33%
2022	0.0218504764%		3,297,538		1,621,312	203.39%	62.91%
2023	0.0206651229%		2,993,214		1,728,119	173.21%	65.23%
2024	N/A		N/A		1,578,502	N/A	N/A

N/A = Information not available

Schedule of District's Contributions Public Employees Retirement System Last Ten Fiscal Years

	Contractually	Contributions in relation			Contributions as a		
	required	to the contractually	Contribution	District's covered	percentage of covered		
	contribution	required contribution	deficiency (excess)	employee payroll	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%		
2024	276,195	(276,195)	=	1,578,502	17.50%		

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

_	Proportionate share of net pension liability (asset)							District's proportion of the net pension liability (asset)	Plan fiduciary net position as	
_	District's proportion State's		State's		District's covered		as a percentage of its	as a percentage of the		
_	Percentage	Value			proportion	 Total	emp	oloyee payroll	covered employee payroll	total pension liability
2015	0.00%	\$	_	\$	55,087,099	\$ 55,087,099	\$	10,216,526	0.00%	33.64%
2016	0.00%		-		68,075,720	68,075,720		11,180,935	0.00%	28.71%
2017	0.00%		-		80,962,342	80,962,342		11,883,703	0.00%	22.33%
2018	0.00%		-		67,519,067	67,519,067		12,039,990	0.00%	25.41%
2019	0.00%		-		68,738,526	68,738,526		12,073,861	0.00%	26.49%
2020	0.00%		-		70,294,718	70,294,718		12,284,692	0.00%	26.95%
2021	0.00%		-		74,476,184	74,476,184		12,125,532	0.00%	24.60%
2022	0.00%		-		53,506,271	53,506,271		12,568,112	0.00%	35.52%
2023	0.00%		-		56,325,251	56,325,251		13,567,071	0.00%	32.29%
2024	0.00%		-		53,543,591	53,543,591		14,653,933	0.00%	34.68%

Schedule of District's Contributions Teacher's Pension and Annuity Fund Last Ten Fiscal Years

	Contra	ctually	Contrib	utions in relation					Contributi	ons as a	
	requ	ired	to the	contractually	Contribution	Distr	ict's covered	percentage of	of covered		
	contribution		requir	ed contribution	deficiency (exc	cess)	emp	loyee payroll	employee payroll		
2015	\$ 4	37,826	\$	(437,826)	\$	-	\$	10,216,526		4.29%	
2016	5	78,849		(578,849)		-		11,180,935		5.18%	
2017	8	19,643		(819,643)		-		11,883,703		6.90%	
2018	1,1	24,501		(1,124,501)		-		12,039,990		9.34%	
2019	1,6	33,327		(1,633,327)		-		12,073,861		13.53%	
2020	2,3	03,004		(2,303,004)		-		12,284,692		18.75%	
2021	2,5	62,919		(2,562,919)		-		12,125,532		21.14%	
2022	3,2	61,575		(3,261,575)		-		12,568,112		25.95%	
2023	4,5	69,008		(4,569,008)		-		13,567,071		33.68%	
2024	4,3	71,636		(4,371,636)		_		14,653,933		29.83%	

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

N/A

PALISADES PARK SCHOOL DISTRICT

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

Proportionate share of other postemployment District's proportion of the Plan fiduciary net position employee benefits liability (asset) other postemployment employee as a percentage of the liability (asset) as a percentage total other postemployment District's proportion State's District's covered of its covered employee payroll Percentage Value proportion Total employee payroll employee benefits liability 2015 N/A N/A N/A N/A N/A N/A N/A 2016 N/A N/A N/A N/A N/A N/A N/A 0.00%49,633,709 49,633,709 13,492,388 2017 \$ \$ 0.00% 0.00% 0.00% 41,853,070 41,853,070 0.00% 0.00% 2018 13,761,707 0.00% 2019 0.00% 13,789,094 0.00% 38,566,828 38,566,828 64,484,729 2020 0.00% 64,484,729 14,093,239 0.00% 0.00% 2021 0.00% 56,316,692 56,316,692 13,765,530 0.00% 0.00% 46,923,290 2022 0.00% 46,923,290 14,189,424 0.00% 0.00% 2023 0.00% 48,405,033 48,405,033 15,295,190 0.00% 0.00%

16,232,435

N/A

N/A

N/A = Information not available

N/A

N/A

N/A

2024

Notes to the Required Supplementary Information - Part III (Unaudited) June 30, 2024

Note 1 - Special funding situation - PERS, TPAF and other postretirement benefits

The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

Note 2 - Changes in assumptions - TPAF

The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.

Note 3 - <u>Changes in assumptions - PERS</u>

The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.

Note 4 - Changes in assumptions - other postretirement employee benefits

The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.

Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

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

Special Revenue Fund Combining Schedule of Program Revenues and Expenditures - Budgetary Basis For the Fiscal Year Ended June 30, 2024

	ID	EA Basic		IDEA reschool	ESSA	A IA	ES	SA I SIA	ESSA I	II	ESSA III	ES	SSA IV	I	High mpact utoring	ES	ARP SSER III	A	SSER III ccelerated Learning	Ве	SSER III eyond the hool Day	L	RRSA earning celeration
Revenues Local sources	\$		\$		\$		s		\$		\$ -	\$		\$		\$		\$		\$		\$	
State sources	Ф	-	Ф	-	Ф	_	Ф	-	Þ	-	J -	Þ	_	Ф	_	Ф	-	Ф	-	Ф	-	Þ	-
Federal sources		498,334		13,465	946	5,364		31,000	154,6		94,620		59,346		37,350		209,275		90,823		27,488		12,760
Total revenues		498,334		13,465	946	5,364		31,000	154,6	89	94,620		59,346		37,350		209,275		90,823		27,488		12,760
Other financing sources																							
Transfer from general fund		-		-				-		-	_		_		-		-		-		-		_
Total revenues and other financing sources	\$	498,334	\$	13,465	\$ 946	5,364	\$	31,000	\$ 154,6	89	\$ 94,620	\$	59,346	\$	37,350	\$	209,275	\$	90,823	\$	27,488	\$	12,760
Expenditures																							
Instruction	_						_		_											_			
Salaries	\$	-	\$	-	\$ 459	9,534	\$	2,484	\$	-	\$ 7,121	\$	-	\$	24.050	\$	-	\$	-	\$	27,128	\$	3,658
Purchased professional & technical services Other purchased services		-		-		-		-		-	-		-		34,950		-		-		_		-
Tuition - Private		9,537		13,465		_		_		_	-		_		_		_		-		_		-
Tuition - Public		480,214		-		-		-		-	-		-		-		-		-		-		-
Supplies		-		-	126	5,508		8,092		-	62,614		20,592		-		184,199		-		360		-
Textbooks		-		-		-		-		-	-		-		-		-		-		-		-
Other objects		-		-				-		-			-						-				
Total		489,751		13,465	586	5,042		10,576			69,735		20,592		34,950		184,199		-		27,488	. —	3,658
Support services																							
Salaries		-		-		7,247		-		00	8,700		-		-		-		-		-		-
Employee benefits		-		-		1,210		-		11	-		-		-		-		-		-		-
Purchased professional & technical services		8,583		-	51	1,865		12,655	153,0	33	6,960		5,500		2,400		-		90,823		-		9,102
Purchased property services Other purchased services		-		-		-		-		-	-		2,550		-		-		-		-		-
Supplies		-		-		-		7,769		45	9,225		30,704		-		-		-		-		-
Other objects						- [7,709		-	9,223		-				-		-		-		_
Scholarships		_		_		_		_		_	_		_		_		_		_		_		_
Student activities		-		-		-		-		-	-		-		-		-		-		-		-
Total		8,583		-	360),322		20,424	154,6	89	24,885		38,754		2,400		-		90,823		-		9,102
Capital outlay																							
Facility acquisition and construction services		-		-		-		-		-	-		-		-		25,076		-		-		-
Equipment				-		-		-		-	-		-		-		-		-		-		
Total										_							25,076		-		-	. —	
Total expenditures	\$	498,334	\$	13,465	\$ 946	5,364	\$	31,000	\$ 154,6	89	\$ 94,620	\$	59,346	\$	37,350	\$	209,275	\$	90,823	\$	27,488	\$	12,760
Excess (deficiency) of revenues over (under) expenditures	\$	-	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Fund balances, July 1			_							_							-		-		-		
Fund balances, June 30	\$		\$		\$		\$		\$	_	\$ -	\$		\$		\$	-	\$	-	\$	-	\$	-

See independent auditors' report.

Special Revenue Fund

Combining Schedule of Program Revenues and **Expenditures - Budgetary Basis (continued)**

For the Fiscal Year Ended June 30, 2024

	CRRSA Mental Health	ARP Homeless I	I ASCERS	Preschool	SDA Emergent and Capital Maintenance Needs	Non-Public	Chapter 192-193	Local Grants	Scholarships	Student Activities	Total
Revenues Local sources State sources Federal sources	\$ - 17,165	\$ 55		\$ - 1,741,946	\$ - 33,481	\$ - 152,237	\$ - 215,220	\$ 21,285	\$ 35,150	\$ 297,783	\$ 354,218 2,142,884 2,305,731
Total revenues	17,165	55	7 112,495	1,741,946	33,481	152,237	215,220	21,285	35,150	297,783	4,802,833
Other financing sources Transfer from general fund			<u>- </u>	4,123							4,123
Total revenues and other financing sources	\$ 17,165	\$ 55	7 \$ 112,495	\$ 1,746,069	\$ 33,481	\$ 152,237	\$ 215,220	\$ 21,285	\$ 35,150	\$ 297,783	\$ 4,806,956
Expenditures Instruction Salaries	\$ -	\$	- \$ -	\$ 634,929	s -	\$ 43,200	\$ -	\$ -	\$ -	\$ -	\$ 1,178,054
Purchased professional & technical services Other purchased services Tuition - Private	-		- 40,795 - 71,700	34,480 5,156	- -	-	215,220	-	- -	-	284,650 45,951 94,702
Tuition - Public Supplies Textbooks	-			79,511	-	17,549 20,812	-	21,285	-	-	480,214 520,710 20,812
Other objects Total			- 112,495	750 754,826		81,561	215,220	21,285			750 2,625,843
Support services Salaries	-			552,929	-	-	-	-	-	-	609,776
Employee benefits Purchased professional & technical services Purchased property services	17,165		 	177,572 213,160 10,120	-	-	-	-	-	-	439,493 571,246 10,120
Other purchased services Supplies	-	55	7 -	4,237 2,500	-	70,676		-	-		7,344 120,919
Other objects Scholarships Student activities	-		 	392	-	-	-	-	32,383	- - 319,595	392 32,383 319,595
Total	17,165	55	7 -	960,910		70,676			32,383	319,595	2,111,268
Capital outlay Facility acquisition and construction services	-			-	33,481	-	-	-	-	-	58,557
Equipment Total			-	30,333	33,481	· 		· — -	· 		30,333 88,890
Total expenditures	\$ 17,165	\$ 55	7 \$ 112,495	\$ 1,746,069	\$ 33,481	\$ 152,237	\$ 215,220	\$ 21,285	\$ 32,383	\$ 319,595	\$ 4,826,001
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$	- \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,767	\$ (21,812)	\$ (19,045)
Fund balances, July 1			<u>- </u>						38,663	168,158	206,821
Fund balances, June 30	\$ -	\$	- \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,430	\$ 146,346	\$ 187,776

See independent auditors' report.

