

**SCHOOL DISTRICT OF THE
BOROUGH OF PROSPECT PARK
COUNTY OF PASSAIC, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**School District
of**

PROSPECT PARK

**PROSPECT PARK BOARD OF EDUCATION
Prospect Park, New Jersey**

**Annual Comprehensive Financial Report
Year Ended June 30, 2024**

Annual Comprehensive Financial Report

of the

PROSPECT PARK BOARD OF EDUCATION
Prospect Park, New Jersey

Year Ended June 30, 2024

Prepared by

Fahim Abedrabbo
School Business Administrator

PROSPECT PARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2024

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	9
Management's Discussion and Analysis	14
Basic Financial Statements:	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	30
A-2 Statement of Activities	31
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	32
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	34
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Proprietary Funds:	
B-4 Statement of Net Position	36
B-5 Statement of Revenues, Expenditures and Changes in Fund Net Position	37
B-6 Statement of Cash Flows	38
Fiduciary Funds:	
Not Applicable	
Notes to the Basic Financial Statements	39

PROSPECT PARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2024

	<u>Page</u>
Required Supplementary Information:	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	79
C-2 Budgetary Comparison Schedule - Special Revenue Fund	84
C-3 Budgetary Comparison Schedule - Note to the Required Supplementary Information	85
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Share of the Net Pension Liability - Public Employees Retirement System	86
L-2 Schedule of District's Contributions - Public Employees Retirement System	87
L-3 Schedule of District's Share of the Net Pension Liability - Teacher's Pension and Annuity Fund	88
L-4 Schedule of District's Contributions - Teacher's Pension and Annuity Fund	89
L-5 Note to Required Schedules of Supplementary Information	90
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of Changes in the District's Proportionate Share of the State OPEB Liability	91
Other Supplementary Schedules	
D. School Level Schedules:	
Not Applicable	
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	92
E-1a Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	94
E-1b Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	96
E-1c Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	98
E-1d Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	100
E-2 Schedule of Preschool Education Aid - Budgetary Basis	102
F. Capital Projects Fund:	
Not Applicable	

PROSPECT PARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2024

	<u>Page</u>
Other Supplementary Schedules	
G. Proprietary Funds:	
G-1 Combining Statement of Net Position	103
G-2 Combining Statement of Revenues Expenses, and Changes in Fund Net Position	104
G-3 Combining Statement of Cash Flows	105
Internal Service Fund:	
Not Applicable	
H. Fiduciary Fund:	
Not Applicable	
I. Long Term Debt:	
I-1 Schedule of Serial Bonds	106
I-2 Not Applicable	
I-3 Budgetary Comparison Schedule - Debt Service Fund	107
I-4 Not Applicable	
J. Statistical Section (Unaudited)	
J-1 Net Position by Component	108
J-2 Changes in Net Position	109
J-3 Fund Balances - Governmental Funds	111
J-4 Changes in Fund Balances - Governmental Funds	112
J-5 General Fund Other Local Revenue by Source	114
J-6 Assessed Value and Actual Value of Taxable Property	115
J-7 Direct and Overlapping Property Tax Rates	116
J-8 Principal Property Taxpayers, Current Year and Nine Years Ago	117
J-9 Property Tax Levies and Collections	118
J-10 Ratios of Outstanding Debt by Type	119
J-11 Ratios of Net General Bonded Debt Outstanding	120
J-12 Ratios of Overlapping Governmental Activities Debt	121
J-13 Legal Debt Margin Information	122
J-14 Demographic and Economic Statistics	123
J-15 Principal Employers, Current Year and Nine Years Ago	124
J-16 Full-time Equivalent District Employees by Function/Program	125
J-17 Operating Statistics	126
J-18 School Building Information	127
J-19 Schedule of Required Maintenance for School Facilities	128
J-20 Insurance Schedule	129

PROSPECT PARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2024

	<u>Page</u>
K. Single Audit Section	
K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	130
K-2 Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and N.J. OMB Circular 15-08	132
K-3 Schedule of Expenditure of Federal Awards	136
K-4 Schedule of Expenditure of State Awards and Local Awards	138
K-5 Notes to the Schedules of Expenditures of Federal and State Awards	140
K-6 Schedule of Findings and Questioned Costs	143
K-7 Summary Schedule of Prior Audit Findings	147

INTRODUCTORY SECTION



PROSPECT PARK SCHOOL DISTRICT

94 Brown Avenue
Prospect Park, NJ 07508

PHONE: (973) 790-7910

FAX: (973) 720-1992

District Website: www.prospectparknj.com

Michael Parent, Ed.D.
Acting Superintendent

January 9, 2025

Honorable President and
Members of the Board of Education
Prospect Park School District
Prospect Park, NJ 07508

Dear Board Members:

The Annual Comprehensive Financial Report of the Prospect Park School District (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 basic financial statements and results of operations 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 organization chart and a list of principal officials. The Financial section includes the management discussion and analysis, the basic financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of 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 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 auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.



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Acting Superintendent

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include general education classes for Pre K-8 as well as special education classes for handicapped students. As of the October 2022 ASSA count the District had 766 students enrolled, which is 39 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT		
Fiscal Year	Student Enrollment	Percentage Change
2022-2024	800.0	-4.6
2021-2022	839.0	4.2
2020-2021	805.0	-5.6
2019-2020	852.4	-3.6
2018-2019	884.0	-4.4
2017-2018	925.2	-0.8
2016-2017	932.7	2.6
2015-2016	909.6	0.6
2014-2015	861.7	-1.0
2013-2014	870.6	-4.1
2012-2013	908.0	1.0

2. ECONOMIC CONDITION AND OUTLOOK

The Borough of Prospect Park has experienced some economic development and growth. There has been recent expansion in the development of nearby condominiums with more expansion in the future. Additional state aid funding could assist the District in the near future.



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3. MAJOR INITIATIVES

The District continues its commitment to the implementation of the New Jersey Student Learning Standards and desires to see more student growth and achievement. The District continues to recover from the learning loss caused by the COVID-19 pandemic but is committed to implementing best practices and learning experiences to ensure that all grade levels and subgroups thrive academically, socially, and emotionally. To meet the needs of the whole child, the District has implemented a number of initiatives for the 2024-2024 school year, which will continue into the 2024-2025 school year. The District will utilize the New Jersey Tiered System of Supports framework for multi-tiered academic and behavioral supports designed to promote student achievement and success, and response to intervention (RTI). We have been selected to participate in the Reading (NJTSS-ER) grant, a partnership between the (NJDOE) and Rutgers University, which engages district literacy coaches in a coach-the-coach model to enhance the effectiveness of reading interventions available to all students. We have also been selected to participate in the New Jersey Enhancing School Mental Health Services Project, which is a collaborative effort between the New Jersey Department of Education and the Rutgers Center for Comprehensive School Mental Health (Rutgers-CCSMH). It aims to support the implementation of comprehensive school mental systems at the district and building levels by enhancing educators' knowledge through training and technical assistance. We have also been selected to participate in the NJ Inclusion Project, a partnership with the NJDOE Office of Special Education (OSE) and the New Jersey Coalition for Inclusive Education (NJCIE). This is a 3-year collaboration designed to enhance capacity to effectively implement inclusive practices for students with disabilities. This initiative is a multi-year systemic change program that will embed inclusive practices such as NJTSS, RTI, and PBSIS. We continue to build a firm foundation with our youngest learners with the continuing of an effective full-day preschool program both at School One and at the William Paterson University Child Development Center. Our oldest learners are being prepared for high school and beyond with instruction in their own space at the new Middle School which opened this past September. We continue to engage our students and their families through Literacy Nights and a host of other school-to-home partnerships. We will continue to offer assembly programs for children and families with a focus on equity and diversity to meet the needs of our diverse student population. Our Business Office continues to work collaboratively with school and district administration to streamline processes, implement internal controls, and create procedures to ensure an efficient operation and function of fiscal and governance operations.

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



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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 recognized 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 Board of Education. 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 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 at June 30, 2024.

6. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from 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.



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7. **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.

8. **OTHER INFORMATION**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkott & Company LLC, was selected by the Prospect Park Board of Education to conduct the independent audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act and the related Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey States Office of Management and Budget Circular 15-08. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

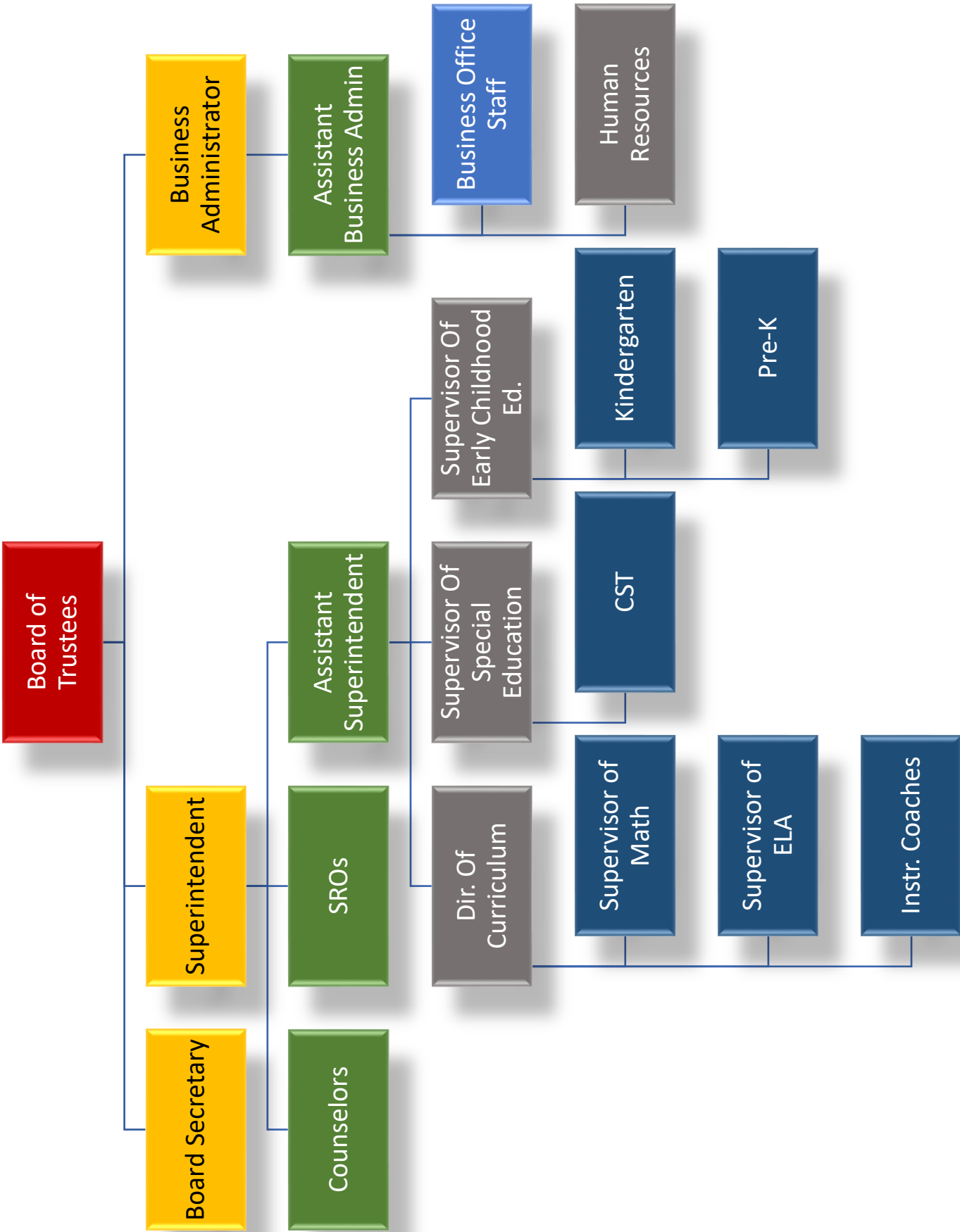
9. **ACKNOWLEDGEMENTS**

I would like to express my appreciation to the members of the Prospect 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, thorough and dedicated services of our financial and accounting staff.

Respectfully submitted,

Michael Parent

Michael Parent, Ed.D.
Acting Superintendent



PROSPECT PARK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2024

Members of the Board of Education

Term Expires

Arwa Ensour, President

2026

Dhariany Valerio, Vice President

2024

Delshawn Colcloughly

2026

Daysi Gonzalez

2024

Ariosto Rodriguez

2025

Euyenibert Lopez

2025

Naiz Nadim

2024

Other Officials

Dr. Tyeshia A. Reels, Superintendent of Schools

Richard Giglio, School Business Administrator

Anand Shah, Treasurer of School Monies

PROSPECT PARK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

June 30, 2024

Attorney

BUGLIONE, HUTTON & DEYOE, LLC
401 Paterson Hamburg Turnpike, #206
Wayne, NJ 07470

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depositories

VALLEY NATIONAL BANK
1460 Valley Road
Wayne, NJ 07470

FINANCIAL SECTION



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Prospect Park School District, in the County of Passaic, State of New Jersey, 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, business-type activities and each major fund of the Borough of Prospect Park Board of Education, in the County of Passaic, State of New Jersey, 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Prospect Park Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

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

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

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

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

Other Matters

Required Supplementary Information

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



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

Other Information

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

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

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



Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2025 on our consideration of the Borough of Prospect Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Prospect Park Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkatz

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

Wielkatz & Company, LLC

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

January 9, 2025



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

As management of the Borough of Prospect Park Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of the Borough of Prospect Park Board of Education for the fiscal year ended June 30, 2024.

The management’s discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the Prospect Park Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$522,279. (Net Position).
- In total, net position increased by \$1,826,797. Net position of the governmental activities increased by \$1,896,165 and net position of business-type activities decreased by \$69,368.
- General revenues accounted for \$3,338,364 in revenue or 13 percent of all governmental and business-type activities revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$21,432,657 or 87 percent of total revenues of \$24,771,021.
- The School District had \$22,174,733 in expenses related to governmental activities; only \$20,740,159 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$3,330,739 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$130,082.
- The General Fund fund balance at June 30, 2024 was \$121,814, a decrease of \$991,785 compared to the ending fund balance at June 30, 2023 of \$1,113,599.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$454,153 which represents a decrease of \$253,595 compared to the ending unassigned budgetary fund balance at June 30, 2023 of \$707,748.

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

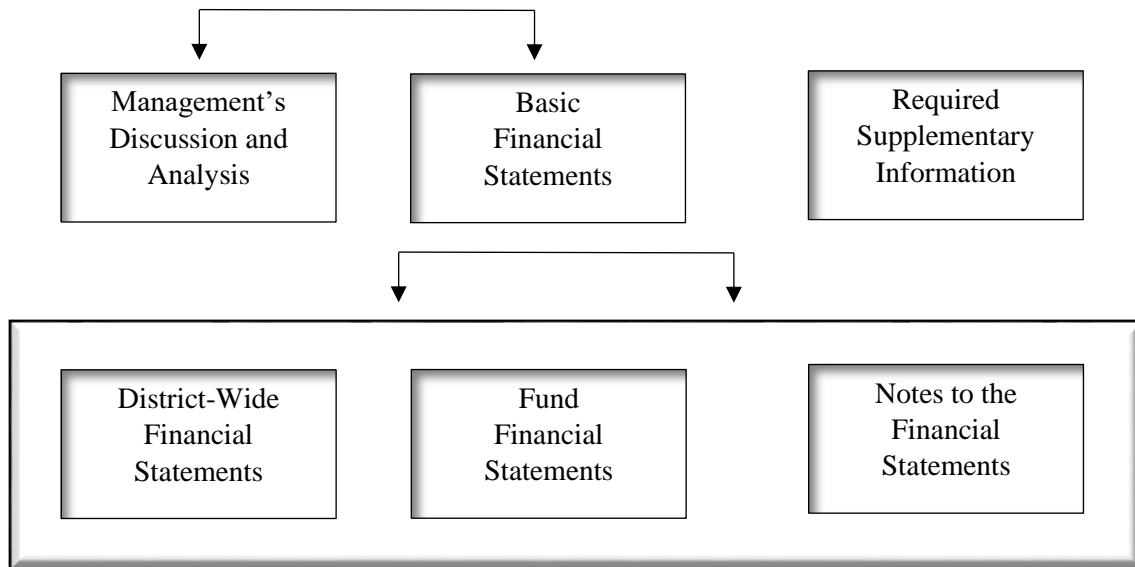
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, (continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

USING THIS ANNUAL REPORT

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

District-Wide Financial Statements

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

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

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

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

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

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Prospect Park School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Prospect Park School District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

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

The Borough of Prospect Park School District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, and debt service fund which are all considered to be major funds.

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

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net position was \$522,279 at June 30, 2024 and (\$1,304,518) at June 30, 2023, respectively. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2024 compared to 2023 (Table 1) and change in net position (Table 2) of the School District.

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**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and Other Assets	\$4,176,022	\$3,654,556	\$96,483	\$252,715	\$4,272,505	\$3,907,271
Capital Assets	<u>4,409,232</u>	<u>1,976,336</u>	<u>96,028</u>	<u>11,109</u>	<u>4,505,260</u>	<u>1,987,445</u>
Total Assets	<u>8,585,254</u>	<u>5,630,892</u>	<u>192,511</u>	<u>263,824</u>	<u>8,777,765</u>	<u>5,894,716</u>
Deferred Outflows:						
Deferred Outflows of Resources						
Related to PERS	<u>366,711</u>	<u>499,531</u>	<u> </u>	<u> </u>	<u>366,711</u>	<u>499,531</u>
Total Deferred Outflows	<u>366,711</u>	<u>499,531</u>	<u>-</u>	<u>-</u>	<u>366,711</u>	<u>499,531</u>
Liabilities						
Current Liabilities	4,229,705	2,560,999	47,293	49,238	4,276,998	2,610,237
Noncurrent Liabilities	<u>4,069,228</u>	<u>4,560,238</u>	<u> </u>	<u> </u>	<u>4,069,228</u>	<u>4,560,238</u>
Total Liabilities	<u>8,298,933</u>	<u>7,121,237</u>	<u>47,293</u>	<u>49,238</u>	<u>8,346,226</u>	<u>7,170,475</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>275,971</u>	<u>528,290</u>	<u> </u>	<u> </u>	<u>275,971</u>	<u>528,290</u>
Total Deferred Inflows	<u>275,971</u>	<u>528,290</u>	<u>-</u>	<u>-</u>	<u>275,971</u>	<u>528,290</u>
Net Assets						
Net Investment in Capital Assets	3,860,232	1,157,336	96,028	11,109	3,956,260	1,168,445
Restricted	777,158	1,684,701			777,158	1,684,701
Unrestricted	<u>(4,260,329)</u>	<u>(4,361,141)</u>	<u>49,190</u>	<u>203,477</u>	<u>(4,211,139)</u>	<u>(4,157,664)</u>
Total Net Position	<u>\$377,061</u>	<u>(\$1,519,104)</u>	<u>\$145,218</u>	<u>\$214,586</u>	<u>\$522,279</u>	<u>(\$1,304,518)</u>

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Changes in Net Position:

The District's total net position increased \$1,826,797 over the course of the 2023-2024 fiscal year (See Table 2). Net Position invested in capital assets increased \$2,787,815 due to current year capital asset additions, offset by current fiscal year depreciation and paydown of right to use leased assets, offset by amortization. Restricted net position decreased \$907,543 as a result of net decreases in the capital reserve, maintenance reserve, emergency reserve and amounts designated for subsequent years expenditures. Unrestricted net position decreased \$53,495 primarily due to the changes in compensated absences payable, net pension liability, deferred inflows and outflows of resources related to pensions, unexpended budget appropriations and an excess in state revenues.

