

**SCHOOL DISTRICT OF THE  
BOROUGH OF CLIFFSIDE PARK  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011**

**School District  
of**

# **BOROUGH OF CLIFFSIDE PARK**

**BOROUGH OF CLIFFSIDE PARK BOARD OF EDUCATION  
Cliffside Park, New Jersey**

**Comprehensive Annual Financial Report  
Year Ended June 30, 2011**

# Comprehensive Annual Financial Report

of the

**BOROUGH OF CLIFFSIDE PARK  
BOARD OF EDUCATION  
Cliffside Park, New Jersey**

**Year Ended June 30, 2011**

**Prepared by**

**Toni Ann Nebbia  
Business Administrator/Board Secretary**

# OUTLINE OF CAFR

## INTRODUCTORY SECTION

Letter of Transmittal .....	1
Organizational Chart .....	6
Roster of Officials .....	7
Consultants and Advisors .....	8

## FINANCIAL SECTION

Independent Auditor's Report .....	9
Required Supplementary Information - Part I Management's Discussion and Analysis .....	11

## BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Assets .....	22
A-2 Statement of Activities .....	23
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet .....	24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance .....	25
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	26
Proprietary Funds:	
B-4 Statement of Net Assets .....	27
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	28
B-6 Statement of Cash Flows .....	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets .....	30
B-8 Statement of Changes in Fiduciary Net Assets .....	31
Notes to the Financial Statements .....	32
Required Supplemental Information - Part II	

## OUTLINE OF CAFR, (continued)

C.	Budgetary Comparison Schedules:	
	C-1 Budgetary Comparison Schedule - General Fund .....	53
	C-2 Budgetary Comparison Schedule - Special Revenue Fund .....	57
	Notes to the Required Supplementary Information	
	C-3 Budget to GAAP Reconciliation .....	58
D.	School Level Schedules:	
	N/A	
E.	Special Revenue Fund:	
	E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis .....	59
	E-1a Combining Schedule of Revenues and Expenditures - Budgetary Basis .....	60
	E-1b Combining Schedule of Revenues and Expenditures - Budgetary Basis .....	61
	E-2 Schedule of Preschool Education Aid - Budgetary Basis .....	62
F.	Capital Projects Fund:	
	F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund	
	Balance - Budgetary Basis .....	63
	F-1a Schedule of Project Revenues, Expenditures, Project Balances and	
	Project Status - Budgetary Basis (Construction of Additions to School #6) .....	64
	F-2 Summary Statement of Project Expenditures .....	66
G.	Proprietary Funds:	
	Enterprise Fund:	
	G-1 Combining Statement of Net Assets .....	67
	G-2 Combining Statement of Revenues, Expenses and Changes	
	in Fund Net Assets .....	68
	G-3 Combining Statement of Cash Flows .....	69
	Internal Service Fund:	
	N/A	
H.	Fiduciary Fund:	
	H-1 Combining Statement of Fiduciary Net Assets .....	70
	H-2 Combining Statement of Changes in Fiduciary Net Assets .....	71
	H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements .....	72
	H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements .....	73
I.	Long Term Debt:	
	I-1 Schedule of Serial Bonds .....	74
	I-2 Schedule of Capital Leases Payable .....	75
	I-3 N/A	
	I-4 Debt Service Fund .....	76

## OUTLINE OF CAFR, (continued)

### J. Statistical Section (Unaudited)

#### Financial Trends

J-1	Net Assets by Component .....	77
J-2	Changes in Net Assets .....	78
J-3	Fund Balances - Governmental Funds .....	80
J-4	Changes in Fund Balances - Governmental Funds .....	81
J-5	General Fund Other Local Revenue by Source .....	83

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property .....	84
J-7	Direct and Overlapping Property Tax Rates .....	85
J-8	Principal Property Taxpayers .....	86
J-9	Property Tax Levies and Collections .....	87

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type .....	88
J-11	Ratios of General Bonded Debt Outstanding .....	89
J-12	Direct and Overlapping Governmental Activities Debt .....	90
J-13	Legal Debt Margin Information .....	91

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics .....	92
J-15	Principal Employers .....	93

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program .....	94
J-17	Operating Statistics .....	95
J-18	School Building Information .....	96
J-19	Schedule of Allowable Maintenance Expenditures by School Facility .....	97
J-20	Insurance Schedule .....	98