Special Revenue Fund

Schedule of Preschool Education Aid - Budgetary Basis For the Fiscal Year Ended June 30, 2024

		Final Budget		Actual	F	ariance inal to Actual
Expenditures						
Instruction						
Salaries	\$	659,758	\$	634,929	\$	24,829
Other salaries - aides		9,075		-		9,075
Purchased professional and educational services		34,683		34,480		203
Other purchased services		5,156		5,156		-
Supplies		84,587		79,511		5,076
Other objects		1,000		750		250
Total		794,259		754,826		39,433
Support services						
Salaries of supervisors of instruction		60,000		58,848		1,152
Salaries of program directors		60,000		57,789		2,211
Salaries of other professional staff		222,044		201,089		20,955
Salaries of secretaries and clerical assistance		68,907		64,330		4,577
Other salaries		125,015		100,548		24,467
Salaries of master teachers		70,400		70,325		75
Employee benefits		177,572		177,572		-
Purchased professional and technical services		212,848		212,003		845
Other purchased professional services		5,000		1,157		3,843
Purchased property services		10,120		10,120		-) -
Transportation		4,237		4,237		_
Supplies		3,710		2,500		1,210
Other objects		763		392		371
Total	1	,020,616		960,910		59,706
Capital outlay						
Instructional equipment		19,200		_		19,200
Noninstructional equipment		32,363		30,333		2,030
Total		51,563		30,333		21,230
1 Otal	•	31,303		30,333		41,430
Total expenditures	\$ 1	,866,438	\$ 1	1,746,069	\$	120,369

Special Revenue Fund

Schedule of Preschool Education Aid - Budgetary Basis (continued) For the Fiscal Year Ended June 30, 2024

Calculation of Budget & Carryover

Total revised 2023 - 2024 Preschool education aid allocation	\$ 1,555,365
Add: actual ECPA/PEA carryover (June 30, 2023)	351,239
Add: budgeted transfer from general fund	4,123
Total preschool education aid funds available for 2023 - 2024 budget	1,910,727
Less: 2023 - 2024 budgeted preschool education aid	(1,866,438)
Available and unbudgeted preschool education aid funds as of June 30, 2024	44,289
Add: 2023 - 2024 unexpended preschool education aid	120,369
2023 - 2024 Actual carryover preschool education aid	\$ 164,658
Preschool education aid carryover budgeted	
for preschool programs 2024 - 2025	\$ 44,289

CAPITAL PROJECTS FUND

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

Capital Projects Fund Summary Schedule of Project Expenditures For the Fiscal Year Ended June 30, 2024

			GAAP												
	Re	evised	Expenditur	es to	Date	Un	expended								
	Buc	lgetary	Prior	(Current	Appropriations									
Description	Appro	priations	Years		Year	06	/30/2024								
1997 School renovation project	\$ 2,	,500,000	\$ 2,499,795	\$	-	\$	205								
Roof replacement - Jr./Sr. High School		252,635	252,021		-		614								
Early Childhood Center	5,	,383,959	5,367,391		-		16,568								
Board office conversion to classrooms		55,137	31,152		-		23,985								
NJ SDA Regular Operating District															
(ROD) Grant - Roof Replacement		992,322			850,904		141,418								
	\$ 9,	,184,053	\$ 8,150,359	\$	850,904	\$	182,790								

Capital Projects Fund Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis For the Fiscal Year Ended June 30, 2024

Revenues and other financing sources	
Local sources - transfer from capital reserve	\$ 651,960
State sources - SDA aid	340,362
Total revenues and other financing sources	992,322
Expenditures and other financing uses	
Purchased professional and technical services	2,746
Construction services	848,158
Total expenditures and other financing uses	850,904
Excess (deficiency) of revenues and other financing sources over (under)	
expenditures and other financing uses	141,418
Fund balance - beginning	41,372
Fund balance - ending	\$ 182,790
Reconciliation of Fund Balance Difference for GAAP Purposes	
Fund balance - budgetary basis (schedule F-2)	\$ 182,790
Receivables from other governments - state	
GAAP basis (schedule B-1)	291,856
Budgetary basis (schedule K-4)	(340,362)
Fund balance - GAAP basis (schedule B-1)	\$ 134,284
Reconciliation of Financial Assistance Difference for GAAP Purposes	
State financial assistance - budgetary basis (Schedule F-2)	\$ 340,362
Adjustment to GAAP basis	(48,506)
State financial assistance - GAAP basis (Schedule B-2)	\$ 291,856

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status **Budgetary Basis**

1997 School Renovation Project For the Fiscal Year Ended June 30, 2024

	Prior Periods	1	Current Year	Т	Cotals	Auth	vised orized ost
Revenues							
State sources - SCC grant							
Certificates of participation	\$ 1,000,000	\$	-	\$ 1,	,000,000	\$	-
Sale of Property	1,500,000		-	1,	,500,000		-
Total revenues	2,500,000	-	_	2,	,500,000		-
Expenditures							
Construction services	2,499,795		_	2,	,499,795		_
Total expenditures	2,499,795		-	2,	,499,795		_
Excess (deficiency) of revenues over (under)							
expenditures	\$ 205	\$	_	\$	205	\$	_
Additional Project Information							
Authorization date			1997				

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

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis

Jr./Sr. High School Roof Replacement For the Fiscal Year Ended June 30, 2024

	Prior Periods		Current Year		Totals		Revised Authorized Cost	
Revenues								
State sources - SCC grant	\$	101,400	\$	-	\$	101,400	\$	-
Transfers from capital reserve		135,266		-		135,266		-
Transfers from capital outlay		15,969				15,969		
Total revenues		252,635				252,635		
Expenditures								
Construction services		252,021		_		252,021		
Total expenditures		252,021			_	252,021		
Excess (deficiency) of revenues over (under)								
expenditures	\$	614	\$		\$	614	\$	-

Additional Project Information

Project number	3910-050-04-00RA
Authorization date	7/15/2004
Original authorized cost	\$ 252,058
Additional authorized cost	-
Revised authorized cost	252,058
Percentage completion	100%

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis

Early Childhood Center

For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
State sources - SCC grant	\$ 1,343,959	- \$	\$ 1,343,959	\$ -
Sale of Property	3,840,000	-	3,840,000	-
Transfers from food service fund	150,000	-	150,000	-
Donations	50,000	-	50,000	-
Total revenues	5,383,959		5,383,959	
Expenditures				
Purchased professional & technical services	209,665	-	209,665	-
Construction services	5,157,720	5	5,157,726	
Total expenditures	5,367,39		5,367,391	
Excess (deficiency) of revenues over (under)				
expenditures	\$ 16,568	\$ -	\$ 16,568	\$ -

Additional Project Information

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

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis

Board Office Conversion to Classrooms For the Fiscal Year Ended June 30, 2024

		Prior Periods	(Current Year	Totals	Autl	vised norized Cost
Revenues							
Transfers from capital reserve	\$	55,137	\$	-	\$ 55,137	\$	-
Total revenues		55,137		-	 55,137		-
Expenditures							
Purchased professional & technical services		15,656		-	15,656		-
Construction services		15,496		-	15,496		-
Total expenditures		31,152		_	31,152		-
Excess (deficiency) of revenues over (under) expenditures	\$	23,985	\$		\$ 23,985	\$	
Additional Project Information	_						
Project number				N/A			
Authorization date				N/A			
Original authorized cost			\$	55,137			
Additional authorized cost				-			
Revised authorized cost				55,137			
Percentage completion				56%			

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis

ROD Grant - Roof Replacement ProjectFor the Fiscal Year Ended June 30, 2024

	P	rior	Current		Revised uthorized
	Pe	riods	Year	Totals	Cost
Revenues and other financing sources					
Local sources - transfer from capital reserve	\$	-	\$ 651,960	\$ 651,960	\$ 651,960
State sources - SDA grant		_	340,362	340,362	340,362
Total revenues		-	992,322	992,322	992,322
Expenditures Purchased professional & technical services Construction services		- -	2,746 848,158	2,746 848,158	96,000 896,322
Total expenditures			 850,904	850,904	992,322
Excess (deficiency) of revenues over (under) expenditures	\$	_	\$ 141,418	\$ 141,418	\$

Additional Project Information

Traditional Troject Information	
Project number	(05)-03-3910-050-23-R501
Grant date	10/18/2023
Authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 1,086,600
Decrease in authorized cost	(164,278)
Revised authorized cost	922,322
Percentage completion	92%