Table 2 below shows the changes in net position for fiscal year 2024 compared to 2023.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	\$13,741	\$3,328	\$13,348	\$3,722	\$27,089	\$7,050
Operating Grants and Contributions	20,726,418	18,092,986	679,150	656,119	21,405,568	18,749,105
Capital Grants and Contributions		98,179				98,179
General Revenues:						
Taxes:						
Property taxes	3,195,824	3,195,824			3,195,824	3,195,824
Miscellaneous Income	131,251	444,673	7,625	5,246	138,876	449,919
Investment Income	<u>3,664</u>	<u>4,850</u>	<u></u>	<u></u>	<u>3,664</u>	<u>4,850</u>
Total Revenues and Transfers	<u>\$24,070,898</u>	<u>\$21,839,840</u>	<u>\$700,123</u>	<u>\$665,087</u>	<u>\$24,771,021</u>	<u>\$22,504,927</u>

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Functions/Program Expenses						
Instruction:						
Regular	\$4,778,244	\$7,044,830	\$	\$	\$4,778,244	\$7,044,830
Special Education	3,446,598	1,244,081			3,446,598	1,244,081
Other Special Instruction	158,347	116,009			158,347	116,009
Other Instruction	8,817	14,980			8,817	14,980
Support Services:						
Instruction	3,086,296	3,710,405			3,086,296	3,710,405
Student & Instruction Related Services	2,328,071	1,847,665			2,328,071	1,847,665
General Administrative Services	493,382	329,236			493,382	329,236
School Administrative Services	495,058	366,296			495,058	366,296
Central Services	447,897	502,148			447,897	502,148
Administrative Information Technology	85,261	100,326			85,261	100,326
Plant Operations and Maintenance	1,368,154	1,290,345			1,368,154	1,290,345
Pupil Transportation	947,044	962,426			947,044	962,426
Unallocated Benefits	3,359,100	3,106,918			3,359,100	3,106,918
Capital Outlay -						
Non-depreciable	156,489	195,968			156,489	195,968
Charter Schools	486,675	379,353			486,675	379,353
Interest on Long-Term Debt	56,959	68,316			56,959	68,316
Unallocated Depreciation	285,743	8,486			285,743	8,486
Amortization	186,598	186,598			186,598	186,598
Food Service			769,491	606,272	769,491	606,272
Total Expenses	<u>22,174,733</u>	<u>21,474,386</u>	<u>769,491</u>	<u>606,272</u>	<u>22,944,224</u>	<u>22,080,658</u>
Increase or (Decrease) in						
Net Position	<u>\$1,896,165</u>	<u>\$365,454</u>	<u>(\$69,368)</u>	<u>\$58,815</u>	<u>\$1,826,797</u>	<u>\$424,269</u>

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental Activities

Net position from the District's governmental activities increased by \$1,896,165 during the fiscal year. However, maintaining existing programs, the provision of specialized special programs/services for student with special needs and the cost of employee benefits has placed great demands on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Table 3 presents the costs of six major District activities: instruction, pupil and instructional services, administrative and business, maintenance and operations, transportation, and other. The table also shows each activity's net costs (total cost less fees generated by the activities and intergovernmental aid provided for specific program). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Table 3
Net Cost of Governmental Activities
Year Ended June 30,**

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$8,392,006	\$ 8,419,900	\$(4,619,634)	\$(3,861,572)
Pupil and Instruction Services	5,414,367	5,558,070	3,107,677	2,453,327
Administrative and Business	1,521,598	1,298,006	1,521,598	1,298,006
Maintenance and Operations	1,368,154	1,290,345	1,000,711	881,759
Transportation	947,044	962,426	882,156	864,702
Other	4,531,564	3,945,639	(457,934)	1,643,671
	<u>\$22,174,733</u>	<u>\$21,474,386</u>	<u>\$1,434,574</u>	<u>\$3,279,893</u>

Business-Type Activities

The net position of the District's business-type activities decreased by \$69,368. The net position of the Food Service program decreased by \$69,368 due to an increase in operating expenses which exceeded the increase in daily sales and federal and state subsidy reimbursements.

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$22,944,224. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$3,195,824 because some of the cost was paid by those who benefitted from the programs \$27,089, by other governments and organizations who subsidized certain programs with grants and contributions \$21,405,568, and by miscellaneous sources \$142,540.

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

- ✓ Food service expenses exceeded revenues by \$69,368.
- ✓ Charges for services provided totaled \$13,348 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$679,150.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2024, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$3,347,470	13.3%	(\$313,905)	-8.57%	\$3,661,375
State Source	16,592,736	65.9%	525,825	3.27%	16,066,911
Federal Source	<u>5,224,502</u>	<u>20.8%</u>	<u>2,382,664</u>	83.84%	<u>2,841,838</u>
Total	<u>\$25,164,708</u>	<u>100.0%</u>	<u>\$2,594,584</u>	11.50%	<u>\$22,570,124</u>

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$7,948,547	30.2%	\$175,152	2.25%	\$7,773,395
Undistributed	14,862,002	56.5%	(1,373,465)	-8.46%	16,235,467
Debt Service	497,364	1.9%	70,385	16.48%	426,979
Capital Outlay	<u>2,995,726</u>	<u>11.4%</u>	<u>2,799,758</u>	1428.68%	<u>195,968</u>
Total	<u>\$26,303,639</u>	<u>100.0%</u>	<u>\$1,671,830</u>	6.79%	<u>\$24,631,809</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund, the special revenue fund and the debt service fund. The capital projects fund is funded by bond proceeds and state aide; therefore, no budget is presented.

During the fiscal year ended June 30, 2024, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- During the fiscal year ended June 30, 2024, the School District amended the special revenue fund by \$4,905,123 for increases in local, state and federal grants.

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

General Fund

The general fund actual revenue was \$18,319,906. That amount is \$3,333,837 above the final amended budget of \$14,986,069. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,146,728 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state aids of \$133,385, an increase in federal aids of \$17,709, and an increase of \$36,015 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$19,333,898 including transfers which is \$2,862,823 above the final amended budget of \$16,471,075. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$3,146,728, and \$283,905 unexpended budgeted funds.

General fund had total revenues of \$18,319,906 and total expenditures and transfers of \$19,333,898 with an ending fund balance of \$1,223,043.

Special Revenue Fund

The special revenue fund actual revenue was \$7,193,332. That amount is \$263,301 below the final amended budget of \$7,456,633. The variance between the actual revenue and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$7,191,896, which is \$264,737 below the final amended budget of \$7,456,633. The variance between actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024 the School District had \$5,878,018 invested in land, buildings and building improvements, machinery and equipment, construction in progress and right to use leased assets. Of this amount \$1,372,758 in depreciation/amortization has been taken over the years. We currently have a net book value of \$4,505,260. Table 4 shows fiscal year 2024 balances compared to 2023.

Additional information about the District's capital assets can be found in the notes to the basic financial statements.

**Table 4
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Sites and Improvements	\$12,549	\$12,549	\$	\$	\$12,549	\$12,549
Construction in Progress	2,826,317				2,826,317	
Buildings and Improvements	62,700	-			62,700	-
Furniture, Equipment and Vehicles	14,878	284,401	96,028	11,109	110,906	295,510
Right to Use Leased Assets	<u>1,492,788</u>	<u>1,679,386</u>	<u></u>	<u></u>	<u>1,492,788</u>	<u></u>
	<u>\$4,409,232</u>	<u>\$1,976,336</u>	<u>\$96,028</u>	<u>\$11,109</u>	<u>\$4,505,260</u>	<u>\$308,059</u>

Debt Administration

At June 30, 2024, the District had \$4,069,228 in long-term debt. Of this amount, \$169,098 is for compensated absences, \$549,000 is for general bond obligations, \$1,613,442 is for right to use lease liability and \$1,737,688 is for the District's net pension liability. For more detailed information, please refer to the Notes to the Financial Statements.

**Table 5
Outstanding Serial Bonds at June 30,**

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
School Bonds – 2010	<u>\$549,000</u>	<u>\$819,000</u>

**PROSPECT PARK BOARD OF EDUCATION
PROSPECT PARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The district continues to rely predominately upon local property taxes as its main source of funding. Therefore, in consideration of current economic conditions and the anticipation of continued flat state aid support, the Board of Education has sought to control budget expenses to minimize the impact on the local tax levy.

The following factors were considered in preparing the 2024-2025 fiscal year budget:

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

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

REQUESTS FOR INFORMATION

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

Fahim Abedrabbo
School Business Administrator
Prospect Park Board of Education
290 N. 8th Street
Prospect Park, NJ 07508

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PROSPECT PARK BOARD OF EDUCATION
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	640,393	39,437	679,830
Security Deposits	20,000		20,000
Receivables, Net	3,105,083	36,463	3,141,546
Inventory		20,583	20,583
Restricted Assets:			
Cash and Cash Equivalents	410,546		410,546
Capital Assets, Net:			
Land and Construction in Progress	2,838,866		2,838,866
Other Capital Assets, Net	77,578	96,028	173,606
Right to Use Leased Assets, Net of Amortization	1,492,788		1,492,788
Total Assets	<u>8,585,254</u>	<u>192,511</u>	<u>8,777,765</u>
Deferred Outflow of Resources:			
Deferred Outflows of Resources Related to PERS	<u>366,711</u>		<u>366,711</u>
Total Deferred Outflows	<u>366,711</u>		<u>366,711</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	2,495,714	46,346	2,542,060
Payable to State Government	36,437		36,437
Unearned Revenue	1,682,650	947	1,683,597
Payroll Deductions and Withholdings Payable	14,904		14,904
Noncurrent Liabilities:			
Due Within One Year	440,932		440,932
Due Beyond One Year	3,628,296		3,628,296
Total Liabilities	<u>8,298,933</u>	<u>47,293</u>	<u>8,346,226</u>
Deferred Inflow of Resources:			
Deferred Inflows of Resources Related to PERS	<u>275,971</u>		<u>275,971</u>
Total Deferred Inflows	<u>275,971</u>		<u>275,971</u>
NET POSITION			
Net Investment in Capital Assets	3,860,232	96,028	3,956,260
Restricted for:			
Other Purposes	777,158		777,158
Unrestricted (Deficit)	<u>(4,260,329)</u>	<u>49,190</u>	<u>(4,211,139)</u>
Total Net Position	<u><u>377,061</u></u>	<u><u>145,218</u></u>	<u><u>522,279</u></u>

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

PROSPECT PARK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	4,448,953	329,291		10,134,234	5,355,990		5,355,990
Special Education	3,344,443	102,155		2,877,406	(569,192)		(569,192)
Other Special Instruction	146,435	11,912			(158,347)		(158,347)
Other Instruction	8,716	101			(8,817)		(8,817)
Support Services:							
Instruction	3,086,296		13,741	1,809,564	(1,262,991)		(1,262,991)
Student & Instruction Related Services	2,259,316	68,755		483,385	(1,844,686)		(1,844,686)
General Administrative Services	469,867	23,515			(493,382)		(493,382)
School Administrative Services	458,611	36,447			(495,058)		(495,058)
Central Services	428,675	19,222			(447,897)		(447,897)
Administrative Information Tech.	85,261				(85,261)		(85,261)
Plant Operations and Maintenance	1,340,395	27,759		367,443	(1,000,711)		(1,000,711)
Pupil Transportation	947,044			64,888	(882,156)		(882,156)
Unallocated Benefits	3,359,100			2,070,627	(1,288,473)		(1,288,473)
Transfer to Charter Schools	486,675				(486,675)		(486,675)
Capital Outlay - Non-Depreciable	156,489			2,918,871	2,762,382		2,762,382
Interest on Long-Term Debt	56,959				(56,959)		(56,959)
Unallocated Depreciation	285,743	(D)			(285,743)		(285,743)
Amortization	186,598				(186,598)		(186,598)
Total Governmental Activities	21,555,576	619,157	13,741	20,726,418	(1,434,574)	-	(1,434,574)
Business-Type Activities:							
Food Service	769,491		13,348	679,150		(76,993)	(76,993)
Total Business-Type Activities	769,491		13,348	679,150		(76,993)	(76,993)
Total Primary Government	22,325,067		27,089	21,405,568	(1,434,574)		(1,511,567)
General Revenues:							
Taxes:							
Levied for General Purposes					3,195,824		3,195,824
Interest Earned on Capital Reserve Funds					3,664		3,664
Miscellaneous Income					131,251	7,625	138,876
Total General Revenues, Special Items, Extraordinary Items and Transfers					3,330,739	7,625	3,338,364
Change in Net Position					1,896,165	(69,368)	1,826,797
Net Position—Beginning					(1,519,104)	214,586	(1,304,518)
Net Position—Ending					377,061	145,218	522,279

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

* Student Activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"
(D) - Unallocated depreciation excludes direct depreciation expenses of the various programs

FUND FINANCIAL STATEMENTS

PROSPECT PARK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents			
Checking	640,393		640,393
Security Deposits	20,000		20,000
Accounts Receivable -			
Intergovernmental - State	509,383		509,383
Intergovernmental - Federal		2,558,881	2,558,881
Other Accounts Receivable	11,772	25,047	36,819
Interfund Receivables	361,643		361,643
Restricted Cash and Cash Equivalents:			
Capital Reserve	291,460		291,460
Maintenance Reserve	95,914		95,914
Summer Savings	14,882 *		14,882
Flexible Spending	22 *		22
Student Activities		8,268 *	8,268
	<u>1,945,469</u>	<u>2,592,196</u>	<u>4,537,665</u>
Total Assets			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	558,698	1,753,251	2,311,949
Intergovernmental Payable:			
State		36,437	36,437
Payroll Deductions and Withholdings Payable	14,904 **		14,904
Interfund Payable		361,643	361,643
Unearned Revenue	1,250,053	432,597	1,682,650
	<u>1,823,655</u>	<u>2,583,928</u>	<u>4,407,583</u>
Total Liabilities			
Fund Balances:			
Restricted for:			
Excess Surplus - Current Year	143,659		143,659
Capital Reserve Account	291,460		291,460
Maintenance Reserve Account	95,914		95,914
Student Activity Accounts		8,268	8,268
Assigned to:			
Year-End Encumbrances	34,373		34,373
Designated by the BOE for			
Subsequent Year's Expenditures	203,484		203,484
Unassigned:			
General Fund	(647,076)		(647,076)
	<u>121,814</u>	<u>8,268</u>	<u>130,082</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>1,945,469</u>	<u>2,592,196</u>	

PROSPECT PARK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2024

Amounts Reported for Governmental Activities in the Statement of
Net Position (A-1) are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are Not Reported in the Funds. The Cost of the Assets is \$3,828,926 and the Accumulated Depreciation, is \$912,482	2,916,444
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets at historical cost	1,865,984
Accumulated amortization	(373,196)
Accounts Payable for Subsequent Pension Payment is Not a Payable in the Funds	(173,125)
Deferred Outflows and Inflows of Resources are Applicable to Future Periods and Therefore are Not Reported in the Funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	366,711
Deferred Inflows of Resources Related to PERS Pension Liability	(275,971)
Accrued Interest Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported as Liabilities in the Funds	(10,640)
Long-Term Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported as Liabilities in the Funds (see Note 6)	(4,069,228)
Net Position of Governmental Activities	<u><u>377,061</u></u>

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

* Include former fiduciary fund cash and cash equivalents

** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

PROSPECT PARK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	3,195,824			3,195,824
Interest Earned on Capital Reserve Funds	3,664			3,664
Miscellaneous	131,251	2,990		134,241
Student Group Receipts		13,741 *		13,741
Total - Local Sources	3,330,739	16,731	-	3,347,470
State Sources	14,993,665	1,599,071		16,592,736
Federal Sources	17,709	5,206,793		5,224,502
Total Revenues	18,342,113	6,822,595	-	25,164,708
EXPENDITURES				
Current:				
Regular Instruction	4,448,953			4,448,953
Special Education Instruction	1,264,024	2,080,419		3,344,443
Other Special Instruction	146,435			146,435
School Sponsored/Other Instructional	8,716			8,716
Support Services and Undistributed Costs:				
Instruction	1,330,427	1,821,869 **		3,152,296
Attendance and Social Work Services	32,918			32,918
Health Services	182,838			182,838
Student & Instruction Related Services	2,043,560			2,043,560
General Administrative Services	469,867			469,867
School Administrative Services	458,611			458,611
Central Services	428,675			428,675
Administrative Information Tech.	85,261			85,261
Plant Operations and Maintenance	1,340,395			1,340,395
Pupil Transportation	947,044			947,044
Unallocated Benefits	2,087,134			2,087,134
On-behalf Contributions	3,146,728			3,146,728
Transfer to Charter Schools	486,675			486,675
Debt Service:				
Principal	165,932		270,000	435,932
Interest and Charges	34,072		27,360	61,432
Capital Outlay	76,855	2,918,871		2,995,726
Total Expenditures	19,185,120	6,821,159	297,360	26,303,639
Excess (Deficiency) of Revenues Over Expenditures	(843,007)	1,436	(297,360)	(1,138,931)
OTHER FINANCING SOURCES (USES)				
Transfers In - Capital Reserves			148,778	148,778
Transfers Out - Debt Service Fund	(148,778)			(148,778)
Total Other Financing Sources and Uses	(148,778)	-	148,778	-
Net Change in Fund Balances	(991,785)	1,436	(148,582)	(1,138,931)
Fund Balance—July 1	1,113,599	6,832	148,582	1,269,013
Fund Balance—June 30	121,814	8,268	-	130,082

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

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

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

PROSPECT PARK BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from B-2) (1,138,931)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital Outlays are Reported in Governmental Funds as Expenditures. However, in the Statement of Activities, the Cost of Those Assets is Allocated Over Their Estimated Useful Lives as Depreciation Expense. This is the Amount by Which Capital Outlays Exceeded Depreciation in the Period.

Depreciation Expense	(285,743)	
Depreciable Outlays not depreciated	2,826,317	
Depreciable Outlays	<u>78,920</u>	
		2,619,494

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Accumulated amortization	<u>(186,598)</u>	
		(186,598)

Repayment of Long-Term Debt is Reported as an Expenditure in the Governmental Funds, but the Repayment Reduces Long-Term Liabilities in the Statement of Net Position and is not Reported in the Statement of Activities. In the Current Year, These Amounts Consist of:

Serial Bond Obligations	270,000	
Right to Use Leased Assets	<u>165,932</u>	
		435,932

In the Statement of Activities, Interest on Long-Term Debt in the Statement of Activities is Accrued, Regardless of When Due. In the Governmental Funds, Interest is Reported When Due. The Change in Interest is an Adjustment in the Reconciliation.

Prior Year - Bonds	13,650	
Current Year - Bonds	(9,150)	
Prior Year - Right to Use Leases	1,463	
Current Year - Right to Use Leases	<u>(1,490)</u>	
		4,473

In the Statement of Activities, Certain Operating Expenses, e.g., Compensated Absences (Vacations) are Measured by the Amounts Earned During the Year. In the Governmental Funds, However, Expenditures for These Items are Reported in the Amount of Financial Resources Used (Paid). When the Earned Amount Exceeds the Paid Amount, the Difference is Reduction in the Reconciliation (-); When the Paid Amount Exceeds the Earned Amount the Difference is an Addition to the Reconciliation (+).

Increase in Compensated Absences Payable	(29,786)
--	----------

District Pension Contributions are Reported as Expenditures in the Governmental Funds When Made. However, per GASB No. 68 they are Reported as Deferred Outflows of Resources in the Statement of Net Position Because the Reported Net Pension Liability is Measured a Year Before the District's Report Date. Pension Expense, Which is the Change in the Net Pension Liability Adjusted for Changes in Deferred Outflows and Inflows of Resources Related to Pensions, is Reported in the Statement of Activities.

District Pension Contributions	160,343	
Plus: Pension Benefit	<u>31,238</u>	
(Increase)/Decrease in Pension Expense		191,581

Per GASB No. 68, Non-Employer Contributing Entities are Required to Record Any Increases in Revenue and Expense for On-behalf TPAF Pension Payments Paid by the State of New Jersey on the Statement of Activities That are in Excess of Those Amounts Reported in the Fund Financial Statements.

Decrease in On-behalf State Aid TPAF Pension	(1,467,977)
Decrease in On-behalf TPAF Pension Expense	1,467,977

Per GASB No. 75 Non-Employer Contributing Entities are Required to Record an Increases in Revenue and Expense for On-behalf TPAF Post Employment Medical Payments Paid by the State of New Jersey on the Statement of Activities That are in Excess of Those Amounts Reported in the Fund Financial Statements

Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	374,167
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(374,167)

Change in Net Position of Governmental Activities	<u><u>1,896,165</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PROSPECT PARK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2024

	<u>Food Service Program</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	39,437
Accounts Receivable:	
State	989
Federal	35,474
Inventories	20,583
Total Current Assets	<u>96,483</u>
Noncurrent Assets:	
Capital Assets:	
Equipment	183,108
Less Accumulated Depreciation	<u>(87,080)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>96,028</u>
Total Assets	<u><u>192,511</u></u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	46,346
Deferred Revenues	947
Total Current Liabilities	<u>47,293</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	96,028
Unrestricted	49,190
Total Net Position	<u><u>145,218</u></u>

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

Exhibit B-5

PROSPECT PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2024

	Food Service Program
Operating Revenues:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	13,348
Total Operating Revenues	<u>13,348</u>
Operating Expenses:	
Cost of Sales - Reimbursable	289,045
Cost of Sales - Non-Reimbursable	8,078
Salaries	314,381
Benefits	74,456
Supplies and Materials	44,111
Purchased Property Services	24,174
Other Expenses	4,442
Depreciation	10,804
Total Operating Expenses	<u>769,491</u>
Operating Income (Loss)	<u>(756,143)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	6,591
Breakfast After the Bell	8,960
Federal sources:	
National School Breakfast Program	214,903
National School Lunch Program	365,288
Emergency Operational Cost Program - Schools	653
School Equipment Grant	18,689
Supply Chain Assistance	22,132
Food Distribution Program	41,934
Interest Income	7,625
Total Nonoperating Revenues (Expenses)	<u>686,775</u>
Income (Loss) before Contributions & Transfers	<u>(69,368)</u>
Change in Net Position	(69,368)
Total Net Position—Beginning	<u>214,586</u>
Total Net Position—Ending	<u><u>145,218</u></u>

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

PROSPECT PARK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2024

	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	17,500
Payments to Suppliers	<u>(732,723)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(715,223)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	17,331
Federal Sources	<u>689,522</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>706,853</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Dividends	<u>7,625</u>
Net Cash Provided by (Used for) Investing Activities	<u>7,625</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	<u>(95,723)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(95,723)</u>
Net Increase (decrease) in Cash and Cash Equivalents	<u>(96,468)</u>
Balances—Beginning of Year	<u>135,903</u>
Balances—End of Year	<u><u>39,435</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	(756,143)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	10,804
Food Distribution Program	41,934
(Increase) Decrease in Inventories	(15,522)
Increase (Decrease) in Accounts Payable	3,241
Increase (Decrease) in Deferred Revenues	463
Total Adjustments	<u>40,920</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>(715,223)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Borough of Prospect School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Prospect Park School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Presentation

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

District-wide Financial Statements

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

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

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fund Financial Statements

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

GOVERNMENTAL FUNDS

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

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

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

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

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

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS, (continued)

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

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Measurement Focus

District-wide Financial Statements

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

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

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

Expenses/Expenditures

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

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

Budgets/Budgetary Control

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

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Budgets/Budgetary Control, (continued)

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

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

Encumbrances

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

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

Cash, Cash Equivalents and Investments

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

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

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Cash, Cash Equivalents and Investments, (continued)

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

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

Tuition Payable

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

Inventories

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Short-Term Interfund Receivables/Payables

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Capital Assets

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

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

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

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

Compensated Absences

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Compensated Absences, (continued)

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

Unearned Revenue

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

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

Accrued Liabilities and Long-term Obligations

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

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

Interfund Activity

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Accounting and Financial Reporting for Pensions

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

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

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

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

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Accounting and Financial Reporting for Pensions (continued)

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

Bond Discounts/Premiums

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

Deferred Outflows/Inflows of Resources

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

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

Right to Use Assets

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fund Balances

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

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

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

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Net Position

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

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

Operating Revenues and Expenses

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

Extraordinary and Special Items

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

Allocation of Indirect Expenses

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Use of Estimates

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

Recently Issued Accounting Pronouncements

The GASB has issued the following statements that will become effective for the School District for fiscal years ending June 30, 2025 and 2026:

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

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the District.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2024, \$0- of the District's bank balance of \$1,917,452 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 3. RECEIVABLES

Receivables at June 30, 2024 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
Interfunds	\$361,643	\$	\$
State Aid	509,383	989	510,372
Federal Aid	2,558,881	35,474	2,594,355
Other Receivables	<u>36,819</u>	<u> </u>	<u>36,819</u>
Gross Receivables	3,466,726	36,463	3,141,546
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$3,466,726</u></u>	<u><u>\$36,463</u></u>	<u><u>\$3,141,546</u></u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2024, consist of the following:

<u>\$361,643</u>	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u><u>\$361,643</u></u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<u>\$148,778</u>	Due from the General Fund to the Debt Service Fund for budgeted capital reserve funds.
<u><u>\$148,778</u></u>	

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	<u>Balance</u> <u>6/30/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/24</u>
Governmental Activities				
Capital Assets that are not being depreciated:				
Land:	\$12,549	\$	\$	\$12,549
Construction in progress	<u>-</u>	<u>2,826,317</u>	<u> </u>	<u>2,826,317</u>
Total Capital Assets, not being depreciated	<u>12,549</u>	<u>2,826,317</u>	<u>-</u>	<u>2,838,866</u>
Building and building improvements	402,717	66,000		468,717
Machinery and equipment	508,423	12,920		521,343
Right to Use Leased Assets	<u>1,865,984</u>	<u> </u>	<u> </u>	<u>1,865,984</u>
Totals at historical cost	<u>2,777,124</u>	<u>78,920</u>	<u>-</u>	<u>2,856,044</u>
Less accumulated depreciation for:				
Buildings and improvements	(402,717)	(3,300)		(406,017)
Equipment	(224,022)	(282,443)		(506,465)
Right to Use Leased Assets	<u>(186,598)</u>	<u>(186,598)</u>	<u> </u>	<u>(373,196)</u>
Total accumulated depreciation/amortization	<u>(813,337)</u>	<u>(472,341)</u>	<u>-</u>	<u>(1,285,678)</u>
Total Capital Assets being depreciated, net of accumulated depreciation/amortization	<u>1,963,787</u>	<u>(393,421)</u>	<u> </u>	<u>1,570,366</u>
Governmental activities capital assets, net	<u>\$1,976,336</u>	<u>(\$2,432,896)</u>	<u>\$ -</u>	<u>\$4,409,232</u>

	<u>Balance</u> <u>6/30/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/24</u>
Business-type activities				
Equipment	\$87,385	\$95,723	\$	\$183,108
Less accumulated depreciation for:				
Equipment	<u>(76,276)</u>	<u>(10,804)</u>	<u> </u>	<u>(87,080)</u>
Business-type activities capital assets, net	<u>\$11,109</u>	<u>\$84,919</u>	<u>\$ -</u>	<u>\$96,028</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 6. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the fiscal year ended June 30, 2024 are as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Long-term</u> <u>Portion</u>
Governmental Activities:						
Bonds payable:						
General obligation debt	\$819,000	\$	(\$270,000)	\$549,000	\$275,000	\$274,000
Total Bonds Payable	<u>819,000</u>	<u>-</u>	<u>(270,000)</u>	<u>549,000</u>	<u>275,000</u>	<u>274,000</u>
Other Liabilities:						
Compensated absences payable	139,312	73,535	(43,749)	169,098		169,098
Net Pension Liability PERS	1,822,552		(84,864)	1,737,688		1,737,688
Lease Liability	<u>1,779,374</u>		<u>(165,932)</u>	<u>1,613,442</u>	<u>165,932</u>	<u>1,447,510</u>
Total other liabilities	<u>3,741,238</u>	<u>73,535</u>	<u>(294,545)</u>	<u>3,520,228</u>	<u>165,932</u>	<u>3,354,296</u>
Total Governmental Activities	<u>\$4,560,238</u>	<u>\$73,535</u>	<u>(\$564,545)</u>	<u>\$4,069,228</u>	<u>\$440,932</u>	<u>\$3,628,296</u>

A. Bonds Payable:

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

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

Outstanding bonds payable at June 30, 2024 consisted of the following:

<u>Issue</u>	<u>Amount</u> <u>Issued</u>	<u>Issue</u> <u>Date</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>Principal</u> <u>Balance</u> <u>June 30, 2024</u>
School Bonds of 2010	\$2,679,000	7/27/10	2.0%-5.0%	8/1/2025	<u>\$549,000</u>

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$291,460	\$275,000	\$16,460
2026	279,480	274,000	5,480
	<u>\$570,940</u>	<u>\$549,000</u>	<u>\$21,940</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024 the Board has no authorized but not issued bonds.

C. Financed Purchases Payable:

The District had no financed purchases payable outstanding at June 30, 2024.

D. Compensated Absences:

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

E. Net Pension Liability:

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

F. Leases:

The District has entered into a lease as a lessee of buildings for instructional space. An initial lease liability was recorded in the amount of \$1,865,984 in fiscal year 2023. For the year ended June 30, 2024, the value of the lease liability is \$1,613,442. The leases has an interest rate of 2.00%. The value of the right to use assets for the year ended June 30, 2024 was \$1,679,386, with accumulated amortization of \$373,196.

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

F. Leases: (continued)

The future minimum lease-purchase obligations and the net present value of these minimum lease-purchase payments as of June 30, 2024 were as follows:

<u>Fiscal Year</u>			
<u>Ending</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30,</u>			
2025	\$204,000	\$173,314	\$30,686
2026	208,080	180,930	27,150
2027	212,244	188,784	23,460
2028	216,492	196,882	19,610
2029	220,812	205,216	15,596
2030-2031	689,305	668,316	20,989
	<u>\$1,750,933</u>	<u>\$1,613,442</u>	<u>\$137,491</u>
Total Minimum Lease - Purchase Payments			\$1,750,933
Less: Amount representing interest			<u>(137,491)</u>
Present value of lease - purchase payments			<u>\$1,613,442</u>

NOTE 7. PENSION PLANS

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

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

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

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

Benefits Provided, (continued)

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

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

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

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

Contributions Requirements Fund Based Statements

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

Year <u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/24	\$160,343	\$11,137
6/30/23	152,294	17,889
6/30/22	126,254	17,864

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

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>	Long-Term Disability <u>Insurance</u>
6/30/24	\$2,049,692	\$564,213	\$23,376	\$653
6/30/23	1,973,040	525,504	27,374	677
6/30/22	2,074,440	491,511	29,267	699

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$508,794 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2024, the District had a liability of \$1,737,688 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the District's proportion was 0.0119969869 percent, which was a decrease of 0.0000797935 percent from its proportion measured as of June 30, 2022.

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

For the year ended June 30, 2024, the District recognized pension expense of \$31,238. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$16,615	\$7,103
Changes of assumptions	3,817	105,311
Net difference between projected and actual earnings on pension plan investments	8,002	
Changes in proportion and differences between the District’s contributions and proportionate share of contributions	165,152	163,557
District contributions subsequent to the measurement date	<u>173,125</u>	<u> </u>
Total	<u><u>\$366,711</u></u>	<u><u>\$275,971</u></u>

The \$173,125 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	(\$91,743)
2025	(51,208)
2026	71,559
2027	(12,806)
2028	218

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

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 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,484,374,047	15,091,376,611
District's Proportion	0.0120767804%	0.0120767804%

Actuarial Assumptions

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

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

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS, (continued)

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

Actuarial Assumptions, (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market 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%

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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

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

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

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$2,266,522	\$1,737,688	\$1,287,581

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2024 was as follows:

Net Pension Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>24,630,136</u>
	<u><u>\$24,630,136</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2023, the proportion of the TPAF net pension liability associated with the District was 0.0482634672%.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue of \$605,061 for contributions provided by the State in the District-Wide Financial Statements.

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-4.25% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

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

The actuarial assumptions used in the July 1, 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) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market 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%

**Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS, (continued)

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

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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

State Health Benefit State Retired Employees Plan, (continued)

"pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The 7 State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

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

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2024 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>24,970,583</u>
	<u>\$24,970,583</u>

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 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:

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

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

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

(a) 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 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially 17.4% 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 reimbursements, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total OPEB Liability 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 Total Nonemployer OPEB Liability to Changes in the Discount Rate

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

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

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

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

For the year ended June 30, 2024, the board of education/board of trustees recognized on-behalf OPEB expense of \$938,380 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

NOTE 9. DEFERRED COMPENSATION

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

Valic

NOTE 10. RISK MANAGEMENT

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

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund.

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 11. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Prospect Park Board of Education in October, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$333,795
Increased by:	
Deposits Approved by Board Resolution	40,001
Budget Appropriations	62,778
Interest Earnings	<u>3,664</u>
	\$440,238
Decreased by:	
Budget Appropriations	<u>(\$148,778)</u>
Ending Balance, June 30 2024	<u><u>\$291,460</u></u>

NOTE 12. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the general fund and its' activity is included in the general fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. Pursuant to *N.J.A.C. 6A:23A-14.2(g)*, the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 12. MAINTENANCE RESERVE ACCOUNT, (continued)

The activity of the maintenance reserve account for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$195,914
Decreased by:	
Budget Appropriations:	<u>(100,000)</u>
Ending Balance, June 30, 2024	<u><u>\$95,914</u></u>

NOTE 13. EMERGENCY RESERVE

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	<u>\$100,000</u>
Decreased by:	
Budget Appropriations	<u>\$100,000</u>
Ending Balance, July 1, 2024	<u><u>\$ -0-</u></u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$121,814 General Fund fund balance at June 30, 2024, \$143,659 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$-0- of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2025); \$291,460 has been reserved in the Capital Reserve Account; \$95,914 has been reserved in the Maintenance Reserve Account; \$203,484 is designated by the BOE for Subsequent Year's Expenditures; \$34,373 is reserve for Encumbrances; and (\$647,076) is unreserved and undesignated.

Special Revenue Fund - Of the \$8,268 Special Revenue Fund fund balance at June 30, 2024, \$8,268 is reserved for Student Activities.

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 15. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$647,076 in the General Fund as of June 30, 2024 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget years, districts must record the delayed one or more June state aid payments 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 intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, 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 June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAO financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP fund statements of \$647,076 is less than the last state aid payment(s).

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$143,659. Of this amount, \$143,659 is the result of current year operations.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2024 consisted of the following:

Food	\$15,928
Supplies	<u>4,655</u>
	<u>\$20,583</u>

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

Borough of Prospect Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 18. RIGHT TO USE LEASED ASSETS

The District has entered into a right to use leased asset agreements. This lease is for a building to be utilized as a Middle School. The right to use lease assets are amortized on the straight-line basis over the terms of the related lease. The following schedules identify the lease asset quantitative disclosure and analysis of the lease liability through June 14, 2022.