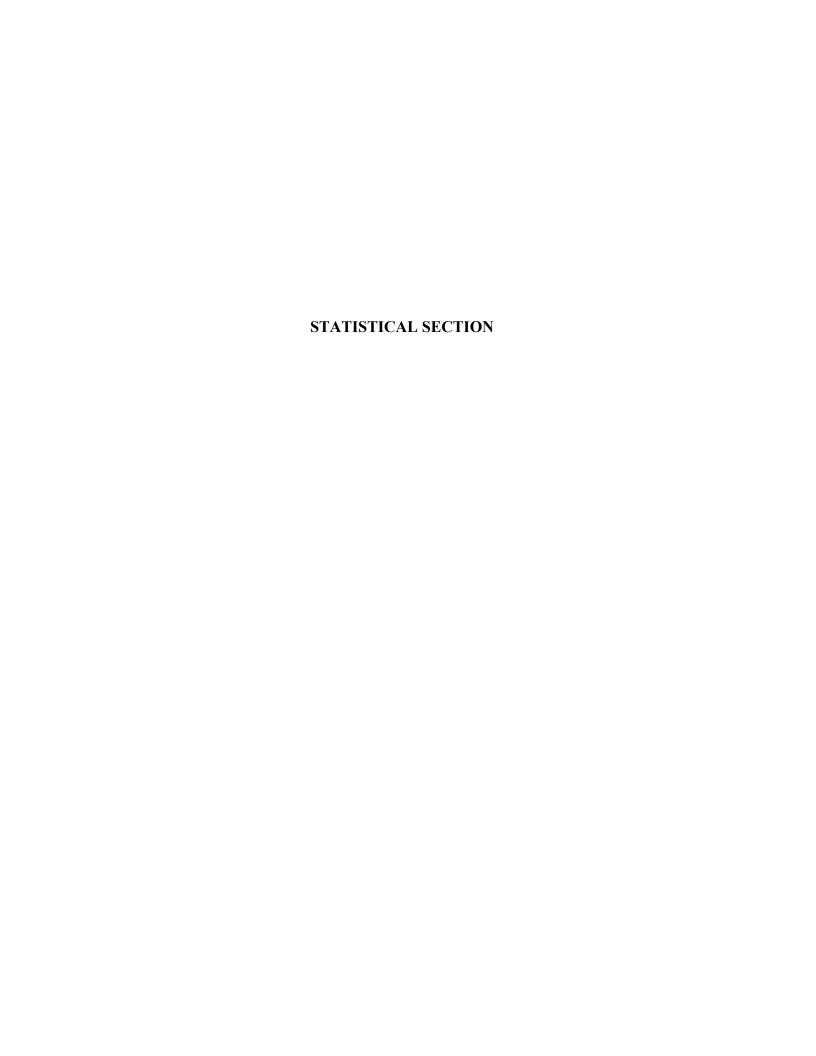
LONG-TERM DEBT SCHEDULES

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

Long-Term Debt

Schedule of Obligations Under Leases For the Fiscal Year Ended June 30, 2024

		Amount of				
	Date of	Original	Balance			Balance
Description	Lease	Issue	07/01/23	Issued	Retired	06/30/24
2019 Ford F-250	12/10/2019	\$ 41,770	\$ 8,773	\$ -	\$ 8,773	\$ -
2020 Ford F-350	10/8/2020	36,884	15,143	-	7,351	7,792
Intercom & wireless clocks	3/1/2023	173,312	173,312	-	36,619	136,693
Copiers	3/22/2023	212,91	203,386	-	39,214	164,172
Security camera system	7/9/2021	231,030	138,557		44,964	93,593
			\$ 539,171	\$ -	\$ 136,921	\$ 402,250



PALISADES PARK SCHOOL DISTRICT Statistical Section J Series

	CONTENTS	PAGE
FINANCI	AL TRENDS	
	edules contain trend information to help the reader understand how the inancial performance and wellbeing have changed over time.	J-1 to J-5
REVENU	E CAPACITY	
	edules contain trend information to help the reader assess the District's ficant local revenue sources, the property tax.	J-6 to J-9
DEBT CA	PACITY	
of the Dis	edules contain trend information to help the reader assess the affordability trict's current levels of outstanding debt and the District's ability to issue debt in the future.	J-10 to J-13
DEMOGR	RAPHIC AND ECONOMIC INFORMATION	
	dedules offer demographic and economic indicators to help the reader defined the environment within which the District's financial activities take	J-14 to J-15
OPERAT	ING INFORMATION	
how the i	edules contain service and infrastructure data to help the reader understand information in the District's financial report relates to the services the rovides and the activities it performs.	J-16 to J-20
Sources:	Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
	The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting)

						Fiscal Year E	nde	d June 30,								
		2015	2016	2017	2018	2019		2020		2021		2022		2023		2024
Government activities																
Net investment in capital assets	\$	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	\$	22,736,090
Restricted		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		2,654,057
Unrestricted		(8,479,601)	(8,860,937)	(9,596,353)	(9,154,903)	(8,645,203)		(8,661,332)		(7,568,405)		(3,094,671)		(3,146,371)		(1,311,847)
Total governmental activities	\$	9,714,533	\$ 10,039,932	\$ 9,828,615	\$ 9,514,330	\$ 9,859,889	\$	11,074,558	\$	13,617,135	\$	16,598,935	\$	19,870,112	\$	24,078,300
Business-type activities																
Net investment in capital assets	\$	42,727	\$ 39,544	\$ 42,211	\$ 38,378	\$ 42,980	\$	144,320	\$	135,882	\$	148,057	\$	209,230	\$	280,798
Unrestricted		243,529	244,442	298,822	245,248	298,822		227,055		368,508		480,381		533,922		572,485
Total business-type activities	\$	286,256	\$ 283,986	\$ 341,033	\$ 283,626	\$ 341,802	\$	371,375	\$	504,390	\$	628,438	\$	743,152	\$	853,283
	_								_		_		_		_	
District-wide																
Net investment in capital assets	\$	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	\$	23,016,888
Restricted		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		2,654,057
Unrestricted		(8,236,072)	(8,616,495)	(9,297,531)	(8,909,655)	(8,346,381)		(8,434,277)		(7,199,897)		(2,614,290)		(2,612,449)		(739,362)
Total district-wide	\$	10,000,789	\$ 10,323,918	\$ 10,169,648	\$ 9,797,956	\$ 10,201,691	\$	11,445,933	\$	14,121,525	\$	17,227,373	\$	20,613,264	\$	24,931,583

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

^{*} as restated

Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)

					Fiscal Year E	inded June 30,				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses			-							
Governmental activities										
Instruction										
Regular	\$ 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	\$ 17,920,265
Special education	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	3,803,295
Other special education	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	3,914,195
Other instruction	407,524	441,448	429,877	562,925	592,432	556,450	481,011	813,242	478,502	938,919
Support services										
Tuition	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	2,307,309
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	2,061,899	2,058,446	2,292,088	2,707,516	2,867,883	2,396,647	2,315,307	4,532,902	3,851,070	7,203,374
General & business										
administrative services	1,102,730	1,187,913	1,139,278	1,144,964	1,363,453	1,282,278	1,276,004	1,427,690	1,168,513	1,798,241
School administration	1,404,188	1,538,820	1,613,468	1,755,893	1,843,878	1,937,598	1,931,609	2,135,743	1,466,407	2,367,647
Plant operations &										
maintenance	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	2,466,046
Pupil transportation	311,896	333,313	385,142	397,734	523,293	434,533	419,080	783,028	895,274	1,149,947
Unallocated benefits	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	51,148	50,809	37,291	34,363	45,642	30,972	25,512	36,970	35,022	77,030
Capital Outlay - nondepreciable	32,533	27,021	41,812	47,399	12,601	12,601	8,916	-	-	-
Unallocated depreciation	277,747	277,747	280,202	280,202	296,054	289,359	296,267	-	321,094	-
Unallocated amortization	-	-	-	-	-	-	-	-	10,646	-
Interest on long-term debt	42,421	26,409	15,263	9,879	7,996	5,396	2,369	22,444	6,701	12,267
Total governmental			-							
activities expenses	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	43,958,535
1										
Business-type activities										
After school child care	83,894	90,073	116,355	124,905	99,165	-	-	-	_	-
Food services	724,018	762,950	812,485	806,638	791,427	632,692	482,934	968,203	1,041,131	1,081,650
Total business-type activities	807,912	853,023	928,840	931,543	890,592	632,692	482,934	968,203	1,041,131	1,081,650
~										
Total district expenses	\$ 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	\$ 45,040,185

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

Changes in Net Position (continued) Last Ten Fiscal Years (Accrual Basis of Accounting)

					Fiscal Year E	Ended June 30,				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,754	\$ 325,190	\$ 348,720	\$ 350,783
Operating grants & contributions	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	7,939,306
Capital grants & contributions	-	-	-	-	-	-	-	-	-	291,856
Total governmental activities	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	8,581,945
-										
Business-type activities										
Charges for services										
Food service	320,233	309,782	354,426	342,360	345,777	250,165	351	92,335	357,147	359,979
Child care	101,740	111,285	125,236	129,120	73,610	-	-	-	-	-
Operating grants & contributions	346,558	429,680	506,861	531,987	527,932	411,206	615,571	1,059,912	795,219	823,014
Total business-type activities	768,531	850,747	986,523	1,003,467	947,319	661,371	615,922	1,152,247	1,152,366	1,182,993
••										
Total district-wide program revenues	\$ 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	\$ 9,764,938
						·				
Net (expense) revenues										
Governmental activities	\$ (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)	\$ (35,376,590)
Business-type activities	(39,381)	(2,276)	57,683	71,924	56,727	28,679	132,988	184,044	111,235	101,343
Total district-wide net expenses	\$ (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)	\$ (35,275,247)
1										
General revenues & other										
changes in net position										
Governmental activities										
Property taxes levied for										
general purposes	\$ 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	\$ 25,854,028
Taxes levied for debt service	611,767	439,987	271,624	112,506	113,718	115,242	116,344	\$ 24,030,000	ψ 25,547,005 -	ψ 23,03 1 ,020
Unrestricted grants & contributions	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	13,221,523
Tuition received	0,750,700	0,007,004	108,519	165,166	131,060	153,500	3,529	14,023,301	1,465,282	13,221,323
State capital projects			100,517	105,100	131,000	155,500	3,327		1,403,202	
grant deobligated		_			9,000	10,855		_	_	
Investment earnings	907	593	251	638	2,765	2,054	86	779	25,969	261,634
Rents and royalties	907	393	231	038	2,703	2,034	80	119	79,304	201,034
Miscellaneous income	140,861	193,164	52,636	35,380	129,531	101,540	30,722	60,127	82,847	247,593
Loss on disposal of capital assets	140,601	193,104	32,030	(3,431)	129,331	101,340	30,722	00,127	04,047	241,393
Transfer in (out)	-	-	-	(3,431)	-	-	-	60,018	(132,472)	-
. ,	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	39,584,778
Total governmental activities	27,576,049	30,067,171	27,515,988	31,238,171	33,133,011	32,498,255	36,283,751	39,396,313	34,641,819	39,384,7/8

Changes in Net Position (continued) Last Ten Fiscal Years (Accrual Basis of Accounting)

]	Fiscal Year E	ndec	d June 30,					
		2015	2016		2017		2018		2019		2020		2021	2022	2023	2024
General revenues & other changes in net position (cont'd) Business-type activities																
Investment earnings Miscellaneous Loss on disposal	\$	8 -	\$ 6	\$	14 -	\$	195	\$	904	\$	1,439	\$	27	\$ 22	\$ 3,479	\$ 8,453 335
of capital assets Transfer in (out)		-	- -		- -		(129,526)		-		- -		- -	(60,018)	- -	- -
Total business-type activities		8	 6	_	14	_	(129,331)		904		1,439	_	27	(59,996)	 3,479	 8,788
Total district-wide	\$ 2	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	\$ 39,593,566
Change in net position Governmental activities Business-type activities	\$	273,841 (39,373)	\$ 325,399 (2,270)	\$	(211,317) 57,697	\$	(314,285) (57,407)	\$	345,559 57,631	\$	1,214,669 30,118	\$	2,358,441 133,015	\$ 2,637,145 124,048	\$ 3,194,581 114,714	\$ 4,208,188 110,131
Total district	\$	234,468	\$ 323,129	\$	(153,620)	\$	(371,692)	\$	403,190	\$	1,244,787	\$	2,491,456	\$ 2,761,193	\$ 3,309,295	\$ 4,318,319