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Right to use assets				
Leased Building	<u>\$1,865,984</u>	<u>\$</u>	<u>\$</u>	<u>\$1,865,984</u>
Total right to use assets	<u>1,865,984</u>	<u>0</u>	<u>0</u>	<u>1,865,984</u>
Less accumulated amortization for:				
Leased Building	<u>(186,598)</u>	<u>(186,598)</u>		<u>(186,598)</u>
Total accumulated amortization	<u>(186,598)</u>	<u>(186,598)</u>	<u>0</u>	<u>(186,598)</u>
Right to use leased asset, net	<u>\$1,679,386</u>	<u>(\$186,598)</u>	<u>\$0</u>	<u>\$1,679,386</u>

Lease Asset Quantitative Disclosure:

<u>Lease Description</u>	<u>Role</u>	<u>Classification</u>	Net Asset <u>Balance</u>	Accumulated <u>Amortization</u>	Gross Asset <u>Balance</u>
St. Paul RC Church	Lessee	Building	<u>\$1,492,788</u>	<u>\$186,598</u>	<u>\$1,679,386</u>
			<u>\$1,492,788</u>	<u>\$186,598</u>	<u>\$1,679,386</u>

NOTE 19. CONTINGENT LIABILITIES

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

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

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 9, 2025, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

PROSPECT PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	3,195,824		3,195,824	3,195,824	
Interest Earned on Current Expense Emergency Reserve	2,900		2,900		(2,900)
Interest Earned on Maintenance Reserve Funds	6,000		6,000		(6,000)
Interest Earned on Capital Reserve Funds	5,000		5,000	3,664	(1,336)
Unrestricted Miscellaneous Revenues	85,000		85,000	131,251	46,251
Total - Local Sources	3,294,724		3,294,724	3,330,739	36,015
Revenues from State Sources:					
Categorical Special Education Aid	794,961		794,961	794,961	
Equalization Aid	10,115,153		10,115,153	10,115,153	
Categorical Security Aid	366,508		366,508	366,508	
Categorical Transportation Aid	64,723		64,723	64,723	
Extraordinary Aid	350,000		350,000	483,385	133,385
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				564,213	564,213
On-behalf TPAF Pension (non-budgeted)				2,049,692	2,049,692
On-behalf TPAF NCGI Premium (non-budgeted)				23,376	23,376
On-behalf TPAF LTDI				653	653
Reimbursed TPAF Social Security Contributions (non-budgeted)				508,794	508,794
Total - State Sources	11,691,345		11,691,345	14,971,458	3,280,113
Revenues from Federal Sources:					
Special Education Medicaid Initiative				17,709	17,709
Total - Federal Sources				17,709	17,709
TOTAL REVENUES	14,986,069		14,986,069	18,319,906	3,333,837
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	329,268	(99,564)	229,704	229,704	
Grades 1-5 - Salaries of Teachers	1,892,909	546,926	2,439,835	2,439,835	
Grades 6-8 - Salaries of Teachers	1,379,996	(62,994)	1,317,002	1,315,677	1,325
Regular Programs - Home Instruction:					
Salaries of Teachers		14,880	14,880	14,880	
Purchased Professional-Educational Services		36,364	36,364	30,474	5,890
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	13,866	34,346	48,212	48,212	
Purchased Professional-Educational Services	11,376	(5,975)	5,401	5,400	1
Purchased Technical Services	13,000	(11,560)	1,440	1,440	
Other Purchased Services (400-500 series)	130,584	(24,091)	106,493	101,540	4,953
General Supplies	275,500	(12,976)	262,524	260,921	1,603
Other Objects	2,500	(1,232)	1,268	870	398
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,048,999	414,124	4,463,123	4,448,953	14,170
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities - Mild/Moderate					
Salaries of Teachers	227,900	2,079	229,979	229,701	278
Other Salaries for Instruction	121,026	(86,954)	34,072	34,072	
General Supplies	1,500	(1,191)	309		309
Total Learning and/or Language Disabilities - Mild/Moderate	350,426	(86,066)	264,360	263,773	587
Multiple Disabilities					
Salaries of Teachers	172,833	10,919	183,752	180,475	3,277
Other Salaries for Instruction	12,360	18,490	30,850	30,850	
General Supplies		6,384	6,384	6,115	269
Total Multiple Disabilities	185,193	35,793	220,986	217,440	3,546
Resource Room/Resource Center:					
Salaries of Teachers	283,544	176,588	460,132	460,132	
Other Salaries for Instruction	117,340	63,473	180,813	180,707	106
General Supplies	1,500	(1,500)			
Total Resource Room/Resource Center	402,384	238,561	640,945	640,839	106
Autism					
Other Salaries for Instruction	89,932	(7,023)	82,909	82,871	38
General Supplies	1,000	(320)	680	294	386
Total Autism	90,932	(7,343)	83,589	83,165	424

Exhibit C-1

PROSPECT PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
General Supplies		527	527		527
Total Preschool Disabilities - Part Time		527	527		527
Preschool Disabilities- Full-Time:					
Salaries of Teachers	61,728	(53,338)	8,390	8,390	
Other Salaries for Instruction	52,670	(3,981)	48,689	48,689	
General Supplies	3,000	(1,178)	1,822	1,728	94
Total Preschool Disabilities - Full-Time	117,398	(58,497)	58,901	58,807	94
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,146,333	122,975	1,269,308	1,264,024	5,284
Bilingual Education - Instruction					
Salaries of Teachers	95,888	50,547	146,435	146,435	
Total Bilingual Education - Instruction	95,888	50,547	146,435	146,435	
School-Sponsored Co/Extra Curricular Activities - Instruction					
Other Objects		7,604	7,604	7,476	128
Total School-Sponsored Co/Extra Curricular Activities - Instruction		7,604	7,604	7,476	128
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Reading Specialists	80,523	(79,283)	1,240	1,240	
Total Other Supplemental/At-Risk Programs - Instruction	80,523	(79,283)	1,240	1,240	
TOTAL INSTRUCTION	5,371,743	515,967	5,887,710	5,868,128	19,582
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	230,000	15,249	245,249	243,749	1,500
Tuition to CSSD & Regional Day Schools	270,000	(12,689)	257,311	254,969	2,342
Tuition to Private Schools for the Disabled Within State	1,725,000	(893,291)	831,709	831,709	
Total Undistributed Expenditures - Instruction:	2,225,000	(890,731)	1,334,269	1,330,427	3,842
Undistributed Expend. - Attend. & Social Work					
Purchased Professional and Technical Services	50,500	(17,582)	32,918	32,918	
Total Undistributed Expend. - Attend. & Social Work	50,500	(17,582)	32,918	32,918	
Undist. Expend. - Health Services					
Salaries	63,000	(6,319)	56,681	56,681	
Purchased Professional and Technical Services	1,500	119,488	120,988	113,653	7,335
Supplies and Materials	6,000	6,504	12,504	12,504	
Total Undistributed Expenditures - Health Services	70,500	119,673	190,173	182,838	7,335
Undist. Expend. - Speech, OT, PT & Related Services					
Purchased Prof. Services-Educational Services	613,000	95,713	708,713	664,374	44,339
Supplies and Materials	1,300	(1,300)			
Total Undist. Expend. - Speech, OT, PT & Related Services	614,300	94,413	708,713	664,374	44,339
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Purchased Professional - Educational Services	100,000	341,424	441,424	420,855	20,569
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	100,000	341,424	441,424	420,855	20,569
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	178,741	23,483	202,224	202,224	
Other Purchased Professional and Technical Services		56	56	56	
Supplies and Materials	1,000	(1,000)			
Other Objects	500	26	526	526	
Total Undist. Expend. - Guidance	180,241	22,565	202,806	202,806	
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	136,397	83,849	220,246	220,246	
Salaries of Secretarial and Clerical Assistants	48,523	(263)	48,260	48,260	
Professional Svcs-Educational Services	2,000	2,440	4,440	4,440	
Other Purchased Services (400-500 Series)	1,000	(1,000)			
Supplies and Materials	1,000	5,272	6,272	6,272	
Total Undist. Expend. - Child Study Teams	188,920	90,298	279,218	279,218	
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	93,454	146,761	240,215	240,215	
Purchased Prof-Educational Services	25,550	(25,550)			
Other Purch Services (400-500 Series)	1,660	(1,160)	500	500	
Supplies and Materials	1,500	(65)	1,435	1,435	
Other Objects	1,690	(496)	1,194	1,194	
Total Undist. Expend. - Improvement of Inst. Services	123,854	119,490	243,344	243,344	

Exhibit C-1

PROSPECT PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	77,845	(201)	77,644	77,644	
Purchased Professional and Technical Services	9,925	128,576	138,501	138,501	
Supplies and Materials	750	3,203	3,953	3,938	15
Total Undist. Expend. - Educational Media Serv./Sch. Library	88,520	131,578	220,098	220,083	15
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisor of Instruction	3,000	(3,000)			
Purchased Professional - Educational Services	30,000	(22,059)	7,941	7,941	
Other Purchased Prof. and Tech. Services	5,000	(225)	4,775	4,775	
Other Purchased Services (400-500 Series)	2,500	(2,336)	164	164	
Total Undist. Expend. - Instructional Staff Training Serv.	40,500	(27,620)	12,880	12,880	
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	114,400	174,692	289,092	289,092	
Legal Services	75,000	(8,171)	66,829	66,829	
Audit Fees	22,000	(2,155)	19,845	19,750	95
Architectural/Engineering Services		2,000	2,000	2,000	
Other Purchased Professional Services	10,500	(2,000)	8,500	6,308	2,192
Communications/Telephone	16,411	19,093	35,504	34,146	1,358
BOE Other Purchased Services	3,350	118	3,468	3,468	
Other Purch Services (400-500 Series)	1,016	6,533	7,549	5,891	1,658
General Supplies	17,500	(11,604)	5,896	5,872	24
Judgements Against The School District		21,179	21,179	21,179	
Misc. Expenditures	5,550	4,458	10,008	8,266	1,742
BOE Membership Dues and Fees	4,551	2,515	7,066	7,066	
Total Undist. Expend. - Supp. Serv. - General Administration	270,278	206,658	476,936	469,867	7,069
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	311,975	5,097	317,072	317,072	
Salaries of Secretarial and Clerical Assistants	130,968	37	131,005	131,005	
Other Purchased Services (400-500 series)	775	259	1,034	259	775
Supplies and Materials	1,000	4,423	5,423	5,423	
Other Objects	275	4,577	4,852	4,852	
Total Undist. Expend. - Support Serv. - School Administration	444,993	14,393	459,386	458,611	775
Undist. Expend. - Central Services					
Salaries	279,200	(42,877)	236,323	236,323	
Purchased Professional Services	147,000	27,045	174,045	170,631	3,414
Purchased Technical Services	1,635	(1,635)			
Misc. Pur Services (400-500 Series)	3,500	2,345	5,845	5,649	196
Supplies and Materials	9,700	2,433	12,133	11,939	194
Interest on Current Loans		492	492	492	
Other Objects	1,375	2,266	3,641	3,641	
Total Undist. Expend. - Central Services	442,410	(9,931)	432,479	428,675	3,804
Undist. Expend. - Admin Info. Technology					
Information Technology					
Purchased Professional Services	15,775	16,171	31,946	31,946	
Purchased Technical Services		45,263	45,263	45,263	
Other Purchased Services (400-500 series)	6,685	(6,685)			
Supplies and Materials	15,000	(6,948)	8,052	8,052	
Total Undist. Expend. - Support Serv. - Administrative Information Technology	37,460	47,801	85,261	85,261	
Undist. Expend. - Required Maint. for School Facilities (261)					
Cleaning, Repair and Maintenance Services	176,772	108,020	284,792	241,456	43,336
General Supplies	30,000	(28,286)	1,714	1,714	
Total Undist. Expend. - Required Maint. for School Facilities	206,772	79,734	286,506	243,170	43,336
Undist. Expend. - Custodial Services (262)					
Salaries	357,439	(16,168)	341,271	341,271	
Purchased Professional and Technical Services		6,407	6,407	6,137	270
Cleaning, Repair and Maintenance Services	51,000	68,352	119,352	113,852	5,500
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	204,000	(31,588)	172,412	172,412	
Other Purchased Property Services	20,570	(7,438)	13,132	13,132	
Insurance	100,545	1,894	102,439	102,439	
Miscellaneous Purchased Services		3,750	3,750	3,750	
General Supplies	19,945	30,786	50,731	33,622	17,109
Energy (Natural Gas)	37,600	(13,008)	24,592	21,545	3,047
Energy (Electricity)	221,050	(42,187)	178,863	168,756	10,107
Other Objects	500	4,232	4,732	3,207	1,525
Total Undist. Expend. - Custodial Services	1,012,649	5,032	1,017,681	980,123	37,558

Exhibit C-1

PROSPECT PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care and Upkeep of Grounds (263)					
Purchased Professional and Technical Services		10,914	10,914	10,914	
General Supplies	1,000	(1,000)			
Total Undist. Expend. - Care and Upkeep of Grounds	1,000	9,914	10,914	10,914	
Undist. Expend. - Security (266)					
Salaries	28,800	(28,800)			
Purchased Professional and Technical Services	189,122	110,878	300,000	300,000	
General Supplies	5,000	1,192	6,192	6,192	
Total Undist. Expend. - Security	222,922	83,270	306,192	306,192	
Undist. Expend. - Student Transportation Services (270)					
Contract Services - Aid in Lieu Pymts - NonPub Sch.	30,800	4,901	35,701	35,701	
Contract Services (Other than Between Home & School)-Vendors	5,000	9,636	14,636	14,006	630
Contract Services (Spl. Ed. Students) - ESCs & CTSAs	904,160	6,022	910,182	897,337	12,845
Total Undist. Expend. - Student Transportation Services	939,960	20,559	960,519	947,044	13,475
UNALLOCATED BENEFITS (291)					
Social Security Contributions	200,550	(43,800)	156,750	154,224	2,526
Other Retirement Contributions-PERS	165,175	(4,832)	160,343	160,343	
Other Retirement Contributions - ERIIP	8,346	2,791	11,137	11,137	
Unemployment Compensation	42,000	(5,417)	36,583	34,702	1,881
Workmen's Compensation	82,772	26,867	109,639	109,639	
Health Benefits	2,122,046	(526,967)	1,595,079	1,537,135	57,944
Tuition Reimbursement	25,000	(23,590)	1,410	1,410	
Other Employee Benefits	16,000	53,756	69,756	69,756	
Unused Sick Payment to Terminated/Retired Staff	20,000	(11,212)	8,788	8,788	
TOTAL UNALLOCATED BENEFITS	2,681,889	(532,404)	2,149,485	2,087,134	62,351
On-behalf TPAF Post Retirement Medical (non-budgeted)				564,213	(564,213)
On-behalf TPAF Pension (non-budgeted)				2,049,692	(2,049,692)
On-behalf TPAF NCGI Premium (non-budgeted)				23,376	(23,376)
On-behalf TPAF LTDI				653	(653)
Reimbursed TPAF Social Security Contributions (non-budgeted)				508,794	(508,794)
TOTAL ON-BEHALF CONTRIBUTIONS				3,146,728	(3,146,728)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,681,889	(532,404)	2,149,485	5,233,862	(3,084,377)
TOTAL UNDISTRIBUTED EXPENDITURES	9,942,668	(91,466)	9,851,202	12,753,462	(2,902,260)
TOTAL GENERAL CURRENT EXPENSE	15,314,411	424,501	15,738,912	18,621,590	(2,882,678)
CAPITAL OUTLAY					
Undistributed					
Required Maintenance for School Facilities		12,919	12,919		12,919
Total Equipment		12,919	12,919		12,919
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	76,955		76,955	76,855	100
Total Facilities Acquisition and Construction Services	76,955		76,955	76,855	100
TOTAL CAPITAL OUTLAY	76,955	12,919	89,874	76,855	13,019
Transfer of Funds to Charter Schools	417,603	75,908	493,511	486,675	6,836
TOTAL EXPENDITURES	15,808,969	513,328	16,322,297	19,185,120	(2,862,823)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(822,900)	(513,328)	(1,336,228)	(865,214)	471,014
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Capital Reserve - Transfer to Debt Service	(148,778)		(148,778)	(148,778)	
Total Other Financing Sources/(Uses):	(148,778)		(148,778)	(148,778)	

Exhibit C-1

PROSPECT PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(971,678)	(513,328)	(1,485,006)	(1,013,992)	471,014
Fund Balance, July 1	2,237,035		2,237,035	2,237,035	
Fund Balance, June 30	<u>1,265,357</u>	<u>(513,328)</u>	<u>752,029</u>	<u>1,223,043</u>	<u>471,014</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(2,410)		(2,410)	(2,410)	
Increase in Capital Reserve:					
Principal	62,778		62,778	102,779	40,001
Interest Deposit to Capital Reserve	5,000		5,000	3,664	(1,336)
Increase in Maintenance Reserve:					
Interest Deposit to Maintenance Reserve	6,000		6,000		(6,000)
Increase in Current Expense Emergency Reserve:					
Interest Deposit to Emergency Reserve	2,900		2,900		(2,900)
Withdrawal from Capital Reserve	(148,778)		(148,778)	(148,778)	
Withdrawal from Maintenance Reserve		(100,000)	(100,000)	(100,000)	
Withdrawal from Emergency Reserve		(100,000)	(100,000)	(100,000)	
Budgeted Fund Balance	<u>(897,168)</u>	<u>(313,328)</u>	<u>(1,210,496)</u>	<u>(769,247)</u>	<u>441,249</u>
	<u>(971,678)</u>	<u>(513,328)</u>	<u>(1,485,006)</u>	<u>(1,013,992)</u>	<u>471,014</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				143,659	
Capital Reserve				291,460	
Maintenance Reserve				95,914	
Committed Fund Balance:					
Year-End Encumbrances				34,373	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				203,484	
Unassigned Fund Balance				454,153	
Total Fund Balance per Governmental Funds (Budgetary)				<u>1,223,043</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>1,101,229</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u><u>121,814</u></u>	