Fund Balances - Governmental Funds Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

							Fiscal Year E	ndeo	l June 30,						
	2015		2016	2017		2018	2019		2020	2021	2022		2023		2024
General fund															
Restricted	\$ 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	\$	5,241,514
Committed	-		-	-		-	-		-	-	757,690		-		562,253
Assigned	121,010		285,896	508,035		155,167	113,070		1,086,020	178,028	251,215		1,909,194		613,046
Unassigned	349,492		375,524	382,717		428,422	542,081		383,168	1,199,682	1,323,954		1,038,849		919,448
Total general fund	\$ 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	\$	7,336,261
								_	*					_	
All other governmental funds															
Restricted, reported in															
Special revenue fund	\$ _	\$	_	\$ _	\$	_	\$ _	\$	_	\$ 163,149	\$ 186,259	\$	206,821	\$	187,776
Capital projects fund	40,795		40,795	40,795		40,795	40,795		40,795	40,795	40,795		41,372		134,284
Unassigned, reported in	,		,	,		,	,		,	,			Ź		
Special revenue fund	_		_	_		-	-		_	_	(175,423)		-		(155,536)
Total all other governmental funds	\$ 40,795	\$	40,795	\$ 40,795	\$	40,795	\$ 40,795	\$	40,795	\$ 203,944	\$ 51,631	\$	248,193	\$	166,524
-		=			_			=	<u>.</u>			_			

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

^{*} as restated

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30. 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 Revenues Tax levv \$ 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 \$ 25,854,028 Tuition charges 108,519 165,166 131,060 153,500 907 593 779 Interest earnings 251 638 2,765 2,054 86 25,761 261,634 Rents and royalties 78,069 79,304 53,000 Miscellaneous 140,861 193,164 52,636 35,380 129,531 101,540 30,722 349,939 83,055 247,513 Scholarship donations 38,705 35,150 Student group receipts 148,754 310,015 297,783 11,663 Local sources 12,648 5,809 26,110 21,285 State sources 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 12,501,403 Federal sources 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 5,940,939 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 45,212,735 Total revenues Expenditures Instruction Regular instruction 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 8,643,177 Special education instruction 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 1,957,133 Other special instruction 692,297 679,368 813,629 853,466 846,346 1,009,841 1,389,355 1,459,971 1,438,348 1,521,502 Other instruction 345,893 371,422 366,169 464,516 459,437 449,141 377,170 449,226 457,787 506,919 Support services Tuition 1.151.383 1,229,077 1.098,530 1,462,839 1,429,409 1,342,122 1.361.136 1.693.071 1,732,393 1,461,072 Attendance & social work 2,650 2,600 2,000 1,925 3,150 3,469 1,964 4,328 2,187 4,328 Health services 235,731 212,118 232,561 229,902 236,996 211.579 232,344 241.325 244,846 241,325 Student & instructional related services 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 3,710,852 1,283,751 1,393,761 1,347,329 1,413,108 1,440,160 1,354,160 1,385,365 1,414,007 School administration services 1,118,963 1,213,076 798,921 General administration 653,230 810,236 796,030 800,466 896,003 824,265 861,051 850,341 906,562 283,065 Central services 330,959 238,442 216,535 214,751 250,970 273,353 263,660 299,524 287,644 Plant operations & maintenance 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 1.995.211 Pupil transportation 311.896 333,313 385,142 397,734 486,213 400,866 410,715 759,662 885,639 1.103.050 Unallocated Employee benefits 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 4,921,925 On-behalf TPAF Pension & Social Security contributions 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 7,056,774 Capital outlay 50,009 91.042 121,601 64,474 21,601 65,226 25.512 734,050 35,022 425,937 50,809 30,972 36,970 2,644,072 77,030 Charter Schools 51,148 37,291 34,363 45,642 124,264 Special revenue funds 2,839,112 8,415,793 Capital projects fund 850,904 Debt service Principal 503,228 413,235 255,884 102,000 105,000 109,000 113,000 101,408 100,825 79,853 Interest & other charges 42,648 26,752 15,740 10,506 8,718 6,242 3,344 12,601 9,474 12,601 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 45,864,920 Total expenditures

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

Changes in Fund Balances - Governmental Funds (continued) Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

]	Fiscal Year E	nded	June 30,					
	2015	2016		2017	2018		2019		2020	2021	2022		2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ 65,915	\$ 671,747	_\$_	543,609	\$ (343,823)	\$	66,453	\$	1,293,760	\$ 2,458,922	\$ 1,018,053	\$	(313,847)	\$ (652,185)
Other financing sources (uses)														
Leases (non-budgeted)	-	-		-	-		-		41,770	36,884	231,036		173,312	-
Leases liabilities issues	-	-		-	-		-		-	-	-		212,911	-
Transfers in (out)				-					-		60,018			
Total other financing sources (uses)	 				 				41,770	36,884	291,054	_	386,223	
Net change in fund balances	\$ 65,915	\$ 671,747	\$	543,609	\$ (343,823)	\$	66,453	\$	1,335,530	\$ 2,495,806	\$ 1,309,107	\$	72,376	\$ (652,185)
Debt service as a percentage of non-capital expenditures	2.12%	1.64%		0.98%	0.37%		0.36%		0.37%	0.37%	0.32%		0.29%	0.21%

Source: District Records

Notes: 1) Non-capital expenditures are total expenditures less capital outlay.

2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

General Fund - Other Local Revenues by Source Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30,

					 i ibeai i eai L	TI CO CO	realie 50,				
	2015	2016	2017	2018	2019		2020	2021	2022	2023	2024
Tuition revenue	\$ 1,852	\$ -	\$ 108,519	\$ 165,166	\$ 131,060	\$	153,500	\$ -	\$ -	\$ -	\$ -
Rent	48,250	41,000	27,500	35,380	71,300		59,400	-	78,069	79,304	53,000
Refunds	12,690	5,167	11,335	-	882		-	-	14,109	41,963	47,063
Fines	366	705	30	-	381		-	-	-	-	-
Insurance reimbursements	9,792	-	-	-	-		-	-	-	-	197,273
Interest on investments	996	444	106	638	2,765		25,111	1,641	779	35,416	261,634
Miscellaneous	11,992	7,126	3,166	-	56,968		2,129	29,167	6,607	2,442	3,257
E-rate	-	-	-	-	-		-	-	32,916	-	-
Ameripay bankruptcy settlement	-	138,722	-	-	-		-	-	-	-	-
Voided checks	54,923	-	10,499	-	-		16,954	-	6,495	3,026	-
Annual totals	\$ 140,861	\$ 193,164	\$ 161,155	\$ 201,184	\$ 263,356	\$	257,094	\$ 30,808	\$ 138,975	\$ 162,151	\$ 562,227
	 •		 	 	 •				 •	 •	

Source: District records

Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year Ended June 30.

	riscal Teal Ended June 50,											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Vacant land	\$ 13,416,900	\$ 11,152,000	\$ 11,405,800	\$ 15,641,600	\$ 13,859,100	\$ 24,006,000	\$ 23,650,200	\$ 21,376,800	\$ 14,541,700	\$ 14,632,900		
Residential	1,759,411,600	1,789,792,400	1,802,131,900	1,823,466,500	1,838,877,600	2,444,266,400	2,431,435,700	2,597,510,200	2,776,943,800	2,937,004,000		
Commercial	292,012,798	290,131,598	293,068,898	289,818,898	291,926,198	421,949,100	419,049,700	437,831,200	479,751,400	490,524,200		
Industrial	86,725,800	83,630,300	83,821,100	83,876,100	83,033,100	117,528,200	118,339,100	130,739,700	142,126,100	146,752,700		
Apartment	160,550,800	159,898,200	162,373,200	161,763,400	161,783,400	259,908,200	256,554,100	280,397,600	316,011,100	322,073,200		
Total assessed value	2,312,117,898	2,334,604,498	2,352,800,898	2,374,566,498	2,389,479,398	3,267,657,900	3,249,028,800	3,467,855,500	3,729,374,100	3,910,987,000		
Less tax-exempt property	144,525,200	144,734,700	144,734,700	141,388,700	142,412,900	171,308	-	-	175,819,400	-		
Public utilities (a)	724,845	693,067	645,152	621,995	627,760	807,230	815,176	816,599	834,101	842,795		
Net valuation taxable	\$2,168,317,543	\$2,190,562,865	\$2,208,711,350	\$2,233,799,793	\$2,247,694,258	\$3,268,293,822	\$3,249,843,976	\$3,468,672,099	\$3,554,388,801	\$3,911,829,795		
Estimated actual county equalized value	\$2,569,744,732	\$2,795,287,869	\$2,937,607,951	\$2,977,015,199	\$3,124,538,595	\$3,328,699,989	\$3,294,306,104	\$3,636,266,332	\$3,975,436,083	\$4,068,431,979		
Percentage of net valuation to estimated actual equalized value	84.38%	78.37%	75.19%	75.03%	71.94%	98.19%	98.65%	95.39%	89.41%	96.15%		
Total direct school tax rate (b)	\$ 0.945	\$ 0.955	\$ 0.969	\$ 0.984	\$ 1.005	\$ 0.749	\$ 0.764	\$ 0.731	\$ 0.693	\$ 0.675		

Source: Municipal Tax Assessor

Notes: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

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

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

^{*} Revalued/reassessed

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

	School District Direct Rate														7	Γotal	
	_			Ge	eneral	(Fro	m J-6)	Reg	ional							Di	rect &
Assessment		E	Basic	Obliga	tion Debt	Total	Direct	Sc	hool		Overlapp	ing Ra	ates	Fi	ire	Ove	rlapping
Year		Ra	ate (a)	Serv	vice (b)	School	ol Tax Rate Rate		ate	Municipality		County		District		Tax Rate	
2015		\$	0.917	\$	0.028	\$	0.945	\$	-	\$	0.660	\$	0.256	\$	-	\$	1.861
2016			0.936		0.019		0.955		-		0.677		0.269		-		1.901
2017			0.957		0.012		0.969		-		0.689		0.301		-		1.959
2018			0.979		0.005		0.984		-		0.689		0.306		-		1.979
2019			1.000		0.005		1.005		-		0.722		0.305		-		2.032
2020	*		0.745		0.004		0.749		-		0.549		0.245		-		1.543
2021			0.760		0.004		0.764		-		0.564		0.256		-		1.584
2022			0.731		-		0.731		-		0.554		0.254		-		1.539
2023			0.693		-		0.693		-		0.537		0.249		-		1.479
2024	*		0.675		-		0.675		-		0.537		0.243		-		1.455

Sources: Municipal Tax Collector

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

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

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

		2024			2015	
	Taxable		% of Total	Taxable		% of Total
	Assessed		District Net	Assessed		District Net
	Value	Rank	Assessed Value	Value	Rank	Assessed Value
Leems Corp.	\$ 22,579,000	1	0.65%	\$ 16,062,600	2	0.74%
Marino Enterprises	18,813,000	2	0.54%	12,250,000	5	0.57%
Star Ridge Management Corp.	15,349,600	3	0.44%	-		-
Ruby Realty Company	15,273,100	4	0.44%	10,353,700	7	0.48%
D & W Shin Realty Corp.	15,128,300	5	0.44%	-		-
Blvd. East Assoc. Ltd.	15,022,700	6	0.43%	-		-
Exeter 200 Roosevelt LLC	13,628,700	7	0.39%	-		-
Fan Associates LLC	12,670,800	8	0.37%	-		-
BSJ Realty LLC	12,096,500	9	0.35%	13,499,700	3	0.62%
Smart City Real Estate LLC	11,830,000	10	0.34%	-		-
MWHF Palisades Park LLC (1)	-		-	18,168,800	1	0.84%
Berkeley Park/Limestone Hill	-		-	12,551,300	4	0.58%
Madison House Holding LLC	-		-	10,700,000	6	0.49%
MWHF Palisades Park LLC (2)	-		-	10,307,900	8	0.48%
Individual Taxpayer	-		-	10,234,400	9	0.47%
Bonanno Real Estate Group	_		-	6,400,000	10	0.30%
_	\$ 152,391,700		4.39%	\$ 120,528,400		5.57%

Source: Municipal Tax Assessor

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

Collected within the Year of the Levy (a)

		 of the Le	le Levy (a)			
Year Ending	Taxes Levied		Percentage			
June 30,	 for the Year	 Amount	of Levy			
2015	\$ 20,677,315	\$ 20,677,315	100.00%			
2016	21,865,610	21,865,610	100.00%			
2017	22,290,110	22,132,080	99.29%			
2018	22,803,149	22,882,421	100.35%			
2019	23,366,973	23,312,752	99.77%			
2020	24,000,370	23,946,149	99.77%			
2021	24,479,175	24,831,300	101.44%			
2022	24,850,088	24,795,867	99.78%			
2023	25,347,089	25,292,868	99.79%			
2024	25,854,031	25,854,028	100.00%			

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

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

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

		Governmental Activities						-				
Fiscal Year	General	Certificates					Type			% of		
Ending	Obligation	of				Loans	Activities	<u>S</u>	Total	Personal	P	er
June 30,	Bonds	Participation		Leases	P	ayable	Leases		District	Income (a)	Capi	ta (a)
2015	\$ 624,000	\$ -	\$	474,119	\$	-	\$ -	\$	1,098,119	0.07%	\$	54
2016	529,000	-		155,884		-	-		684,884	0.04%		34
2017	429,000	-		-		-	-		429,000	0.03%		21
2018	327,000	-		-		-	-		327,000	0.02%		16
2019	222,000	-		-		-	-		222,000	0.01%		11
2020	113,000	-		32,743		-	-		145,743	0.01%		7
2021	-	-		187,346		-	-		187,346	0.01%		9
2022	-	-		316,974		-	-		316,974	0.02%		16
2023	-	-		539,171		-	-		539,171	0.03%		27
2024	-	-		402,250		-	_		402,250	N/A		20

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

(a) See Exhibit J-14 for personal income and population data.

These ratios area calculated using personal income and population for the prior calendar year.

N/A Information is not available

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

		General	Bonded D	ebt Out	stand	ing	% of Actual		
Fiscal Year		General			Ne	t General	Taxable		
Ending	Obligation				Bo	nded Debt	Value of	P	Per
June 30,	Bonds		Deductions		Ou	tstanding	Property (a)	Capita (b)	
2015	\$	624,000	\$	_	\$	624,000	0.03%	\$	31
2016		529,000		-		529,000	0.02%		26
2017		429,000		-		429,000	0.02%		21
2018		327,000		-		327,000	0.01%		16
2019		222,000		-		222,000	0.01%		11
2020		113,000		-		113,000	0.01%		5
2021		-		-		-	0.00%		-
2022		-		-		-	0.00%		-
2023		-		-		-	0.00%		-
2024		-		-		-	0.00%		-

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

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

PALISADES PARK SCHOOL DISTRICT Direct and Overlapping Governmental Activities Debt As of December 31, 2023

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Governmental Unit			
Debt repaid with property taxes Municipality County general obligation debt	\$ 20,726,904 971,467,303	100.00% 1.90%	\$ 20,726,904 18,457,879
Subtotal, overlapping debt			39,184,783
School District direct debt			
Total direct and overlapping debt			\$ 39,184,783

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

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

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

Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2024

							Equalized	Valu	ation Basis
						202		\$	4,189,837,209
						202	22		3,974,619,484
						202	21		3,790,723,136
								\$	11,955,179,829
	Average equalized	valı	uation of taxabl	e p	roperty			\$	3,985,059,943
	Debt limit (4.0% o	\$	159,402,398						
	Total net debt appl								
	Legal debt margin								159,402,398
					Fiscal Year				
	2020		2021		2022		2023		2024
Debt limit	\$ 120,522,157	\$	125,736,717	\$	136,567,023	\$	136,790,299	\$	159,402,398
Total net debt applicable	113,000								
Legal debt margin	\$ 120,409,157	\$	125,736,717	\$	136,567,023	\$	136,790,299	\$	159,402,398
Total net debt applicable to the									
limit as a percentage of debt limit	0.09%		0.00%		0.00%		0.00%		0.00%
					Fiscal Year				
	2015		2016		2017		2018		2019
Debt limit	\$ 100,841,294	\$	99,688,090	\$	104,289,032	\$	110,701,874	\$	116,132,147
Total net debt applicable	624,000		529,000		429,000		327,000		222,000
Legal debt margin	\$ 100,217,294	\$	99,159,090	\$	103,860,032	\$	110,374,874	\$	115,910,147
Total net debt applicable to the									
limit as a percentage of debt limit	0.62%		0.53%		0.41%		0.30%		0.19%

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

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

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

			Pe	er Capita	
		Personal	Personal		Unemployment
Year	Population (a)	Income (b)	In	come (c)	Rate (d)
2015	20,337	\$ 1,502,558,571	\$	73,883	3.3%
2016	20,441	1,580,559,443		77,323	3.1%
2017	20,491	1,615,428,476		78,836	2.9%
2018	20,611	1,669,985,664		81,024	2.6%
2019	20,721	1,765,242,711		85,191	2.3%
2020	20,716	1,828,000,556		88,241	10.8%
2021	20,942	1,926,077,624		91,972	5.0%
2022	20,149	1,961,364,107		97,343	2.6%
2023	20,106	1,953,056,628		97,138	2.9%
2024	20,102	N/A		N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

PALISADES PARK SCHOOL DISTRICT Principal Employers

Current Year and Nine Years Ago

2024			
Employer	Employees	Rank	Percentage of Total Municipal Employment
INFORMATION IS NOT AVAILABLE	E FOR THIS SCHO	OOL DISTI	RICT
2015			
			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Instruction										
Regular	136.0	137.0	138.0	136.0	133.0	128.0	129.0	134.0	144.0	130.0
Special education	48.0	49.0	49.0	65.0	36.0	39.0	40.0	42.0	32.0	40.0
Other instruction	14.0	14.0	14.0	13.0	20.0	29.0	29.0	26.0	28.0	20.0
Support services										
Attendance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Student and instruction										
related services	19.0	19.0	19.0	30.0	26.0	26.0	25.0	26.0	27.0	21.0
General administration	3.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0	2.0
School administration services	6.0	6.0	6.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Lunch room/playground aides	3.0	3.0	6.0	6.0	-	-	-	2.0	4.0	4.0
Pupil transportation	-	-	-	-	7.0	2.0	2.0	-	5.0	4.0
Business administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Plant operations and										
maintenance	21.0	23.0	23.0	31.0	10.0	18.0	18.0	18.0	18.0	18.0
Total	253.0	257.0	261.0	291.0	243.0	254.0	255.0	260.0	270.0	249.0

Source: District Personnel Records

Operating Statistics Last Ten Fiscal Years

		Operating	Cost				Average Daily	Average Daily	% Change in	Student
Fiscal	June 30	Expenditures	Per	Percentage	Teaching	Teacher	Enrollment	Attendance	Average Daily	Attendance
Year	Enrollment	(a)	Pupil	Change	Staff (b)	Ratio	(ADE) (c)	(ADA) (c)	Enrollment	Percentage
2015	1602	\$ 25,756,972	\$ 16,078	9.10%	187.0	1:8.57	1,619.0	1,545.0	0.19%	95.43%
2016	1672	26,960,899	16,125	0.29%	198.0	1:8.44	1,635.0	1,551.0	0.99%	94.86%
2017	1677	27,723,190	16,531	2.52%	200.0	1:8.39	1,678.0	1,558.0	2.63%	92.85%
2018	1696	30,356,569	17,899	8.28%	201.0	1:8.44	1,717.0	1,626.0	2.32%	94.70%
2019	1700	31,497,844	18,528	3.51%	214.0	1:7.94	1,710.0	1,610.0	-0.41%	94.15%
2020	1813	30,825,355	17,002	-8.24%	189.0	1:9.59	1,815.0	1,718.0	6.14%	94.66%
2021	1665	31,555,952	18,953	11.48%	194.0	1:8.58	1,692.0	1,566.0	-6.78%	92.55%
2022	1775	35,181,918	19,821	4.58%	202.0	1:8.79	1,808.2	1,668.4	6.87%	92.27%
2023	1790	37,942,533	21,197	6.94%	204.0	1:8.77	1,790.0	1,681.0	-1.01%	93.91%
2024	1771	40,811,098	23,044	8.71%	196.0	1:9.04	1,768.2	1,671.9	-1.22%	94.55%

Source: District Records

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

School Building Information Last Ten Fiscal Years

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	-									
Elementary (Lindbergh)	•									
Square feet	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584	71,584
Capacity (students)	621	621	621	621	621	621	621	621	621	621
Average daily enrollment	669	738	808	808	809	866	772	773	780	764
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 (students)	493	493	493	493	493	493	493	493	493	493
Average daily enrollment	556	560	659	681	692	753	740	751	743	737
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 (students)	360	360	360	360	360	360	360	360	360	360
Average daily enrollment	274	337	202	216	199	194	153	285	267	270
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 3	30, 2024:									
Elementary	1									
High School	1									
Early Childhood Center	1									