PROSPECT PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Source		2,990	2,990	16,731	13,741 note 1
State Sources	1,624,383	56,262	1,680,645	1,613,179	(67,466)
Federal Sources	927,127	4,845,871	5,772,998	5,563,422	(209,576)
Total Revenues	2,551,510	4,905,123	7,456,633	7,193,332	(263,301)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	396,152	836,755	1,232,907	1,174,003	58,904
Other Salaries for Instruction	73,288	40,692	113,980	107,473	6,507
Purchased Professional - Educational Services	129,867	211,216	341,083	303,795	37,288
Other Purchased Services (400-500 series)	235,529	60,538	296,067	289,538	6,529
General Supplies	57,765	174,783	232,548	209,503	23,045
Textbooks	16,100	260	16,360	16,322	38
Other Objects		15,166	15,166	11,766	3,400
Total instruction	908,701	1,339,410	2,248,111	2,112,400	135,711
Support services:					
Salaries of Supervisors of Instruction		-		-	-
Salaries of Program Directors	666,354	(578,024)	88,330	88,330	-
Salaries of Other Professional Staff	40,000	(40,000)		-	-
Salaries of Secretarial and Clerical Assistants		56,525	56,525	56,525	-
Other Salaries for Instruction	56,506	112,168	168,674	129,463	39,211
Salaries of Community Parent Involvement Specialists	61,726	(7,551)	54,175	54,175	-
Salaries of Master Teachers	62,447	(12,947)	49,500	49,500	-
Personal Services - Employee Benefits	127,064	579,267	706,331	698,479	7,852
Purchased Education Services - Contracted Pre-K	488,640	-	488,640	488,640	-
Purchased Professional - Educational Services	49,567	371,955	421,522	419,032	2,490
Other Purchased Professional Services		2,625	2,625	2,625	-
Purchased Technical Services		-		-	-
Cleaning, Repair and Maintenance Services	50,010	8,005	58,015	58,010	5
Contracted Transp. Services (Between Home & School)		-		-	-
Travel	2,596	(2,402)	194	194	-
Other Purchased Services (400-500 series)		61,891	61,891	49,732	12,159
General Supplies	1,000	55,410	56,410	53,085	3,325
Other Objects	500	(60)	440	440	-
Student Activities		-		12,395	(12,395)
Total support services	1,606,410	606,862	2,213,272	2,160,625	52,647
Facilities acquisition and const. serv.:					
Noninstructional Equipment	36,399	2,958,851	2,995,250	2,918,871	76,379
Total facilities acquisition and const. serv.	36,399	2,958,851	2,995,250	2,918,871	76,379
Total Expenditures	2,551,510	4,905,123	7,456,633	7,191,896	264,737
Excess (Deficiency) of Revenues Over (Under)	-	-	-	1,436	1,436
Expenditures and Other Financing Sources (Uses)	-	-	-	1,436	1,436
Fund Balance, July 1				\$ 6,832	
Fund Balance, June 30				\$ 8,268	
Recapitulation:					
Restricted:					
Student Activities				\$ 8,268	
Total Fund Balance				\$ 8,268	

note 1 Not required to budget for student activity or scholarship funds

PROSPECT PARK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2024

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

		General Fund	Special Revenue Fund
Sources/Inflows of Resources			
Actual Amounts (Budgetary Basis) "Revenue"			
from the Budgetary Comparison Schedule	[C-1]&[C-2]	18,319,906	7,193,332
Difference - Budget to GAAP:			
Grant Accounting Budgetary Basis Differs from GAAP in that			
Encumbrances are Recognized as Expenditures, and the Related			
Revenue is Recognized.			
Prior Year			42,075
Current Year			(412,812)
 The Last State Aid Payment is Recognized for GAAP Statements			
in the Current Year, Previously Recognized for Budgetary Purposes		1,123,436	
 The Last State Aid Payment is Recognized as Revenue for Budgetary			
Purposes, and Differs from GAAP Which Does Not Recognize			
This Revenue Until the Subsequent Year When the State			
Recognizes the Related Expense (GASB 33).		(1,101,229)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures			
and Changes in Fund Balances - Governmental Funds.	[B-2]	18,342,113	6,822,595
Uses/Outflows of Resources			
Actual Amounts (Budgetary Basis) "Total Outflows" from the			
Budgetary Comparison Schedule	[C-1]&[C-2]	19,185,120	7,191,896
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.			
Prior Year			42,075
Current Year			(412,812)
 Total Expenditures as Reported on the Statement of Revenues,			
Expenditures, and Changes in Fund Balances - Governmental Funds	[B-2]	19,185,120	6,821,159

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's	District's	District's	District's	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	District's Covered Payroll - PERS Employee's		
2015	0.0146373255%	\$ 2,740,508	\$	873,214	313.84%	52.08%
2016	0.0129783497%	2,913,379		872,656	333.85%	52.07%
2017	0.0123454259%	3,656,361		877,084	416.88%	59.86%
2018	0.0125174710%	2,913,867		863,531	337.44%	51.90%
2019	0.0117593000%	2,315,348		895,367	258.59%	46.40%
2020	0.0122285736%	2,203,403		882,000	249.82%	43.43%
2021	0.0124688564%	2,033,344		833,572	243.93%	41.35%
2022	0.0107806550%	1,277,130		864,613	147.71%	29.35%
2023	0.0120767804%	1,822,552		894,908	203.66%	36.78%
2024	0.0119969869%	1,737,688		1,066,307	162.96%	34.48%

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll		Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$	101,852	\$	(101,852)	\$ -	\$	873,214	11.66%
2016	\$	111,579	\$	(111,579)	\$ -	\$	872,656	12.79%
2017	\$	109,837	\$	(109,837)	\$ -	\$	877,084	12.52%
2018	\$	116,308	\$	(116,308)	\$ -	\$	863,531	13.47%
2019	\$	116,967	\$	(116,967)	\$ -	\$	895,367	13.06%
2020	\$	118,948	\$	(118,948)	\$ -	\$	882,000	13.49%
2021	\$	136,403	\$	(136,403)	\$ -	\$	833,572	16.36%
2022	\$	126,254	\$	(126,254)	\$ -	\$	864,613	14.60%
2023	\$	152,294	\$	(152,294)	\$ -	\$	894,908	17.02%
2024	\$	160,343	\$	(160,343)	\$ -	\$	1,066,307	15.04%

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

Fiscal Year Ending June 30,	State's				District's		State's		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll		
2015	0.0530776882%	\$	\$	5,688,843	28,368,297	\$	0.00%	498.67%	33.64%
2016	0.0542856328%	-	-	5,791,091	34,310,838		0.00%	592.48%	28.71%
2017	0.0564971989%	-	-	5,404,364	44,444,294		0.00%	822.38%	22.33%
2018	0.0555086704%	-	-	5,343,866	37,425,947		0.00%	700.35%	25.41%
2019	0.0577263677%	-	-	5,579,686	36,724,275		0.00%	658.18%	26.49%
2020	0.0502657470%	-	-	5,627,470	30,848,563		0.00%	548.18%	26.95%
2021	0.0506187761%	-	-	5,455,701	33,331,855		0.00%	610.95%	24.60%
2022	0.0505670370%	-	-	5,913,743	24,310,198		0.00%	411.08%	35.52%
2023	0.0503913655%	-	-	5,511,846	25,999,131		0.00%	471.70%	32.29%
2024	0.0482634672%	-	-	6,632,618	24,630,136		0.00%	371.35%	34.68%

PROSPECT PARK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of the School District's Contribution
Teacher's Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

The School District is not required to make any contribution towards TPAF.

There is a special funding None
contributions.

PROSPECT PARK BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2024

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 7 of the Notes to the Financial Statements.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 7 of the Notes to the Financial Statements.

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Costs	\$ 1,101,798	\$ 1,447,526	\$ 1,623,148	\$ 881,940	\$ 855,578	\$ 1,057,325	\$ 1,270,438
Interest on Total OPEB Liability	879,433	641,515	753,726	706,455	831,724	886,969	762,365
Changes in Benefit Terms			(30,926)				
Differences between Expected and Actual Experiences	(605,088)	171,562	(4,824,951)	5,602,428	(2,749,931)	(2,064,242)	
Changes in Assumptions	50,330	(6,493,773)	28,665	5,859,936	291,804	(2,401,216)	(3,256,515)
Gross Benefit Payments	(685,533)	(635,440)	(593,725)	(558,489)	(600,769)	(559,519)	(555,568)
Contribution from the Member	22,537	20,385	19,269	16,928	17,808	19,338	20,457
Net Changes in total Share of OPEB Liability	<u>763,477</u>	<u>(4,848,225)</u>	<u>(3,024,794)</u>	<u>12,509,198</u>	<u>(1,353,786)</u>	<u>(3,061,345)</u>	<u>(1,758,823)</u>
Total OPEB Liability - Beginning	<u>24,207,106</u>	<u>29,055,331</u>	<u>32,080,125</u>	<u>19,570,927</u>	<u>20,924,713</u>	<u>0</u>	<u>25,744,881</u>
Total OPEB Liability - Ending	<u>\$ 24,970,583</u>	<u>\$ 24,207,106</u>	<u>\$ 29,055,331</u>	<u>\$ 32,080,125</u>	<u>\$ 19,570,927</u>	<u>\$ (3,061,345)</u>	<u>\$ 23,986,058</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	24,970,583	24,207,106	29,055,331	32,080,125	19,570,927	20,924,713	23,986,058
Total OPEB Liability - Ending	<u>\$ 24,970,583</u>	<u>\$ 24,207,106</u>	<u>\$ 29,055,331</u>	<u>\$ 32,080,125</u>	<u>\$ 19,570,927</u>	<u>\$ 20,924,713</u>	<u>\$ 23,986,058</u>
District's Covered Employee Payroll	<u>\$ 7,698,925</u>	<u>\$ 6,406,754</u>	<u>\$ 6,778,356</u>	<u>\$ 6,289,273</u>	<u>\$ 6,509,470</u>	<u>\$ 6,475,053</u>	<u>\$ 6,207,397</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms

Decrease in liability due to employers adopting provisions of Chapter 44.

Change in assumptions

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

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

Other Supplementary Information

SPECIAL REVENUE FUND

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1a)	IDEA Part B		ARP IDEA Part B Basic	Title I, Part A	Title I, Part A	Title I, Part A SIA	Totals 2024
		Basic	Preschool					
REVENUES								
Local Sources	16,731							16,731
State Sources	1,613,179							1,613,179
Federal Sources	4,580,699	276,886	10,257	1,685	658,895		35,000	5,563,422
Total Revenues	6,210,609	276,886	10,257	1,685	658,895		35,000	7,193,332
EXPENDITURES:								
Instruction:								
Salaries of Teachers	822,518		3,637		347,848			1,174,003
Other Salaries for Instruction	107,473							107,473
Purchased Professional - Educational Services	282,045				21,750			303,795
Other Purchased Services (400-500 series)	19,514	270,024						289,538
General Supplies	132,157	6,862	40	1,685	33,759		35,000	209,503
Textbooks	16,322							16,322
Other Objects	7,006				4,760			11,766
Total Instruction	1,387,035	276,886	3,677	1,685	408,117		35,000	2,112,400
Support services:								
Salaries of Program Directors	88,330							88,330
Salaries of Secretarial and Clerical Assistants	56,525							56,525
Other Salaries for Instruction	129,463							129,463
Salaries of Community Parent Involvement Specialists	54,175							54,175
Salaries of Master Teachers	49,500							49,500
Personal Services - Employee Benefits	459,276		6,580		232,623			698,479
Purchased Educational Services - Contracted Pre-K	488,640							488,640
Purchased Professional - Educational Services	419,032							419,032
Other Purchased Professional Services	2,625							2,625
Cleaning, Repair and Maintenance Services	58,010							58,010
Travel	194							194
Other Purchased Services (400-500 series)	34,669				15,063			49,732
General Supplies	49,993				3,092			53,085
Other Objects	440							440
Student Activities	12,395							12,395
Total Support Services	1,903,267	-	6,580	-	250,778		-	2,160,625

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1a)	IDEA Part B		ARP IDEA		Title I, Part A	Title I, Part A	Totals 2024
		Basic	Preschool	Part B Basic		Part A		
Facilities Acquisition and Const. Serv.:								
Noninstructional Equipment	2,918,871							2,918,871
Total Facilities Acquisition and Const. Serv.	2,918,871	-	-	-	-	-	-	2,918,871
Total Expenditures	6,209,173	276,886	10,257	1,685	658,895	35,000		7,191,896
Excess (Deficiency) of Revenues Over (Under)	1,436	-	-	-	-	-	-	1,436
Expenditures and Other Financing Sources (Uses)	6,832							6,832
Fund Balance, July 1								
Fund Balance, June 30	8,268	-	-	-	-	-	-	8,268

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting	Title III	Title III Immigrant	Title IV	CRRSA- ESSER II	Total Carried Forward
REVENUES							
Local Sources	16,731						16,731
State Sources	1,613,179						1,613,179
Federal Sources	2,709,409	71,532	6,000	13,753	50,448	1,729,557	4,580,699
Total Revenues	4,339,319	71,532	6,000	13,753	50,448	1,729,557	6,210,609
EXPENDITURES:							
Instruction:							
Salaries of Teachers	816,518		6,000				822,518
Other Salaries for Instruction	107,473						107,473
Purchased Professional - Educational Services	231,483	26,880			23,682		282,045
Other Purchased Services (400-500 series)	16,380				3,134		19,514
General Supplies	101,875	4,970		13,753	11,559		132,157
Textbooks	16,322						16,322
Other Objects	7,006						7,006
Total Instruction	1,297,057	31,850	6,000	13,753	38,375	-	1,387,035
Support Services:							
Salaries of Program Directors	88,330						88,330
Salaries of Secretarial and Clerical Assistants	56,525						56,525
Other Salaries for Instruction	129,463						129,463
Salaries of Community Parent Involvement Specialists	54,175						54,175
Salaries of Master Teachers	49,500						49,500
Personal Services - Employee Benefits	459,276						459,276
Purchased Educational Services - Contracted Pre-K	488,640						488,640
Purchased Professional - Educational Services	362,212	25,905			7,044	23,871	419,032
Other Purchased Professional Services	-	2,625					2,625
Cleaning, Repair and Maintenance Services	58,010						58,010
Travel	194						194
Other Purchased Services (400-500 series)	18,700	10,940			5,029		34,669
General Supplies	49,781	212					49,993
Other Objects	440						440
Student Activities	12,395						12,395
Total Support Services	1,827,641	39,682	-	-	12,073	23,871	1,903,267

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting	Title III	Title III Immigrant	Title IV	CRRSA- ESSER II	Total Carried Forward
Facilities Acquisition and Const. Serv.:							
Noninstructional Equipment	1,213,185					1,705,686	2,918,871
Total Facilities Acquisition and Const. Serv.	1,213,185	-	-	-	-	1,705,686	2,918,871
Total Expenditures	4,337,883	71,532	6,000	13,753	50,448	1,729,557	6,209,173
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	1,436	-	-	-	-	-	1,436
Fund Balance, July 1	6,832						6,832
Fund Balance, June 30	8,268	-	-	-	-	-	8,268

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1c)	CR Mental Health	ARP- ESSER	ARP- Accelerated Learning Coach and Educator	ARP- Evidence Based Summer Learning and Enrichment	NJTSS Mental Health Support Staffing	Total Carried Forward
REVENUES							
Local Sources	16,731						16,731
State Sources	1,613,179						1,613,179
Federal Sources	93,120	9,380	2,439,441	87,295	35,173	45,000	2,709,409
Total Revenues	1,723,030	9,380	2,439,441	87,295	35,173	45,000	4,339,319
EXPENDITURES:							
Instruction:							
Salaries of Teachers	349,480		436,522		30,516		816,518
Other Salaries for Instruction	93,130		14,343				107,473
Purchased Professional - Educational Services	215,211		16,272				231,483
Other Purchased Services (400-500 series)	-		16,380				16,380
General Supplies	79,721		19,831		2,323		101,875
Textbooks	16,322						16,322
Other Objects	675		6,331				7,006
Total Instruction	754,539	-	509,679	-	32,839	-	1,297,057
Support Services:							
Salaries of Program Directors	88,330						88,330
Salaries of Secretarial and Clerical Assistants	56,525						56,525
Other Salaries for Instruction	2,500		126,963				129,463
Salaries of Community Parent Involvement Specialists	54,175						54,175
Salaries of Master Teachers	49,500						49,500
Personal Services - Employee Benefits	97,576		359,366		2,334		459,276
Purchased Educational Services - Contracted Pre-K	488,640						488,640
Purchased Professional - Educational Services	51,322	9,380	169,215	87,295		45,000	362,212
Other Purchased Professional Services	-						-
Cleaning, Repair and Maintenance Services	58,010						58,010
Travel	194						194
Other Purchased Services (400-500 series)	-		18,700				18,700
General Supplies	5,199		44,582				49,781
Other Objects	440						440
Student Activities	12,395						12,395
Total Support Services	964,806	9,380	718,826	87,295	2,334	45,000	1,827,641

PROSPECT PARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1c)	CR Mental Health	ARP- ESSER	ARP- Accelerated Learning Coach and Educator	ARP- Evidence Based Summer Learning and Enrichment	NJTSS Mental Health Support Staffing	Total Carried Forward
Facilities Acquisition and Const. Serv.:							
Noninstructional Equipment	2,249		1,210,936				1,213,185
Total Facilities Acquisition and Const. Serv.	2,249	-	1,210,936	-	-	-	1,213,185
Total Expenditures	1,721,594	9,380	2,439,441	87,295	35,173	45,000	4,337,883
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	1,436	-	-	-	-	-	1,436
Fund Balance, July 1	6,832						6,832
Fund Balance, June 30	8,268	-	-	-	-	-	8,268

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	N.J. Nonpublic Auxiliary Services		N.J. Nonpublic Handicapped Services, Chapter 193		N.J. Nonpublic Textbook Aid	Total Carried Forward
	Total Brought Forward (Ex. E-1d)	High Impact Tutoring	Compensatory Education	Corrective Speech	Supplemental Instruction	
REVENUES						
Local Sources	16,731					16,731
State Sources	1,477,647		87,289	27,708	4,213	1,613,179
Federal Sources	-	93,120				93,120
Total Revenues	1,494,378	93,120	87,289	27,708	4,213	1,723,030
EXPENDITURES:						
Instruction:						
Salaries of Teachers	349,480					349,480
Other Salaries for Instruction	93,130					93,130
Purchased Professional - Educational Services	15,000	81,001	87,289	27,708	4,213	215,211
Other Purchased Services (400-500 series)	-					-
General Supplies	70,293	9,428				79,721
Textbooks	-				16,322	16,322
Other Objects	675					675
Total Instruction	528,578	90,429	87,289	27,708	4,213	754,539
Support Services:						
Salaries of Program Directors	88,330					88,330
Salaries of Secretarial and Clerical Assistants	56,525					56,525
Other Salaries for Instruction	-	2,500				2,500
Salaries of Community Parent Involvement Specialists	54,175					54,175
Salaries of Master Teachers	49,500					49,500
Personal Services - Employee Benefits	97,385	191				97,576
Purchased Educational Services - Contracted Pre-K	488,640					488,640
Purchased Professional - Educational Services	51,322					51,322
Other Purchased Professional Services	-					-
Cleaning, Repair and Maintenance Services	58,010					58,010
Travel	194					194
Other Purchased Services (400-500 series)	-					-
General Supplies	5,199					5,199
Other Objects	440					440
Student Activities	12,395					12,395
Total Support Services	962,115	2,691	-	-	-	964,806