Source: District Facilities Office

Other

1

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

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

Undistributed Expenditures - Required Maintenance for School Facilities

		Early	Ι	Lindbergh Palis		Palisades Park		Administration		
Fiscal Year Ending	Childhood Center		School		High School		Building		Total	
2015	\$	18,590	\$	36,183	\$	40,010	\$	-	\$	94,783
2016		12,423		44,724		59,036		-		116,183
2017		12,787		17,870		18,284		-		48,941
2018		599		24,127		15,167		-		39,893
2019		8,693		30,206		44,993		-		83,892
2020		8,274		28,750		42,825		-		79,849
2021		5,369		45,091		72,391		-		122,851
2022		10,045		27,529		53,547		1,163		92,284
2023		38,728		200,481		134,614		-		373,823
2024		9,922		34,480		51,358				95,760
Total school facilities	\$	125,430	\$	489,441	\$	532,225	\$	1,163	\$	1,148,259

^{*} School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

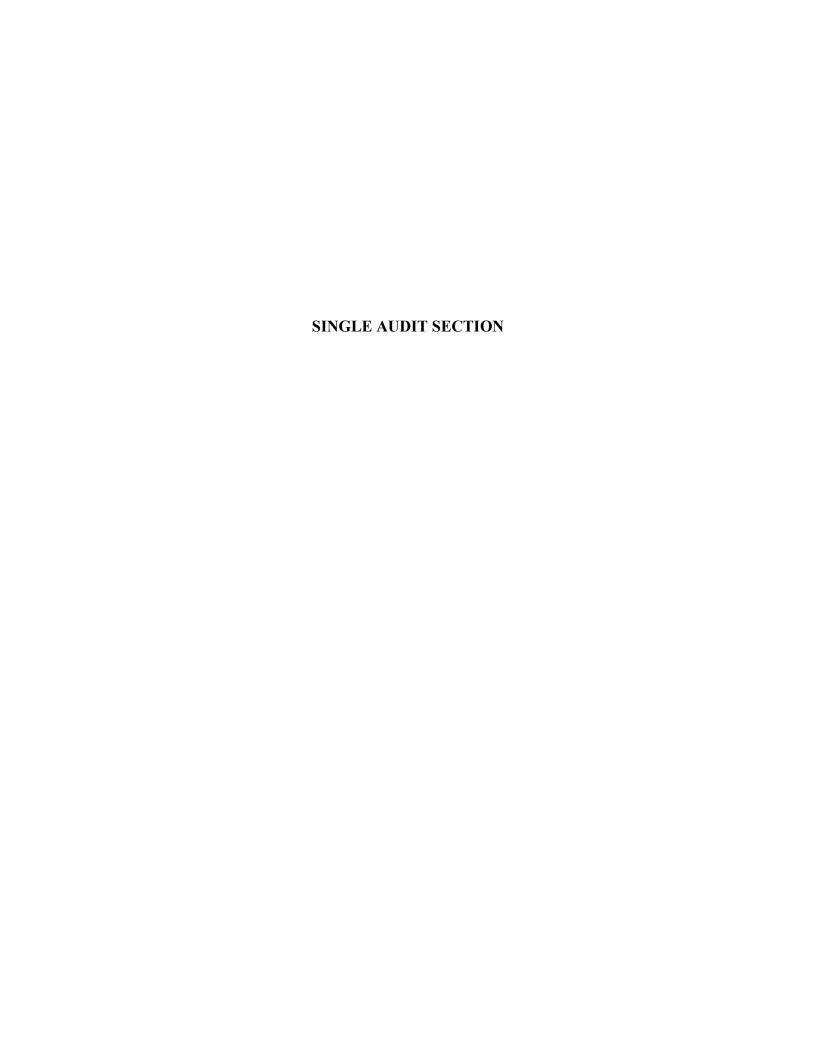
Insurance Schedule June 30, 2024 (Unaudited)

	Coverage	Deductible		
School Alliance Insurance Fund				
Property - building, contents & valuable papers	\$ 500,000,000	\$ 2,500		
Per occurrence				
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				
Per occurrence	25,000,000	2,500		
Flood				
Excluding zones A&V				
Per occurrence	10,000,000	2,500		
Annual Aggregate	50,000,000	-		
In flood zone A&V				
Per occurrence	25,000,000	2,500		
Annual aggregate	50,000,000	-		
Accounts receivable	2,500,000	2,500		
Fine arts	2,500,000	2,500		
Loss of rents	500,000	2,500		
Aggregate	2,500,000	-		
Terrorism	100,000,000	2,500		
Annual aggregate	200,000,000	-		
Boiler & machinery property damage (per occurrence)	100,000,000	2,500		
Cyber liability - limit of liability	2,000,000	10,000		
Crime coverage				
Employee dishonesty w/ faithful performance (per loss)	500,000	1,000		
Money & securities (inside and out)	100,000	1,000		
Comprehensive general liability				
Per occurrence	5,000,000	-		
Fund aggregate	30,000,000	-		
Sexual molestation coverage				
Per occurrence	10,000,000	-		
Fund aggregate	30,000,000	-		
Automobile liability				
Per occurrence	5,000,000	-		
Fund aggregate	30,000,000	-		

Insurance Schedule (continued) June 30, 2024 (Unaudited)

	Coverage	Deductible		
School Alliance Insurance Fund (continued)	 _			
Additional excess liability (auto and general) per claim	\$ 5,000,000	\$	-	
Employee benefits	5,000,000		1,000	
Fund aggregate	30,000,000		-	
Abuse or molestation	100,000		-	
Real property	100,000		-	
Liability and fire	100,000		-	
Workers compensation	5,000,000		-	
Foreign travel liability (occurrence/aggregate)	1,000,000		-	
Student accident insurance	1,000,000		-	
School leaders				
Liability and employment practices liability	5,000,000		5,000	
Aggregate/occurrence	10,000,000		-	
IEP hearing limit of liability	100,000		5,000	
Crisis fund	25,000		-	
NJUEP excess liability	30,000,000		-	
NJCAP excess liability	25,000,000		-	
Illinois Union Insurance Co.				
Environmental impairment liability				
Per occurrence	1,000,000		10,000	
Annual aggregate	25,000,000		-	
Gerber Life				
Business travel accident, class I and II	100,000		-	
Aggregate limit	500,000		-	
Hartford Fire Insurance Company				
Business administrator bond	250,000		-	

Source: District Records



OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART I



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Palisades Park School District (the District) in the County of Bergen, as of and for the year ended June 30, 2024, 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 15, 2025

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described as item 2024-001.

Palisade Park School District's Response to Findings

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

Purpose of this Report

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

BKC, CPAs, PC

M Michael A. Holk, CPA, PSA

BHC, CARS, PC

NO. 20CS00265600

January 15, 2025 Flemington, New Jersey



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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Palisades Park School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 and 2024-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 and 2024-002 to be significant deficiencies.

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

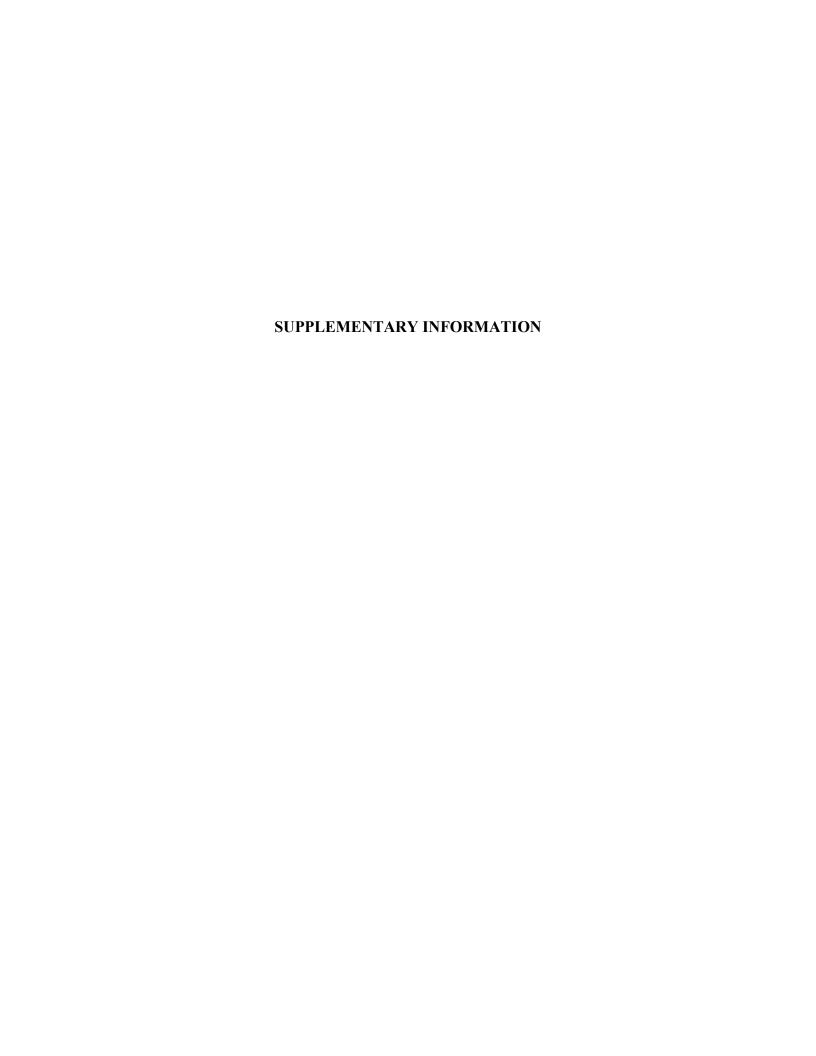
Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the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

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

BHC, CAON, AC BKC, CPAS, PC

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

January 15, 2025 Flemington, New Jersey



Schedule of Expenditures of Federal Awards, Schedule A For the Fiscal Year Ended June 30, 2024

	Federal		Program	Gr	rant	Balance June	30, 2023				Repayment	Balan	ce June 30, 20	24
	AL	FAIN	or Award	Per	riod	(Acct Rec)	Carryover	Cash	Budgetary	Adjust-	of Prior Year	Accounts	Deferred	Due to
Grantor/Program Title	Number	Number	Amount	From	To	Def Revenue	Amount	Received	Expenditure	ment	Balance	Receivable	Revenue	Grantor
U.S. Department of Health and Human Services passed through State Department of Education General Fund														
Medical Assistance Program (SEMI)	93.778	20005NJ5MAP	\$ 73,046	07/01/23	06/30/24	\$ -	\$ -	\$ 73,046	\$ 73,046	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education passed through State Department of Education Special Revenue Fund Special education cluster (IDEA)														
IDEA Basic	84.027A	H027A230100	425,902	07/01/22	06/30/23	21,676	(99,095)	1,725	26,301	1,325	-	(1,575)	-	-
IDEA Basic	84.027A	H027A240100	515,991	07/01/23	06/30/24	-	99,095	433,245	472,033	-	-	(38,788)	-	-
ARP IDEA Basic	84.027X	H027X210100	107,689	07/01/21	09/30/22	(10,577)	-	10,577	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A230114	12,468	07/01/22	06/30/23	-	(831)	-	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A240114	13,465	07/01/23	06/30/24		831	13,465	13,465	_				
Total special education cluster (IDEA)						11,099		459,012	511,799	1,325		(40,363)	-	
Title IA	84.010A	S010A230030	638,617	07/01/22	06/30/23	(304,667)	(95,792)	426,460	121,793	-	-	-	-	-
Title IA	84.010A	S010A240030	910,418	07/01/23	06/30/24	-	95,792	556,662	824,571	-	-	(267,909)	-	-
Title IA SIA, Part A	84.010A	S010A210030	104,400	07/01/20	09/30/21	14,855	-	-	-	-	-	-	-	14,855
Title IA SIA, Part A	84.010A	S010A230030	65,300	07/01/22	06/30/23	(4,206)	(12,688)	5,713	1,507	-	_	-	-	-
Title IA SIA, Part A	84.010A	S010A240030	25,000	07/01/23	06/30/24	-	12,688	16,542	29,493	-	-	(12,951)	-	-
Title IIA	84.367A	S367A230029	87,917	07/01/22	06/30/23	(30,451)	(84,504)	24,090	-	-	-	(6,361)	-	-
Title IIA	84.367A	S367A240029	100,950	07/01/23	06/30/24	-	84,504	84,268	154,689	-	-	(70,421)	-	-
Title III	84.365A	S365A230030	123,428	07/01/22	06/30/23	(16,670)	(70,373)	10,117	_	-	-	(6,553)	-	-
Title III	84.365A	S365A240030	103,457	07/01/23	06/30/24	-	70,373	59,001	94,620	_	-	(35,619)	-	-
Title III Immigrant	84.365A	S365A220030	30,472	07/01/21	06/30/22	(4,363)	_	-	_	-	-	(4,363)	-	-
Title IV	84.424	S424A2430031	30,820	07/01/22	06/30/23	(14,274)	(16,511)	28,223	26,249	12,300	-	-	-	-
Title IV	84.424	S424A240031	48,123	07/01/23	06/30/24	-	16,511	29,965	33,097	_	-	(3,132)	-	-
COVID-19														
CRRSA - ESSER II	84.425D	S425D200027	1,797,140	03/13/20	09/30/23	(812,912)	_	812,912	-	-	-	_	-	-
CRRSA - Learning Acceleration	84.425D	S425D200027	115,332	03/13/20	09/30/23	-	_	12,760	12,760	-	-	_	-	-
CRRSA - Mental Health	84.425D	S425D200027	45,000	03/13/20	09/30/23	(1,200)	_	18,365	17,165	-	-	_	-	-
ARP - ESSER						,								
ARP - ESSER	84.425U	S425U210027	4,038,956	03/13/20	09/30/24	(2,780,380)	_	2,972,449	209,275	9,750	-	(7,456)	-	-
Accelerated Learning Coach						, , , , , ,								
and Educator Support	84.425U	S425U210027	192,078	03/13/20	09/30/24	_	-	-	90,823	-	-	(90,823)	-	-
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	_	_	27,127	27,488		_	(361)	-	_
ARP - Homeless II	84.425W	S425W210031	11,254	04/23/21	09/30/23	-	_		557	_	-	(557)	-	-
NJ High Impact Tutoring	84.425V	S425V210031	106,966	03/20/24	12/31/24	-	_	-	37,350	_	-	(37,350)	-	-
ASCERS Program	21.027	SLFRFDOE1SES	236,781	07/01/23	06/30/24	-	_	112,495	112,495	_	-	-	-	-
Total Special Revenue Fund			, -			(3,943,169)		5,656,161	2,305,731	23,375	-	(584,219)		14,855

Schedule of Expenditures of Federal Awards, Schedule A (continued) For the Fiscal Year Ended June 30, 2024

	Federal		Program	Gr	ant	Balance June	30, 2023				Repayment	Balan	ce June 30, 20	124
	AL	FAIN	or Award	Per	riod	(Acct Rec)	Carryover	Cash	Budgetary	Adjust-	of Prior Year	Accounts	Deferred	Due to
Grantor/Program Title	Number	Number	Amount	From	To	Def Revenue	Amount	Received	Expenditure	ment	Balance	Receivable	Revenue	Grantor
U.S. Department of Agriculture passed														
through State Department of Agriculture														
Enterprise Fund														
Child Nutrition Cluster														
National School Lunch Program														
Non-Cash Assistance (Commodities)	10.555	231NJ304N1099	\$ 95,177	07/01/22	06/30/23	\$ 2,292	\$ -	\$ -	\$ 2,292	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	87,745	07/01/23	06/30/24	-	-	87,745	83,910	-	-	-	3,835	-
Cash Assistance	10.555	231NJ304N1099	542,129	07/01/22	06/30/23	(98,962)	-	98,962	-	-	-	-	-	-
Cash Assistance	10.555	241NJ304N1099	614,585	07/01/23	06/30/24	-	-	588,766	614,585	-	-	(25,819)	-	-
National Breakfast Program	10.559	231NJ304N1099	19,481	07/01/22	06/30/23	(3,792)	-	3,792	-	-	-	-	-	-
National Breakfast Program	10-553	241NJ304N1099	25,997	07/01/23	06/30/24	-	-	23,851	25,997	-	-	(2,146)	-	-
Total Child Nutrition Cluster						(100,462)		803,116	726,784			(27,965)	3,835	
Supply Chain Assistance	10.555	221NJ344N8903	35,154	03/01/22	09/30/23	1,345	-	-	1,345	-	-	-	-	-
Supply Chain Assistance	10.555	221NJ344N8903	18,601	10/01/22	09/30/24	18,601	-	-	18,601	-	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	44,892	10/01/22	09/30/24	-	-	44,892	44,892	-	-	-	-	-
Summer Food Service Program	10.559	201NJ304N1099	2,291	06/23/23	06/30/23	(2,291)	-	2,291	-	-	-	-	-	-
PEBT Administrative Cost	10.649	2022225900941	653	07/01/22	06/30/23	(653)	-	653	-	-	-	-	-	-
Local Food for Schools														
Cooperative Agreement Program	10.185	16161NJ304N1099	3,135	07/01/23	06/30/24	-	-	3,435	3,435	-	-	-	-	-
Total Enterprise Fund						(83,460)		854,387	795,057			(27,965)	3,835	
Total Federal Awards						\$ (4,026,629)	\$ -	\$ 6,583,594	\$ 3,173,834	\$23,375	\$ -	\$ (612,184)	\$ 3,835	\$ 14,855

Schedule of Expenditures of State Financial Assistance, Schedule B For the Fiscal Year Ended June 30, 2024

									Repayment					
		Program	Gı	ant	Balance June	e 30, 2023			of Prior	Balan	nce June 30, 20)24	M	lemo
	Project	or Award	Pe	riod	Deferred Rev.	Due to	Cash	Budgetary	Year	Accounts	Deferred	Due to	Budgetary	Cumulative
Grantor/Program Title	Number	Amount	From	To	(Accts. Rec)	Grantor	Received	Expenditure	Balances	Receivable	Revenue	Grantor	Receivable	Expenditure
State Department of Education														
General Fund														
Transportation Aid	24-495-034-5123-014	\$ 101,852	07/01/23	06/30/24	\$ -	\$ -	\$ 93,115	\$ 101,852	\$ -	\$ -	\$ -	\$ -	\$ 8,737	\$ 101,852
Special Education Categorical Aid	24-495-034-5123-089	1,588,448	07/01/23	06/30/24	-	-	1,452,182	1,588,448	-	-	-	-	136,266	1,588,448
Equalization Aid	24-495-034-5123-078	711,969	07/01/23	06/30/24	-	-	650,893	711,969	-	-	-	-	61,076	711,969
Security Aid	24-495-034-5123-084	212,501	07/01/23	06/30/24	-	-	194,272	212,501	-	-	-	-	18,229	212,501
Adjustment Aid	24-495-034-5123-085	10,133	07/01/23	06/30/24	-	-	9,264	10,133	-	-	-	-	869	10,133
Extraordinary Special Education Costs Aid	23-495-034-5123-044	660,415	07/01/22	06/30/23	(660,415)	-	660,415	-	-	-	-	-	-	660,415
Extraordinary Special Education Costs Aid	24-495-034-5123-044	540,674	07/01/23	06/30/24	-	-	-	540,674	-	(540,674)	-	-	-	540,674
Maintenance of Equity Aid	23-495-034-5120-128	118,542	07/01/22	06/30/23	(118,542)	-	118,542	-	-	-	-	-	-	118,542
Reimbursed TPAF Social Security														
Contribution	23-495-034-5094-003	1,010,876	07/01/22	06/30/23	(103,867)	-	103,867	-	-	-	-	-	-	1,010,876
Reimbursed TPAF Social Security														
Contribution	24-495-034-5094-003	1,087,845	07/01/23	06/30/24	_	-	1,023,652	1,087,845	-	(64,193)	_	-	-	1,087,845
On-Behalf TPAF Pension Contribution -														
Teacher's Pension & Annuity Fund	24-495-034-5094-002	4,637,521	07/01/23	06/30/24	_	-	4,637,521	4,637,521	-	_	_	-	-	4,637,521
On-Behalf TPAF Pension Contribution -														
Non-Contributory Insurance	24-495-034-5094-004	52,888	07/01/23	06/30/24	_	-	52,888	52,888	-	_	_	-	-	52,888
On-Behalf TPAF Pension Contribution -														
Long-Term Disability Insurance	24-495-034-5094-004	1,962	07/01/23	06/30/24	_	-	1,962	1,962	-	_	_	-	-	1,962
On-Behalf TPAF Pension Contribution -														
Postretirement Medical	24-495-034-5094-001	1,276,558	07/01/23	06/30/24	_	-	1,276,558	1,276,558	-	_	_	-	-	1,276,558
Total General Fund					(882,824)	-	10,275,131	10,222,351	-	(604,867)	-	-	225,177	12,012,184
Special Revenue Fund														
Preschool	23-495-034-5120-086	1,049,475	07/01/22	06/30/23	351,239	-	-	306,950	-	-	44,289	-	-	1,005,186
Preschool	24-495-034-5120-086	1,555,365	07/01/23	06/30/24	-	-	1,399,829	1,434,996	-	-	120,369	-	155,536	1,434,996
SDA Emergent & Capital Maintenance Needs	23-100-034-5120-519	41,997	07/01/22	06/30/23	33,481	-	-	33,481	-	-	-	-	-	41,997
SDA Emergent & Capital Maintenance Needs	24-100-034-5120-519	43,378	07/01/22	06/30/23	-	-	43,378	-	-	-	43,378	-	-	-
Textbook Aid	23-100-034-5120-064	24,684	07/01/22	06/30/23	-	584	-	-	584	-	-	-	-	24,100
Textbook Aid	24-100-034-5120-064	20,812	07/01/23	06/30/23	-	-	20,812	20,812	-	-	-	-	-	20,812
Nursing Services	24-100-034-5120-070	43,200	07/01/23	06/30/24	-	-	43,200	43,200	-	-	-	-	-	43,200
Technology Services	23-100-034-5120-373	15,708	07/01/22	06/30/23	-	53	-	-	53	_	_	-	_	15,655
Technology Services	24-100-034-5120-373	17,640	07/01/22	06/30/23	-	-	17,640	17,549	_	_	_	91	_	17,549
Security Services	24-100-034-5120-509	73,800	07/01/23	06/30/24	-	-	73,800	70,676	-	-	-	3,124	-	70,676
Auxiliary Services (Chapter 192)														
Compensatory Education	23-100-034-5120-067	133,916	07/01/22	06/30/23	-	13,245	-	-	13,245	-	_	_	-	120,671
Compensatory Education	24-100-034-5120-067	118,679	07/01/23	06/30/24	-	· -	118,679	107,263	-	-	_	11,416	-	107,263
English as a Second Language	23-100-034-5120-067	44,600	07/01/22	06/30/23	-	10,020	· <u>-</u>	-	10,020	-	_		-	34,580
English as a Second Language	24-100-034-5120-067	48,619	07/01/23	06/30/23	-	-	48,619	38,272	-	-	-	10,347	-	38,272