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

		N.J. Nonpublic Auxiliary Services		N.J. Nonpublic Handicapped Services, Chapter 193		N.J. Nonpublic Textbook Aid	Total Carried Forward
	Total Brought Forward (Ex. E-1d)	High Impact Tutoring	Compensatory Education	Corrective Speech	Supplemental Instruction		
Facilities Acquisition and Const. Serv.:							
Noninstructional Equipment	2,249						2,249
Total Facilities Acquisition and Const. Serv.	2,249	-	-	-	-	-	2,249
Total Expenditures	1,492,942	93,120	87,289	27,708	4,213	16,322	1,721,594
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	1,436	-	-	-	-	-	1,436
Fund Balance, July 1	6,832						6,832
Fund Balance, June 30	8,268	-	-	-	-	-	8,268

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	N.J. Nonpublic Technology Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Security Aid	Preschool Education Aid	NJSBAIG Safety Grant	Student Council Account	Total Carried Forward
REVENUES							
Local Sources					2,900	13,831	16,731
State Sources	13,867	33,960	58,010	1,371,810			1,477,647
Federal Sources							-
Total Revenues	13,867	33,960	58,010	1,371,810	2,900	13,831	1,494,378
EXPENDITURES:							
Instruction:							
Salaries of Teachers				349,480			349,480
Other Salaries for Instruction				93,130			93,130
Purchased Professional - Educational Services				15,000			15,000
Other Purchased Services (400-500 series)					2,900		-
General Supplies				67,393			70,293
Textbooks				675			-
Other Objects							675
Total Instruction	-	-	-	525,678	2,900	-	528,578
Support Services:							
Salaries of Program Directors				88,330			88,330
Salaries of Secretarial and Clerical Assistants				56,525			56,525
Other Salaries for Instruction				54,175			-
Salaries of Community Parent Involvement Specialists				49,500			54,175
Salaries of Master Teachers				97,385			49,500
Personal Services - Employee Benefits				488,640			97,385
Purchased Educational Services - Contracted Pre-K	13,867	33,960		3,495			488,640
Purchased Professional - Educational Services							51,322
Other Purchased Professional Services							-
Cleaning, Repair and Maintenance Services			58,010				58,010
Travel				194			194
Other Purchased Services (400-500 series)							-
General Supplies				5,199			5,199
Other Objects				440			440
Student Activities						12,395	12,395
Total Support Services	13,867	33,960	58,010	843,883	-	12,395	962,115

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	N.J. Nonpublic Technology Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Security Aid	Preschool Education Aid	NJSBAIG Safety Grant	Student Council Account	Total Carried Forward
Facilities Acquisition and Const. Serv.:							
Noninstructional Equipment				2,249			2,249
Total Facilities Acquisition and Const. Serv.	-	-	-	2,249	-	-	2,249
Total Expenditures	13,867	33,960	58,010	1,371,810	2,900	12,395	1,492,942
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	1,436	1,436
Fund Balance, July 1						6,832	6,832
Fund Balance, June 30	-	-	-	-	-	8,268	8,268

PROSPECT PARK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2024

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	372,900	349,480	23,420
Other Salaries for Instruction	96,175	93,130	3,045
Purchased Professional - Educational Services	15,000	15,000	
General Supplies	69,297	67,393	1,904
Other Objects	675	675	
Total Instruction	<u>554,047</u>	<u>525,678</u>	<u>28,369</u>
Support Services:			
Salaries of Program Directors	88,330	88,330	
Salaries of Secretaries and Clerical Assistants	56,525	56,525	
Salaries of Community Parent Involvement Specialists	54,175	54,175	
Salaries of Master Teachers	49,500	49,500	
Personal Services - Employee Benefits	97,385	97,385	
Purchased Educational Services - Contracted Pre-K	488,640	488,640	
Purchased Professional - Educational Services	3,495	3,495	
Travel	194	194	
Supplies and Materials	7,521	5,199	2,322
Other Objects	440	440	
Total Support Services	<u>846,205</u>	<u>843,883</u>	<u>2,322</u>
Facility Acquisition and Construction Services:			
Noninstructional equipment	2,586	2,249	337
Total Facility Acquisition and Construction Services	<u>2,586</u>	<u>2,249</u>	<u>337</u>
Total Expenditures	<u>1,402,838</u>	<u>1,371,810</u>	<u>31,028</u>

Summary of Location Totals

Total revised 2023-24 Preschool Education Aid	1,366,440
Add: Actual Preschool Education Aid Carryover (June 30, 2023)	567,148
Total Preschool Education Aid Funds Available for 2023-24 Budget	1,933,588
Less: 2023-24 Budgeted Preschool Education Aid	
(prior year budgeted carryover)	<u>1,402,838</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	530,750
 Add: June 30, 2024 Unexpended Preschool Education Aid	31,028
2023-24 Carryover - Preschool Education Aid/Preschool	<u>561,778</u>
 2023-24 Preschool Education Aid Carryover	
Budgeted for Preschool Programs 2024-25	<u>530,749</u>

PROPRIETARY FUNDS

PROSPECT PARK BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2024

	Food Service Program	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	39,437	39,437
Accounts Receivable:		
State	989	989
Federal	35,474	35,474
Inventories	20,583	20,583
Total Current Assets	<u>96,483</u>	<u>96,483</u>
Noncurrent Assets:		
Capital Assets:		
Equipment	183,108	183,108
Less Accumulated Depreciation	<u>(87,080)</u>	<u>(87,080)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>96,028</u>	<u>96,028</u>
Total Assets	<u><u>192,511</u></u>	<u><u>192,511</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	46,346	46,346
Deferred Revenues	947	947
Total Current Liabilities	<u>47,293</u>	<u>47,293</u>
NET POSITION		
Net Investment in Capital Assets	96,028	96,028
Unrestricted	49,190	49,190
Total Net Position	<u><u>145,218</u></u>	<u><u>145,218</u></u>

PROSPECT PARK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2024

	Food Service Program	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Non-Reimbursable Programs	13,348	13,348
Total Operating Revenues	<u>13,348</u>	<u>13,348</u>
Operating Expenses:		
Cost of Sales - Reimbursable Programs	289,045	289,045
Cost of Sales - Non-Reimbursable Programs	8,078	8,078
Salaries	314,381	314,381
Benefits	74,456	74,456
Supplies and Materials	44,111	44,111
Purchased Property Services	24,174	24,174
Other Expenses	4,442	4,442
Depreciation	10,804	10,804
Total Operating Expenses	<u>769,491</u>	<u>769,491</u>
Operating Income (Loss)	<u>(756,143)</u>	<u>(756,143)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	6,591	6,591
Breakfast After the Bell	8,960	8,960
Federal Sources:		
National School Breakfast Program	214,903	214,903
National School Lunch Program	365,288	365,288
P-EBT Administration	653	653
School Equipment Grant	18,689	18,689
Supply Chain Assistance	22,132	22,132
Food Distribution Program	41,934	41,934
Interest Income	7,625	7,625
Total Nonoperating Revenues (Expenses)	<u>686,775</u>	<u>686,775</u>
Income (Loss) Before Contributions & Transfers	<u>(69,368)</u>	<u>(69,368)</u>
Change in Net Position	(69,368)	(69,368)
Total Net Position—Beginning	<u>214,586</u>	<u>214,586</u>
Total Net Position—Ending	<u><u>145,218</u></u>	<u><u>145,218</u></u>

PROSPECT PARK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2024

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	17,500	17,500
Payments to Suppliers	(732,723)	(732,723)
Net Cash Provided by (Used for) Operating Activities	<u>(715,223)</u>	<u>(715,223)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	17,331	17,331
Federal Sources	689,522	689,522
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>706,853</u>	<u>706,853</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	7,625	7,625
Net Cash Provided by (Used for) Investing Activities	<u>7,625</u>	<u>7,625</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	(95,723)	(95,723)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(95,723)</u>	<u>(95,723)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(96,468)	(96,468)
Balances—Beginning of Year	135,903	135,903
Balances—End of Year	<u>39,435</u>	<u>39,435</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(756,143)	(756,143)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation and Net Amortization	10,804	10,804
Food Distribution Program	41,934	41,934
(Increase) Decrease in Inventories	(15,522)	(15,522)
Increase (Decrease) in Accounts Payable	3,241	3,241
Increase (Decrease) in Deferred Revenue	463	463
Total Adjustments	<u>40,920</u>	<u>40,920</u>
Net Cash Provided by (Used for) Operating Activities	<u>(715,223)</u>	<u>(715,223)</u>

LONG-TERM DEBT

PROSPECT PARK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2024

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2023</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
			<u>Date</u>	<u>Amount</u>				
School Bonds of 2010	Aug. 27, 2010	2,679,000	8/1/2024	275,000	4.000%	819,000	270,000	549,000
			8/1/2025	274,000	4.000%			
						\$ 819,000	270,000	549,000

PROSPECT PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy					-
Total - Local Sources	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES:					
Regular Debt Service:					
Interest	27,360	-	27,360	27,360	-
Redemption of Principal	270,000	-	270,000	270,000	-
Total Regular Debt Service	297,360	-	297,360	297,360	-
Total Expenditures	297,360	-	297,360	297,360	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297,360)	-	(297,360)	(297,360)	-
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Reserve	148,778	-	148,778	148,778	-
Total Other Financing Sources	148,778	-	148,778	148,778	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(148,582)	-	(148,582)	(148,582)	-
Fund Balance, July 1	148,582		148,582	148,582	-
Fund Balance, June 30	-	-	-	-	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(148,582)		(148,582)	(148,582)	-
	(148,582)	-	(148,582)	(148,582)	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Invested in capital assets										
Restricted	\$ 7,827,376	\$ 7,873,222	\$ 7,857,753	\$ 7,997,659	\$ 8,247,659	\$ 8,507,659	\$ 8,767,659	\$ 9,354,542	\$ 1,157,336	\$ 3,860,232
Unrestricted	3,266,810	2,772,352	2,744,228	2,901,336	2,647,951	2,013,877	1,908,895	1,778,912	1,684,701	777,158
	(2,605,442)	(2,750,245)	(2,621,236)	(3,278,852)	(3,344,471)	(3,454,171)	(2,816,814)	(2,879,906)	(4,361,141)	(4,260,329)
Total governmental activities net position	\$ 8,488,744	\$ 7,895,329	\$ 7,980,745	\$ 7,620,143	\$ 7,551,139	\$ 7,067,365	\$ 7,859,740	\$ 8,253,548	\$ (1,519,104)	\$ 377,061
Business-type activities										
Invested in capital assets										
Restricted	\$ 38,321	\$ 31,077	\$ 24,001	\$ 16,925	\$ 16,925	\$ 16,925	\$ 16,925	\$ 18,865	\$ 11,109	\$ 96,028
Unrestricted	96,605	101,512	83,411	138,955	196,987	189,678	184,254	155,771	203,477	49,190
Total business-type activities net position	\$ 134,926	\$ 132,589	\$ 107,412	\$ 155,880	\$ 213,912	\$ 206,603	\$ 201,179	\$ 174,636	\$ 214,586	\$ 145,218
District-wide										
Invested in capital assets										
Restricted	\$ 7,865,697	\$ 7,904,299	\$ 7,881,754	\$ 8,014,584	\$ 8,264,584	\$ 8,524,584	\$ 8,784,584	\$ 9,373,407	\$ 1,168,445	\$ 3,956,260
Unrestricted	3,266,810	2,772,352	2,744,228	2,901,336	2,647,951	2,013,877	1,908,895	1,778,912	1,684,701	777,158
	(2,508,837)	(2,648,733)	(2,537,825)	(3,139,897)	(3,147,484)	(3,264,493)	(2,632,560)	(2,724,135)	(4,157,664)	(4,211,139)
Total district net position	\$ 8,623,670	\$ 8,027,918	\$ 8,088,157	\$ 7,776,023	\$ 7,765,051	\$ 7,273,968	\$ 8,060,919	\$ 8,428,184	\$ (1,304,518)	\$ 522,279

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses											
Governmental activities:											
Instruction											
Regular	\$ 5,880,400	\$ 6,370,857	\$ 6,225,269	\$ 6,104,852	\$ 8,252,986	\$ 6,078,150	\$ 6,179,134	\$ 6,347,337	\$ 5,771,906	\$ 7,044,830	\$ 4,778,244
Special education	1,463,725	1,740,884	1,745,232	1,740,443	2,385,247	1,529,001	1,636,081	1,599,842	1,438,564	1,244,081	3,446,598
Other special education						249,154	255,180	167,560	160,251	116,009	158,347
Other instruction	874,909	390,299	577,719	357,735	415,864	262,654	255,002	233,054	149,790	14,980	8,817
Support Services:											
Tuition	445,461	507,743	537,430	554,293	772,144	1,035,874	1,667,942	1,514,038	1,738,959	3,710,405	3,086,296
Student & instruction related services	1,753,525	1,560,488	1,632,017	1,533,677	1,964,423	1,948,506	1,897,002	1,829,606	1,711,821	1,847,665	2,328,071
General administrative services:	858,025	793,460	807,333	899,491	1,091,533	519,230	519,230	415,311	431,146	329,236	493,382
School administrative services:	465,939	514,795	512,083	561,232	746,465	562,847	534,873	390,549	361,441	366,296	495,058
Central services						367,639	317,857	350,175	185,557	502,148	447,897
Administrative information tech						124,553	137,115	142,109	144,865	100,326	85,261
Plant operations and maintenance	997,857	1,032,273	1,109,606	1,089,804	1,272,709	1,178,604	1,119,373	952,381	1,044,948	1,290,345	1,368,154
Pupil transportation	268,387	408,655	307,483	247,615	465,789	681,438	610,848	376,585	929,587	962,426	947,044
Unallocated Benefits						2,640,663	2,254,154	3,545,364	4,247,231	3,106,918	3,359,100
Charter Schools	59,197	94,262	136,602	95,105	130,259	189,551	234,156	215,477	274,088	379,353	486,675
Capital outlay - non-depreciable						86,229	76,955	76,955	58,148	195,968	156,489
Interest on long-term debt	105,769	97,015	87,720	77,958	71,617	65,419	57,748	49,947	41,873	68,316	56,959
SDA Debt Service Assessment	76,955	76,955	76,955	76,955	76,955						
Unallocated depreciation											
Capital lease obligations and amortization											
Total governmental activities expense:	13,250,149	13,587,686	13,755,449	13,339,160	17,645,991	17,465,054	17,752,650	18,206,290	18,747,929	21,474,386	22,174,733
Business-type activities:											
Food service	466,637	530,143	514,757	521,074	432,692	436,750	562,004	376,172	605,847	606,272	769,491
Total business-type activities expense:	466,637	530,143	514,757	521,074	432,692	436,750	562,004	376,172	605,847	606,272	769,491
Total district expenses	\$ 13,716,786	\$ 14,117,829	\$ 14,270,206	\$ 13,860,234	\$ 18,078,683	\$ 17,901,804	\$ 18,314,654	\$ 18,582,462	\$ 19,353,776	\$ 22,080,658	\$ 22,944,224
Program Revenues											
Governmental activities:											
Charges for services:											
Instruction									\$ 7,149	\$ 3,328	\$ 13,741
Operating grants and contributions	2,959,378	2,690,459	2,805,542	2,622,035	6,350,309	1,153,604	1,432,471	1,361,426	1,615,408	4,139,637	20,726,418
Interest on long-term debt	105,769	97,015	87,720	77,958	71,617						
Total governmental activities program revenue:	3,065,147	2,787,474	2,893,262	2,699,993	6,421,926	1,153,604	1,432,471	1,361,426	1,622,557	4,142,965	20,740,159

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

	Fiscal Year Ending June 30,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:											
Charges for services:											
Food service	60,529	13,674	12,680	12,103	14,006	9,305	7,706	546	332	3,722	13,348
Operating grants and contributions	387,532	479,116	449,491	483,516	466,397	483,445	546,301	370,142	573,493	656,119	679,150
Total business type activities program revenue:	448,061	492,790	462,171	495,619	480,403	492,750	554,007	370,688	573,825	659,841	692,498
Total district program revenues	\$ 3,513,208	\$ 3,280,264	\$ 3,355,433	\$ 3,195,612	\$ 6,902,329	\$ 1,646,354	\$ 1,986,478	\$ 1,732,114	\$ 2,196,382	\$ 4,802,806	\$ 21,432,657
Net (Expense)/Revenue											
Governmental activities:	\$ (10,185,002)	\$ (10,800,212)	\$ (10,862,187)	\$ (10,639,167)	\$ (11,224,065)	\$ (16,311,450)	\$ (16,320,179)	\$ (16,844,864)	\$ (17,125,372)	\$ (17,331,421)	\$ (1,434,574)
Business-type activities:	(18,576)	(37,353)	(52,586)	(25,455)	47,711	56,000	(7,997)	(5,484)	(32,022)	53,569	(76,993)
Total district-wide net expense	\$ (10,203,578)	\$ (10,837,565)	\$ (10,914,773)	\$ (10,664,622)	\$ (11,176,354)	\$ (16,255,450)	\$ (16,328,176)	\$ (16,850,348)	\$ (17,157,394)	\$ (17,277,852)	\$ (1,511,567)
General Revenues and Other Changes in Net Position											
Governmental activities											
Property taxes levied for general purposes, net	\$ 2,535,350	\$ 2,535,350	\$ 2,586,057	\$ 3,066,024	\$ 3,066,024	\$ 3,195,824	\$ 3,195,824	\$ 3,195,824	\$ 3,195,824	\$ 3,195,824	\$ 3,195,824
Taxes levied for debt service	233,126	233,353	243,552	15,121	2,343	68,023	60,998	53,198	119,861	444,673	131,251
Unrestricted grants and contributions	7,442,745	7,428,738	7,419,389	7,500,319	7,712,942	12,604,071	12,488,871	14,331,280	13,825,785	13,953,349	98,179
Federal and State aid – Capital Outlay											
Rents and Royalties						20,621	13,200				
Investment earnings	10,117	8,893	7,433	11,816	40,157	57,406	31,670	172	229	4,850	3,664
Miscellaneous income	92,134	17,496	12,341	126,656	41,997	296,501	45,842	55,051	21,451	444,673	131,251
Total governmental activities	10,437,222	10,223,830	10,268,772	10,719,936	10,863,463	16,242,446	15,836,405	17,635,525	17,167,329	17,696,875	3,330,739
Business-type activities:											
Investment earnings:	250	236	248	278	757	2,031	688	60	89	5,246	7,625
Total business-type activities:	250	236	248	278	757	2,031	688	60	89	5,246	7,625
Total district-wide	\$ 10,437,472	\$ 10,224,066	\$ 10,269,020	\$ 10,720,214	\$ 10,864,220	\$ 16,244,477	\$ 15,837,093	\$ 17,635,585	\$ 17,167,418	\$ 17,702,121	\$ 3,338,364
Change in Net Position											
Governmental activities:	\$ 252,220	\$ (576,382)	\$ (593,415)	\$ 80,769	\$ (360,602)	\$ (69,004)	\$ (483,774)	\$ 790,661	\$ 41,957	\$ 365,454	\$ 1,896,165
Business-type activities:	(18,326)	(37,117)	(52,338)	(25,177)	48,468	58,031	(7,309)	(5,424)	(31,933)	58,815	(69,368)
Total district	\$ 233,894	\$ (613,499)	\$ (645,753)	\$ 55,592	\$ (312,134)	\$ (10,973)	\$ (491,083)	\$ 785,237	\$ 10,024	\$ 424,269	\$ 1,826,797

Source: ACFR Schedule A-2

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	2,469,057	2,135,145	2,215,566	2,058,378	1,830,898	1,558,317	1,214,168	771,555	707,107	531,033
Assigned	739,949	578,318	778,839	487,853	361,493		237,452	547,907	822,180	237,857
Unassigned	(433,791)	(489,120)	(457,317)	(477,511)	(385,189)	(445,814)	53,867	(314,198)	(415,688)	(647,076)
Total general fund	<u>\$ 2,775,215</u>	<u>\$ 2,224,343</u>	<u>\$ 2,537,088</u>	<u>\$ 2,068,720</u>	<u>\$ 1,807,202</u>	<u>\$ 1,112,503</u>	<u>\$ 1,505,487</u>	<u>\$ 1,005,264</u>	<u>\$ 1,113,599</u>	<u>\$ 121,814</u>
All Other Governmental Funds										
Reserved	\$ 461,194	\$ 463,747								
Assigned	71,175	11,107								
Assigned, reported in:										
Special revenue fund							1,714	3,889	6,832	8,268
Capital projects fund			455,294	455,294	455,559	455,559				
Debt service fund			1	1	1	1	455,561	455,561	148,582	
Total all other governmental funds	<u>\$ 532,369</u>	<u>\$ 474,854</u>	<u>\$ 455,295</u>	<u>\$ 455,295</u>	<u>\$ 455,560</u>	<u>\$ 455,560</u>	<u>\$ 457,275</u>	<u>\$ 459,450</u>	<u>\$ 155,414</u>	<u>\$ 8,268</u>

Source: ACFR Schedule B-1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 2,865,718	\$ 2,917,329	\$ 3,159,103	\$ 3,139,984	\$ 3,263,847	\$ 3,256,822	\$ 3,249,022	\$ 3,315,685	\$ 3,195,824	\$ 3,195,824
Rents and royalties		7,433	11,816	40,157	20,621	13,200			4,850	3,664
Interest earned	8,893	14,634	130,363	45,944	57,406	31,670	1,124	229	460,701	147,982
Other local revenue	17,496	9,281,602	9,287,028	10,404,252	11,025,621	11,790,172	12,648,133	14,122,162	16,066,911	16,592,736
State sources	9,152,774	941,036	831,620	786,591	882,663	1,177,373	1,146,532	1,382,633	2,841,838	5,224,502
Federal sources	966,423	13,162,034	13,419,930	14,416,928	15,546,659	16,328,079	17,098,910	18,849,309	22,570,124	25,164,708
Total revenue	13,011,304	13,162,034	13,419,930	14,416,928	15,546,659	16,328,079	17,098,910	18,849,309	22,570,124	25,164,708
Expenditures										
Instruction										
Regular instruction	4,470,828	4,329,394	4,097,396	4,318,018	4,469,340	4,719,379	4,842,456	5,321,115	6,553,475	4,448,953
Special education instruction	1,285,208	1,207,679	1,228,730	1,279,804	1,017,731	1,150,384	1,111,887	1,290,341	1,103,479	3,344,443
Other special instruction					166,729	179,527	116,417	143,685	102,180	146,435
Other instruction	268,649	397,737	239,302	201,147	174,695	179,120	161,921	134,285	14,261	8,716
Support Services:										
Tuition	507,743	537,430	554,293	772,144	1,146,492	1,667,942	1,514,038	1,738,959	3,710,405	3,152,296
Attendance and social work services					50,991	40,782	35,290	33,895	149,862	32,918
Health services					42,454	69,122	49,241	93,878	79,275	182,838
Student & instruction related services	1,228,571	1,305,785	1,212,390	1,331,428	1,438,881	1,529,915	1,509,650	1,515,412	1,526,775	2,043,560
General administrative services	614,514	616,758	681,616	640,167	362,818	431,395	334,620	407,983	311,894	469,867
School Administrative services	359,882	348,732	372,299	365,410	377,997	377,573	273,379	324,710	324,784	458,611
Central services					246,042	228,387	280,871	169,351	464,618	428,675
Administrative information tech					124,553	137,115	142,109	144,865	100,326	85,261
Plant operations and maintenance	882,566	951,275	897,965	897,741	986,259	977,621	841,076	1,002,262	3,114,315	1,340,395
Pupil transportation	408,655	307,483	247,615	465,789	681,438	610,848	376,585	929,587	962,426	947,044
Unallocated employee benefits	2,955,410	3,073,542	3,080,482	3,898,223	2,065,175	2,141,160	2,154,180	2,349,984	2,177,361	2,087,134
On-behalf contributions					1,862,514	1,950,399	2,356,576	3,076,575	2,934,073	3,146,728
Transfer to Charter Schools	94,262	136,602	95,105	130,259	189,551	234,156	215,477	274,088	379,353	486,675
Capital outlay	381,869	163,831	96,514	261,206	86,229	76,955	76,955	81,134	195,968	2,995,726
Debt service:										
Principal	230,000	240,000	246,000	250,000	250,000	260,000	260,000	270,000	356,610	435,932
Interest and other charges	100,367	91,272	81,682	73,960	68,023	60,998	53,197	45,248	70,369	61,432
Total expenditures	13,788,524	13,707,520	13,131,389	14,885,296	15,807,912	17,022,778	16,705,925	19,347,357	24,631,809	26,303,639
Excess (Deficiency) of revenues over (under) expenditures	(777,220)	(545,486)	288,541	(468,368)	(261,253)	(694,699)	392,985	(498,048)	(2,061,685)	(1,138,931)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing sources (uses)										
N.J. Econ. Develop. Authority Grants										
Transfers in			234,603	250,000	250,000	260,000	750,182			148,778
Transfers out			(234,603)	(250,000)	(250,000)	(260,000)	(750,182)			(148,778)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (777,220)	\$ (545,486)	\$ 288,541	\$ (468,368)	\$ (261,253)	\$ (694,699)	\$ 392,985	\$ (498,048)	\$ (2,061,685)	\$ (1,138,931)
Debt service as a percentage of noncapital expenditures	2.5%	2.4%	2.5%	2.2%	2.0%	1.9%	1.9%	1.6%	1.7%	2.1%

Source: ACFR Schedule B-2

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Cancelled Accounts Payable</u>	<u>Tuition Adjustments</u>	<u>Rents and Royalties</u>	<u>Misc.</u>	<u>Total</u>
2015	8,893				17,496	26,389
2016	7,433				12,341	19,774
2017	11,816				126,656	138,472
2018	40,157				41,997	82,154
2019	57,406			20,621	296,501	374,528
2020	31,670			13,326	45,716	90,712
2021	1,124				54,099	55,223
2022	229				21,451	21,680
2023	77,312	328,371	2,943		36,047	444,673
2024	63,260		19,535	22,505	25,951	131,251

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2015	\$ 6,997,900	\$228,649,100	\$ 22,356,000	\$ 5,589,700		\$263,592,700	\$ -	\$ 145,000	\$263,737,700	1.106	\$263,381,994	100.14%
2016	\$ 6,997,900	\$228,597,400	\$ 22,356,000	\$ 5,589,700		\$263,541,000	\$ -	\$ 145,000	\$263,686,000	1.198	\$274,276,948	96.14%
2017	\$ 6,997,900	\$228,481,400	\$ 21,857,300	\$ 5,589,700		\$262,926,300	\$ -	\$ 145,000	\$263,071,300	1.198	\$282,294,785	93.19%
2018	\$ 6,962,800	\$228,551,700	\$ 21,770,300	\$ 5,589,700		\$262,874,500	\$ -	\$ 145,000	\$263,019,500	1.241	\$300,355,505	87.57%
2019	\$ 6,962,800	\$228,461,200	\$ 21,815,000	\$ 5,589,700		\$262,828,700	\$ -	\$ 145,000	\$262,973,700	1.239	\$320,825,501	81.97%
2020	\$ 7,005,600	\$228,430,200	\$ 21,777,000	\$ 5,346,900		\$262,559,700	\$ -	\$ 145,000	\$262,704,700	1.237	\$372,887,334	70.45%
2021	\$ 6,996,500	\$228,448,300	\$ 21,777,000	\$ 5,346,900	\$ 399,700	\$262,968,400	\$ -	\$ 145,000	\$263,113,400	1.261	\$374,775,882	70.21%
2022	\$ 7,000,700	\$228,840,500	\$ 22,021,800	\$ 5,346,900	\$ 399,700	\$263,609,600	\$ -	\$ 145,000	\$263,754,600	1.212	\$409,043,277	64.48%
2023	\$ 7,000,700	\$228,861,200	\$ 20,896,300	\$ 5,346,900	\$ 399,700	\$262,504,800	\$ -	\$ 145,000	\$262,649,800	1.217	\$450,267,844	58.33%
2024	\$ 7,000,700	\$228,549,500	\$ 20,603,200	\$ 5,346,900	\$ 804,500	\$262,304,800	\$ -	\$ 145,000	\$262,449,800	1.218	\$450,267,844	58.29%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

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

Fiscal Year Ended Dec. 31,	Prospect Park Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation		Total Direct	Regional High School District	Borough of Prospect Park		Passaic County
		Debt Service ^b						
2015	0.981	0.125		1.106	1.259	1.588	0.763	4.716
2016	1.072	0.126		1.198	1.382	1.626	0.781	4.987
2017	1.073	0.125		1.198	1.412	1.650	0.793	5.053
2018	1.212	0.029		1.241	1.304	1.737	0.843	5.125
2019	1.213	0.026		1.239	1.318	1.761	0.858	5.176
2020	1.217	0.020		1.237	1.303	1.808	0.882	5.230
2021	1.240	0.021		1.261	1.362	1.837	0.941	5.401
2022	1.168	0.044		1.212	1.353	1.922	0.976	5.463
2023	1.217	0.000		1.217	1.403	1.953	0.949	5.522
2024	1.218	0.000		1.218	1.581	2.186	0.966	5.951

Source: District Records and Municipal Tax Collector

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

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

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

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	2,865,718	2,495,428	87.08%	370,290
2016	2,917,329	2,382,155	81.66%	535,174
2017	3,159,103	2,690,027	85.15%	469,076
2018	3,139,984	2,888,785	92.00%	251,199
2019	3,263,847	2,720,393	83.35%	543,454
2020	3,256,822	2,714,016	83.33%	542,806
2021	3,249,022	2,707,519	83.33%	541,503
2022	3,195,824	2,643,210	82.71%	552,614
2023	3,195,824	2,683,157	83.96%	512,667
2024	3,195,824	3,195,824	100.00%	-

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Temporary Note Payable	Capital Leases	Total District	Income ^a	Per Capita ^a
2015	2,865,000	-	-	-	-	2,865,000	1.059%	\$ 62
2016	2,625,000	-	-	-	-	2,625,000	0.960%	\$ 56
2017	2,379,000	-	-	-	-	2,379,000	0.859%	\$ 50
2018	2,129,000	-	-	-	-	2,129,000	0.740%	\$ 43
2019	1,879,000	-	-	-	-	1,879,000	0.628%	\$ 37
2020	1,619,000	-	-	-	-	1,619,000	0.499%	\$ 29
2021	1,359,000	-	-	-	-	1,359,000	0.363%	\$ 23
2022	1,089,000	-	-	-	-	1,089,000	0.306%	\$ 19
2023	819,000	-	-	-	-	819,000	Not Available	Not Available
2024	549,000	-	-	-	-	549,000	Not Available	Not Available

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	2,865,000	-	2,865,000	1.09%	\$ 62
2016	2,625,000	-	2,625,000	1.00%	\$ 56
2017	2,379,000	-	2,379,000	0.90%	\$ 50
2018	2,129,000	-	2,129,000	0.81%	\$ 43
2019	1,879,000	-	1,879,000	0.71%	\$ 37
2020	1,619,000	-	1,619,000	0.62%	\$ 29
2021	1,359,000	-	1,359,000	0.52%	\$ 23
2022	1,089,000	-	1,089,000	0.41%	\$ 19
2023	819,000	-	819,000	0.31%	Not Available
2024	549,000	-	549,000	0.21%	Not Available

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

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

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

**Prospect Park Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2024**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2024			\$ 549,000
Net overlapping debt of School District:			
Borough of Prospect Park	100.000%	\$ 7,598,839	
County of Passaic	0.701%	1,936,751	
Passaic County Utilities Authority	0.737%	255,826	
Passaic Valley Sewerage Commission	0.171%	3,074,133	
Subtotal, overlapping debt			<u>\$ 12,865,550</u>
Total direct and overlapping debt			<u><u>\$ 13,414,550</u></u>

Sources: Prospect Park Municipal Finance Officer / Passaic County Treasurer's Office

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis											
	2023									2022	2023

Source: Abstract of Ratables and District Records ACFR Schedule J-7

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2015	5,875	\$ 270,514,375	46,045	6.40%
2016	5,865	\$ 273,408,705	46,617	6.30%
2017	5,868	\$ 276,916,788	47,191	5.70%
2018	5,855	\$ 287,872,785	49,167	5.30%
2019	5,840	\$ 299,025,520	51,203	4.80%
2020	5,817	\$ 324,443,175	55,775	13.00%
2021	6,285	\$ 374,328,315	59,559	8.90%
2022	6,245	\$ 356,383,415	57,067	4.90%
2023	6,219	Not Available	Not Available	6.00%
2024	Not Available	Not Available	Not Available	Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
^b Personal income - Passaic County - provided by NJ Dept of Labor and Workforce Development
^c Per Capita Personal Income - Passaic County - provided by NJ Dept of Labor and Workforce Development
^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2024			2015		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.	-	0	0.00%		1	0.00%
	-	0	0.00%		2	0.00%
	-	0	0.00%		3	0.00%
	-	0	0.00%		4	0.00%
	-	0	0.00%		5	0.00%
	-	0	0.00%		6	0.00%
	-	0	0.00%		7	0.00%
	-	0	0.00%		8	0.00%
	-	0	0.00%		9	0.00%
	-	0	0.00%		10	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-		0.00%	-		0.00%
	-		0.00%	-		0.00%

Source: Borough of Prospect Park

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	69	57	50	56	56	56	56	50	52	53
Special education	23	33	38	33	33	33	33	27	30	31
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-									
Student & instruction related services	7	8	6	8	8	8	8	5	7	7
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	7	7	7	7	7	7	7	6	5	5
Business administrative services	2	2	2	2	2	2	2	3	4	4
Plant operations and maintenance	5	6	6	6	6	6	6	6	6	6
Pupil transportation										
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service										
Child Care										
Total	115	115	111	114	114	114	114	99	106	108

Source: District Personnel Records

**Prospect Park Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2015	895	13,076,287	14,610	2.52%	73	1:18.1	1:15.4	861.7	834.0	-1.02%	96.79%
2016	914	13,275,317	14,524	-0.59%	74	1:19.5	1:17.5	909.6	869.2	5.56%	95.56%
2017	939	12,707,193	13,533	-6.83%	67	1:19.7	1:17.6	932.7	866.4	2.54%	92.89%
2018	942	13,429,394	14,256	5.35%	69	1:14.4	1:12.25	925.2	877.9	-0.80%	94.89%
2019	942	15,403,660	16,352	14.70%	69	1:14.4	1:12.25	925.2	877.9	0.00%	94.89%
2020	942	16,624,825	17,648	7.93%	69	1:14.4	1:12.25	925.2	877.9	0.00%	94.89%
2021	942	16,315,773	17,320	-1.86%	69	1:14.4	1:12.25	925.2	877.9	0.00%	94.89%
2022	799	18,950,975	23,718	36.94%	61	1:11-1	1:16.2	839.0	813.8	-9.32%	97.00%
2023	809	24,008,862	29,677	25.12%	61	1:11-1	1:16.2	800.0	717.0	-4.65%	89.63%
2024	816	22,810,549	27,954	-5.81%	67	1:11-1	1:16.2	806.0	739.0	0.75%	91.69%

Sources: District records, ASSA and Schedules J-4

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

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

**Prospect Park Board of Education
School Building Information
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Buildings</u>										
<u>Elementary/Middle School</u>										
Square Feet	94,950	94,950	94,950	94,950	94,950	94,950	94,950	94,950	94,950	94,950
Capacity (students)	972	972	972	972	972	972	972	972	972	972
Enrollment	895	914	939	942	942	942	942	799	809	816
<u>Other</u>										
Board Office										
Square Feet	1,424	1,424	1,424	1,424	1,424					1,424

Number of Schools at June 30, 2024
Elementary/Middle School = 1

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Elementary/Middle School	N/A	243,170	191,376	156,671	137,070	164,048	222,599	201,211	199,107	176,198	103,230
Grand Total		<u>\$ 243,170</u>	<u>\$ 191,376</u>	<u>\$ 156,671</u>	<u>\$ 137,070</u>	<u>\$ 164,048</u>	<u>\$ 222,599</u>	<u>\$ 201,211</u>	<u>\$ 199,107</u>	<u>\$ 176,198</u>	<u>\$ 103,230</u>

**Prospect Park Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2024
Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Package policy:			
New Jersey School Boards Association Insurance Group			
	Property - Blanket Building and Contents	\$ 500,000,000	5,000
	Blanket Extra Expense	50,000,000	5,000
	Valuable Papers & Records	10,000,000	5,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limited Builders Risk	10,000,000	
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup and Removal	250,000	
	Special Flood Hazard Area Flood Zones	25,000,000	500,000
	Accounts Receivable	250,000	
	Flood (All Flood Zones)	75,000,000	10,000
	Earthquake	50,000,000	
	Terrorism	1,000,000	
	Electronic Data Processing	500,000,000	1,000
	Equipment Breakdown	100,000,000	25,000
	Blanket Dishonesty Bond	500,000	1,000
	Forgery & Alteration	100,000	500
	Theft, Disappearance and Destruction	100,000	500
	Money Orders & Counterfeit Paper Currency	100,000	500
	Computer Fraud	500,000	1,000
	General Liability	31,000,000	
	Automobile Liability	31,000,000	
Workers' Compensation and Employers Liability			
New Jersey School Boards Association Insurance Group			
	Bodily Injury by Accident	3,000,000	
	Bodily Injury by Disease - Each Employee	3,000,000	
	Bodily Injury by Disease - Policy Limit	3,000,000	
School Board Legal Liability			
	Professional Errors and Omissions	30,000,000	5,000

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY ^{LLC}
CERTIFIED PUBLIC ACCOUNTANTS

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K-1
Page 1 of 2

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Prospect Park School District, in the County of Passaic, New Jersey, 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 9, 2025.