Schedule of Expenditures of State Financial Assistance, Schedule B (continued) For the Fiscal Year Ended June 30, 2024

									Repayment					
		Program	Gı	ant	Balance Jun	ie 30, 2023			of Prior	Balar	nce June 30, 20	24	M	emo
	Project	or Award	Pe	riod	Deferred Rev.	Due to	Cash	Budgetary	Year	Accounts	Deferred	Due to	Budgetary	Cumulative
Grantor/Program Title	Number	Amount	From	To	(Accts. Rec)	Grantor	Received	Expenditure	Balances	Receivable	Revenue	Grantor	Receivable	Expenditure
Special Revenue Fund (continued)														
Handicapped Services (Chapter 193)														
Examination & Classification	23-100-034-5120-066	\$ 14,409	07/01/22	06/30/23	\$ -	\$ 5,887	\$ -	\$ -	\$ 5,887	\$ -	\$ -	\$ -	\$ -	\$ 8,522
Examination & Classification	24-100-034-5120-066	52,451	07/01/23	06/30/23	-	-	52,451	21,986	-	-	-	30,465	-	21,986
Corrective Speech	23-100-034-5120-066	36,270	07/01/22	06/30/23	-	9,487	-	-	9,487	-	-	-	-	26,783
Corrective Speech	24-100-034-5120-066	45,570	07/01/23	06/30/23	-	-	45,570	35,805	-	-	-	9,765	-	35,805
Supplementary Instruction	23-100-034-5120-066	16,520	07/01/22	06/30/23	-	5,534	-	-	5,534	-	-	-	-	10,986
Supplementary Instruction	24-100-034-5120-066	17,346	07/01/23	06/30/23	-	-	17,346	11,894	-	-	-	5,452	-	11,894
NJ Achievement Coaches Competitive Grant	15-100-034-5068-049	35,000	11/01/14	06/30/15		2,739						2,739		32,261
Total Special Revenue Fund					384,720	47,549	1,881,324	2,142,884	44,810	-	208,036	73,399	155,536	3,123,194
Capital Projects Fund														
NJ School Development Authority														
High School Roof Project	2150-050-23-R501	340,362	07/01/23	06/30/24				291,856		(291,856)			340,362	291,856
State Department of Agriculture Enterprise Fund														
State School Lunch Program	23-100-010-3350-023	19,411	07/01/22	06/30/23	(3,525)	_	3,525	_	_	_	_	_	_	19,411
State School Lunch Program	24-100-010-3350-023	27,553	07/01/23	06/30/24	(3,525)	_	26,375	27,553	_	(1,178)	_	_	_	27,553
State School Breakfast Program	23-100-010-3350-023	291	07/01/22	06/30/23	(65)	_	65	27,555	_	(1,170)	_	_	_	291
State School Lunch Program	24-100-010-3350-023	404	07/01/23	06/30/24	(03)	_	355	404	_	(49)	_	_	_	404
Total Enterprise Fund	2. 100 010 3330 023		07/01/23	00/30/21	(3,590)		30,320	27,957		(1,227)				47,659
Total State Financial Assistance					\$ (501,694)	\$ 47,549	\$ 12,186,775	12,685,048	\$ 44,810	\$ (897,950)	\$ 208,036	\$ 73,399	\$ 721,075	\$ 15,474,893
Less: On-Behalf TPAF Pension System Contributions	S													
On-Behalf TPAF Pension Contribution -														
Teacher's Pension & Annuity Fund	24-495-034-5094-002							4,637,521						
On-Behalf TPAF Pension Contribution -														
Non-Contributory Insurance	24-495-034-5094-004							52,888						
On-Behalf TPAF Pension Contribution -								, i						
Postretirement Medical	24-495-034-5094-001							1,276,558						
On-Behalf TPAF Pension Contribution -								, ,						
Long-Term Disability Insurance	24-495-034-5094-004							1,962						
Total for State Financial Assistance - Major Program De								\$ 6,716,119						
								,,						

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended June 30, 2024

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$27,862) for the general fund, \$3,434,256 for the special revenue fund and (\$48,506) for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for a reconciliation of the budgetary bases to the modified accrual basis of accounting for the capital projects fund.

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended June 30, 2024

Note 3 - Relationship of financial statement (continued)

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

	Federal	 State	 Total
General fund	\$ 73,046	\$ 10,194,489	\$ 10,267,535
Special revenue fund	5,867,893	2,015,058	7,882,951
Capital projects fund	-	291,856	291,856
Food service fund	27,957	795,057	823,014
Total awards and			
financial assistance	\$ 5,968,896	\$ 13,296,460	\$ 19,265,356

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2024. TPAF Social Security Contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2024.

Note 6 - Adjustments on the Schedule of Federal Awards

On Schedule A; the adjustments for the IDEA Basic grant of \$1,325, the Title IV grant of \$12,300 and the ARP ESSER grant of \$9,750 represent prior year encumbrances being canceled and transactions reclassified from the general fund.

Note 7 - Indirect Costs

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART II

Section I - Summary of Auditors' Results

Financial Statements				
Type of auditors' report issued	Unmodifie	ed		
Internal Control Over Financial R 1. Were material weakness(es) is		Yes	X No	
2. Were significant deficiencies	identified?		X Yes	None reported
Noncompliance material to Basic Financial Statements noted?		X Yes	No	
Federal Awards				
Internal Control Over Major Programmental Were material weakness(es) is			Yes	<u>X</u> No
2. Were significant deficiencies	Yes	X None reported		
What was the type of auditors' repmajor programs?	e for	Unmodifie	ed	
Were any audit findings disclosed reported in accordance with 2 C	1		Yes	<u>X</u> No
Identification of Major Programs:				
AL Number(s)	FAIN Number(s)	Name	of Federal	Program or Cluster
84.010A	S010A240030	Title IA	& Title I SI.	A
		IDEA C	luster	
84.027A	H027A240100	IDE A	l Basic	
84.027X	H027X210100	ARP	IDEA Basic	
84.173A	H173A240114	IDEA	1 Preschool	
What was the dollar threshold use A and Type B programs?	d to distinguish between	Type	\$750,000	
Did the auditee qualify as a low-ri	sk auditee?		Yes	X No

Section I - Summary of Auditors' Results (continued)

State Awards			
What was the dollar threshold used to distinguish be A and Type B programs?	etween Type	\$750,000	
Did the auditee qualify as a low-risk auditee?		Yes	<u>X</u> No
Internal Control Over Major Programs: 1. Were material weakness(es) identified?		Yes	<u>X</u> No
2. Were there significant deficiencies identified the considered to be material weaknesses?	nat are not	X Yes	None reported
What was the type of auditors' report issued on comajor programs?	mpliance for	Unmodifie	ed
Were any audit findings disclosed that are required reported in accordance with NJ OMB Circular Le applicable?		X Yes	No
Identification of Major Programs:			
State Grant/Project Numbers	N	lame of State	Program
	State Aid Pub	lic Cluster:	
24-495-034-5120-089	Special Edi	ucation Categ	gorical Aid
24-495-034-5120-078	Equalizatio	on Aid	
24-495-034-5120-084	Security Ai	d	
24-495-034-5120-085	Adjustment	Aid	
24-495-034-5094-003	Reimbursed T	TPAF Social S	Security Contribution

Section II - Financial Statement Findings

Finding 2024-001

Criteria

A Treasurer or Reconciler of Accounts must be utilized by all school districts.

Condition

The District did not have a Treasurer or Reconciler of Accounts.

Context

The School Business Administrator prepared bank reconciliations for the District during the year.

Cause

Unknown

Effect

Bank reconciliations and related reports were not prepared by a Treasurer or Reconciler of Accounts.

Recommendation

The District ensure that a Treasurer of School Monies or Reconciler of Accounts is appointed to provide a Treasurer's Report and supporting bank reconciliations in a timely manner per N.J.S.A. 18A:17-9.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

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

Federal Awards

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

State Awards

Finding 2024-001

Criteria

A Treasurer or Reconciler of Accounts must be utilized by all school districts.

Condition

The District did not have a Treasurer or Reconciler of Accounts.

Context

The School Business Administrator prepared bank reconciliations for the District during the year.

Cause

Unknown

Effect

Bank reconciliations and related reports were not prepared by a Treasurer or Reconciler of Accounts.

Recommendation

The District ensure that a Treasurer of School Monies or Reconciler of Accounts is appointed to provide a Treasurer's Report and supporting bank reconciliations in a timely manner per N.J.S.A. 18A:17-9.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

State Awards

Finding 2024-002 (2023-003)

Criteria

Students reported as low income on the Application for State School Aid (ASSA) should be supported by a student register and meet state eligibility criteria.

Condition

Students reported as low income on the ASSA were not supported by a student register and did not meet eligibility criteria.

Context

Student registers provided by the District did not agree with amounts reported for low income and were not supported by a free/reduced lunch application or direct certification in some instances.

Cause

Unknown.

Recommendation

The District should ensure that students reported as low income agree with student registers and meet eligibility requirements.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

PALISADES PARK SCHOOL DISTRICT Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management For the Fiscal Year Ended June 30, 2024

Status of Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with the exception of 2023-003.