Internal Control Over Financial Reporting

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



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

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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Prospect Park Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 9, 2025.

Purpose of this Report

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

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

January 9, 2025





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K-2
Page 1 of 4

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Prospect Park School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Prospect Park Board of Education's major federal and state programs for the year ended June 30, 2024. The Borough of Prospect Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Prospect Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and



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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Prospect Park Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



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

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider 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.

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

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

January 9, 2025



BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Balance at June 30, 2024	Deferred Revenue	Due to Grantor at
General Fund:															
US Department of Health and Human Services															
Passed Through State Dept of Education:															
Special Education Medicaid Initiative	93.778	2005NJSMAP		17,709	7/1/2023	6/30/2024			17,709						
Total General Fund									17,709						
US Department of Education															
Passed Through State Dept of Education:															
Special Revenue Fund															
Title I, Part A	84.010	S010A230030	ESEA-4270-24	621,174	7/1/2023	9/30/2024	(419,024)	833,773	658,895			(244,146)			
Title I, Part A	84.010	S010A220030	ESEA-4270-23	687,974	7/1/2023	9/30/2023	419,024								
Title I SIA	84.010	S010A230030	ESEA-4270-24	25,000	7/1/2023	9/30/2024	10,000	24,172	35,000			(828)			
Title I SIA	84.010	S010A220030	ESEA-4270-23	10,000	7/1/2023	9/30/2023	(10,000)	10,000							
								867,945	693,895			(244,974)			
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	S367A230029	ESEA-4270-24	44,763	7/1/2023	9/30/2024	(50,282)	99,254	71,532			(22,560)			
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	S367A220029	ESEA-4270-23	65,317	7/1/2023	9/30/2023	(50,282)	99,254	71,532			(22,560)			
Title III	84.365	S365A230030	ESEA-4270-24	11,799	7/1/2023	9/30/2024	(1,719)	1,719	6,000			(6,000)			
Title III	84.365	S365A220030	ESEA-4270-23	13,518	7/1/2023	9/30/2023	(1,719)	1,719							
Title III, Immigrant	84.365	S365A230030	ESEA-4270-24	7,286	7/1/2023	9/30/2024	6,525	761	13,753			(6,467)			
Title III, Immigrant	84.365	S365A220030	ESEA-4270-23	6,525	7/1/2023	9/30/2023	(6,525)	6,525							
								9,005	19,753			(12,467)			
Title IV	84.424	S424A230031	ESEA-4270-24	51,659	7/1/2023	9/30/2024	(25,671)	67,139	50,448			(8,980)			
Title IV	84.424	S424A220031	ESEA-4270-23	42,077	7/1/2023	9/30/2023	(25,671)	67,139	50,448			(8,980)			
Coronavirus Response and Relief Supplemental Act:															
CRRSA - ESSER II	84.425D	S425D210027		1,850,395	3/13/2020	9/30/2023	(120,838)	144,709	1,729,357			(1,705,686)			
CR Learning Acceleration	84.425D	S425D210027		118,749	3/13/2020	9/30/2023	(118,749)	118,749							
CR Mental Health	84.425D	S425D210027		45,000	3/13/2020	9/30/2023	(35,620)	45,000	9,380						
American Rescue Plan:															
ARP - ESSER	84.425U	S425U210027		4,158,643	3/13/2020	9/30/2023	(777,645)	2,352,686	2,439,441			(864,400)			
Accelerated Learning Coach and Educator Support	84.425U	S425U210027		87,295	3/13/2020	9/30/2023		87,295							
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027		40,000	3/13/2020	9/30/2023		30,901	35,173			(4,272)			
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027		40,000	3/13/2020	9/30/2023		42,450	45,000			(2,550)			
NTSS Mental Health Support Staffing	84.425U	S425U210027		45,000	3/13/2020	9/30/2023	(1,052,852)	2,821,790	4,345,946			(2,576,908)			
Governor's Emergency Education & Relief (GEER):															
NJ High Impact Tutoring	84.425V	S425V230031		95,886	10/1/2023	8/31/2024			93,120			(93,120)			
									93,120			(93,120)			
IDEA, Part B-Basic	84.027A	H027A230100	IDEA-4270-24	265,726	7/1/2023	9/30/2024	(8,353)	285,173	276,886			(66)			
IDEA, Part B-Basic	84.027A	H027A220100	IDEA-4270-23	264,677	7/1/2023	9/30/2023	(8,353)								
IDEA, Part B-Preschool	84.173A	H173A230114	IDEA-4270-24	10,257	7/1/2023	9/30/2024	(10,652)	8,291	10,257			(12,618)			
IDEA, Part B-Preschool	84.173A	H173A220114	IDEA-4270-23	10,652	7/1/2023	9/30/2023	(10,652)								
ARP - IDEA, Part B-Basic	84.027X	H027X210100	IDEA-4270-22	54,241	7/1/2021	9/30/2022	(56,070)	38,750	1,685			(12,684)			
								332,214	288,828						
Total Special Revenue Fund								4,197,347	5,563,422			(2,971,693)			

BOROUGH OF PROSPECT PARK SCHOOL DISTRICT

K-3
2 of 2

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal EIN Number	Grant or State Project Number	Award Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Balance at June 30, 2024 Deferred Revenue	Due to Grantor at
US Department of Agriculture Passed Through State Dept of Agriculture: Enterprise Fund														
Food Distribution Program	10.555	241NU300N1099	N/A	41,934	7/1/2023 6/30/2024			41,934	41,934					
National School Breakfast Program	10.553	241NU304N1099	N/A	214,903	7/1/2023 6/30/2024			200,228	214,903			(14,675)		
National School Breakfast Program	10.553	231NU304N1099	N/A	188,421	7/1/2023 6/30/2023	(40,921)		40,921						
National School Lunch Program	10.555	241NU304N1099	N/A	365,288	7/1/2023 6/30/2023			344,489	365,288			(20,799)		
National School Lunch Program	10.555	231NU304N1099	N/A	349,650	7/1/2023 6/30/2023	(62,410)		62,410						
Supply Chain Assistance Funding (4th Round)	10.555	231NU344N8903	N/A	22,132	7/1/2023 6/30/2024			22,132	22,132					
School Equipment Grant	10.579	231NU354N8103	N/A	18,689	7/1/2023 6/30/2024			18,689	18,689					
P-EBT Administrative Cost	10.649	2021225900941	N/A	653	7/1/2023 6/30/2024			653	653					
Total Enterprise Fund						(103,331)		731,456	663,599			(35,474)		
Total Federal Financial Assistance						\$ (1,708,949)		4,946,512	6,244,730			(3,007,167)		

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

BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2024

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2023			Balance at June 30, 2024			Memo								
			From	To	Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education:																			
General Fund																			
Transportation Aid	495-034-5120-014	\$	64,723	7/1/2023	6/30/2024	\$			58,438	64,723							*	64,723	
Equalization Aid	495-034-5120-078		10,115,153	7/1/2023	6/30/2024				9,132,986	10,115,153							*	10,115,153	
Special Education Categorical Aid	495-034-5120-089		794,961	7/1/2023	6/30/2024				717,771	794,961							*	794,961	
Security Aid	495-034-5120-084		366,508	7/1/2023	6/30/2024				330,921	366,508							*	366,508	
Extraordinary Aid	495-034-5120-044		483,385	7/1/2023	6/30/2024					483,385			(483,385)				*	483,385	
Extraordinary Aid	495-034-5120-044		502,970	7/1/2022	6/30/2023				502,970								*	502,970	
Reimbursed TPAF Social Security	495-034-5094-003		508,794	7/1/2023	6/30/2024				482,796	508,794			(25,998)				*	508,794	
On Behalf TPAF Social Security	495-034-5094-003		407,478	7/1/2022	6/30/2023			(42,259)									*	407,478	
On Behalf TPAF Pension	495-034-5094-001		564,213	7/1/2023	6/30/2024				564,213	564,213							*	564,213	
On Behalf TPAF Pension	495-034-5094-002		2,049,692	7/1/2023	6/30/2024				2,049,692	2,049,692							*	2,049,692	
On Behalf TPAF NCGI Premium	495-034-5094-004		23,376	7/1/2023	6/30/2024				23,376	23,376							*	23,376	
On-Behalf TPAF - LTDI	495-034-5094-004		653	7/1/2023	6/30/2024				653	653							*	653	
Total General Fund																			
							(545,229)		13,906,075	14,971,458			(509,383)				(1,101,229)	15,881,906	
Special Revenue Fund																			
Preschool Education Aid	495-034-5120-086	1,366,440	7/1/2023	6/30/2024				567,148	1,229,796	1,371,810				425,134			*	1,371,810	
Preschool Education Aid	495-034-5120-086	1,462,091	7/1/2022	6/30/2023			399,266	(567,148)	167,882								*	931,342	
NJ NonPublic Aid:																			
Textbook Aid	100-034-5120-064	16,360	7/1/2023	6/30/2024					16,360	16,322						38	*	16,322	
Textbook Aid	100-034-5120-064	18,942	7/1/2022	6/30/2023								45					*	18,897	
Technology Aid	100-034-5120-373	13,867	7/1/2023	6/30/2024		45			13,867	13,867							*	13,767	
Nursing Services	100-034-5120-070	33,960	7/1/2023	6/30/2024					33,960	33,960							*	33,960	
Security Aid	100-034-5120-509	58,015	7/1/2023	6/30/2024					58,015	58,010						5	*	58,010	
Security Aid	100-034-5120-509	58,835	7/1/2022	6/30/2023		19,067						19,067					*	39,768	
Handicapped Services:																			
Exam & Classification	100-034-5120-066	16,310	7/1/2023	6/30/2024					16,310							16,310	*		
Exam & Classification	100-034-5120-066	18,396	7/1/2022	6/30/2023		1,140						1,140					*	17,256	
Corrective Speech	100-034-5120-066	27,900	7/1/2023	6/30/2024					27,900	27,708						192	*	27,708	
Corrective Speech	100-034-5120-066	14,508	7/1/2022	6/30/2023		930						930					*	13,578	
Supplementary Inst.	100-034-5120-066	12,390	7/1/2023	6/30/2024					12,390	4,213						8,177	*	4,213	
Supplementary Inst.	100-034-5120-066	10,738	7/1/2022	6/30/2023		2,395						2,395					*	8,343	
Auxiliary Services:																			
Compensatory Education	100-034-5120-067	94,426	7/1/2023	6/30/2024					94,426	87,289						7,137	*	87,289	
Compensatory Education	100-034-5120-067	94,383	7/1/2022	6/30/2023		12,552						12,552					*	81,831	
English as a Second Language	100-034-5120-067	4,578	7/1/2023	6/30/2024					4,578							4,578	*		
English as a Second Language	100-034-5120-067	501	7/1/2022	6/30/2023		200						200					*	301	
Climate Change Education Grant	100-034-5120-067	6,660	7/1/2022	6/30/2023		(3,201)			3,612			(411)					*	3,201	
SDA Emergent Needs and Capital	100-034-5063-359																*		
Maintenance in School Districts																	*		
Total Special Revenue Fund																			
		18,173	7/1/2023	6/30/2024			396,065		1,679,096	1,613,179			(411)	36,329		425,134	36,437	(136,644)	2,727,596

BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2024

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2024		Memo
			From	To									Deferred Revenue/ Interfund Payable	Due to Grantor at	
Enterprise Fund															
State Department of Agriculture															
National School Lunch Program (State Share)	100-010-3350-023	6,591	7/1/2023	6/30/2024				6,215	6,591						*
National School Lunch Program (State Share)	100-010-3350-023	6,005	7/1/2022	6/30/2023	(1,072)		1,072				(376)				*
Breakfast After the Bell	100-010-3350-023	8,960	7/1/2023	6/30/2024			8,347		8,960		(613)				*
Breakfast After the Bell	100-010-3350-023	7,813	7/1/2022	6/30/2023	(1,697)		1,697								*
Total Enterprise Fund					(2,769)		17,331		15,551		(989)				*
Total State Financial Assistance					(151,933)	36,329		15,602,502	16,600,188		(411)	36,329	425,134	36,437	*
Less: On-Behalf TPAF Pension System Contributions															
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	564,213	7/1/2023	6/30/2024					564,213						*
On Behalf TPAF Pension	495-034-5094-002	2,049,692	7/1/2023	6/30/2024					2,049,692						*
On Behalf TPAF NCGI Premium	495-034-5094-004	23,376	7/1/2023	6/30/2024					23,376						*
On-Behalf TPAF - LTDI	495-034-5094-004	653	7/1/2023	6/30/2024					653						*
								2,637,934							*
Total for State Financial Assistance - Major Program Determination									13,962,254						*
Local Sources															
Special Revenue Fund															
Fortun Estates Grade 1		7,253			7,253								7,253		*
Pantoja Donation - Uniforms		210			210								210		*
NISB Safety Grant		2,900	7/1/2023	6/30/2024				2,900	2,900						*
Total Local Financial Assistance					7,463			2,900	2,900				7,463		*
Total State and Local Financial Assistance					(144,470)	36,329		15,605,402	16,603,088		(411)	36,329	432,597	36,437	*
															(1,237,873)
															18,641,771

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$22,207 for the general fund and (\$370,737) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$17,709	\$14,993,665	\$15,011,374
Special Revenue Fund	5,206,793	1,599,071	6,805,864
Food Service Fund	663,599	15,551	679,150
Total Awards and Financial Assistance	<u>\$5,888,101</u>	<u>\$16,608,287</u>	<u>\$22,496,388</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$2,637,934 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$693,895
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	71,532
Title III: <i>English Language Acquisition State Grants</i>	19,753
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>50,448</u>
Total	<u>\$835,628</u>

**BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?	_____ yes	_____ <u>X</u> _____	no
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Federal Awards

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

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

Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> _____	no
--	-----------	----------------------	----

Internal Control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200 section .516(a) of the Uniform Guidance?	_____ yes	_____ <u>X</u> _____	no
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		CRRSA-ESSER II/ CR Mental Health/
		ARP-ESSER/ Accelerated Learning Coach
		and Educator Support/ Evidence Based
		Comprehensive Beyond the School Day/
84.425D/84.425U/	S425D200027/ S425D210027/ S425D200027/	NJTSS Mental Health Support Staffing/High
84.425V	S425V230031 (A)	Impact Tutoring

Note: (A) - Tested as Major Type A Program.

**BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

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

State Awards

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

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

Auditee qualified as low-risk auditee? yes X no

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>		<u>Name of State Program</u>
495-034-5120-089/ 495-034-5120-084/ 495-034-5120-078	(A)	State Aid Public Cluster: Special Education Categorical Aid/Security Aid/Equalization Aid
495-034-5120-003	(B)	Reimbursed TPAF

Note: (A) - Tested as Major Type A Program.
(B) - Tested as Major Type B Program.

**BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

None

**BOROUGH OF PROSPECT PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

FEDERAL AWARDS

None

STATE AWARDS

Finding 2024-001

Information on the state program:

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(079/089/084) Grant Period 7/1/23-6/30/24.

Criteria or specific requirement:

In accordance with N.J.A.C. 6A:32-8.2, the district shall carefully and accurately track enrollment and attendance of all students in a manual school register format or in an electronic format of the school district's choosing. From this school register record, the school districts must compile a set of ASSA workpapers that document the student counts as of October 13, 2023 and provide an audit trail for the auditor to use as a basis for testing.

Condition:

The district did not prepare a set of ASSA workpapers that documented the student count as of October 13, 2023.

Questioned Costs:

None

Context:

The 2024/2025 ASSA was submitted, however the district was unable to provide the school register to support the student counts certified which also provides an audit trail for testing enrollments reported on the ASSA.

Effect:

By not maintaining appropriate school register data in accordance with the instructions provided by the Office of School Finance, the enrollments on the district's ASSA are unable to be verified.

Cause:

The district did not provide the required documentation to support the number of students reported on the ASSA.

Recommendation:

The district should compile a set of workpapers and provide an audit trail for testing the enrollments on the ASSA in accordance with the instructions provided by the Office of School Finance.

Management Response:

The district will maintain and make available all required documentation to support the number of students reported on the ASSA.

**BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Status of Prior Year Findings

Financial Statement Findings:

Finding 2023-001

Condition:

The required documentation required to support the number of students reported as low income was not available for audit.

Current Status:

Corrective action has not been taken, see Finding 2024-001.

Finding 2023-002

Condition:

The prescription premiums used in the employee health benefit contribution calculation do not agree to the monthly prescription premium bills. In addition, employees are being calculated utilizing the incorrect percentage of premium and/or type of coverage

Current Status:

Current year employee contributions were calculated properly.