## OUTLINE OF CAFR, (continued)

### K. SINGLE AUDIT SECTION

K-1	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 .....	99
K-2	Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-04 .....	101
K-3	Schedule of Expenditure of Federal Awards .....	103
K-4	Schedule of Expenditure of State Awards and Other Local Awards .....	104
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance .....	105
K-6	Schedule of Findings and Questioned Costs .....	107
K-7	Summary Schedule of Prior Audit Findings .....	109

**INTRODUCTORY SECTION**

**BOARD OF EDUCATION**  
**BOROUGH OF CLIFFSIDE PARK**  
**NEW JERSEY 07010**

---

*Michael J. Romagnino*  
*Superintendent of Schools*

*Toni Ann Nebbia*  
*Business Administrator/Board Secretary*

*The Municipal Complex*  
*525 Palisade Avenue*  
*TEL: 201-313-2310*  
*FAX: 201-943-7050*

September 29, 2011

Honorable President and Members of the  
Cliffside Park Board of Education  
525 Palisade Avenue  
Cliffside Park, New Jersey 07010

Dear Board Members,

State Department of Education statutes require that all school districts prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive Annual Financial Report (CAFR) of the Cliffside Park Board of Education for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the Cliffside Park Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Cliffside Park Board of Education has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of the Cliffside Park Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Cliffside Park Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Cliffside Park Board of Education's financial statements have been audited by Ferraioli, Wielkocz, Cerullo, & Cuva, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance the financial statements Cliffside Park Board of Education for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Cliffside Park Board of Education was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the

administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Cliffside Park Board of Education's CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The Cliffside Park Board of Education's MD&A can be found immediately following the independent auditors' report.

**REPORTING ENTITY AND ITS SERVICES:** The Cliffside Park School District is an independent reporting entity within the criteria adopted by Governmental Accounting Standards Board (GASB) as established by GASB No. 14. All funds of the District are included in this report. The Cliffside Park Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade level PK through 12. These include regular, vocational as well as special education for disabled youngsters. The District completed the 2010/2011 fiscal year with 2,740 students, which is 20 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.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percent Change</u>
2001-2002	2,643	2.0
2002-2003	2,669	1.0
2003-2004	2,590	(2.0)
2004-2005	2,558	(1.3)
2005-2006	2,606	1.8
2006-2007	2,572	(1.3)
2007-2008	2,587	(.04)
2008-2009	2,647	2.3
2009-2010	2,760	4.2
2010-2011	2,740	(2.0)

**ECONOMIC CONDITION AND OUTLOOK:** The local economy of the Cliffside Park area is relatively stable and is expected to continue at that level. The Borough's economy is mainly comprised of retail stores and light industry. The present structure is expected to remain unchanged in the future.

**MAJOR INITIATIVES:** The Cliffside Park Board of Education recognizes its responsibility to provide a broad educational program consistent with the mental and physical potential of every child in our community. The Board believes that each individual should be accepted into our educational program as he/she is and be provided with a stimulating environment and opportunities for learning experiences designed to promote

behavioral changes that will affect satisfactory adjustments to life. In addition to meeting the special needs of our students the high school offers preparation for entrance to college, technical and sub-professional schools. The high school also offers college courses that focus on the sciences, mathematics, foreign languages and social studies. Many accelerated and advanced placement courses are also available in all subject areas.

Cliffside Park is a charter member of the Bergen County ITV Consortium and is accredited by the New Jersey Department of Education and the Middle States Association of Colleges and Secondary Schools. Our students consistently test above the state and national averages and have been accepted into colleges throughout the United States.

A full range of educational support services are available to all students i.e. guidance services, health services in each school, certified nurses, full Child Study Team, in addition to a PK through 12 ESL program.

The Superintendent has received and initiated, with the Board's approval, the following programs:

**EARLY CHILDHOOD:** Half-day Pre-K and kindergarten in our Early Childhood Learning Center.

**MATH CURRICULUM:** The Cliffside Park School District uses the SRA/McGraw Hill Mathematics series which parallels the Core Curriculum Standards. This series emphasizes open-ended questions and critical thinking problems that are key components to state assessments.

**READING CURRICULUM:** The Cliffside Park School District uses the McGraw Hill Reading series which parallels the Core Curriculum Standards with emphasis on writing and literacy. This series enables teachers to meet individual needs of all students at all levels. The District continues to develop a balanced literacy curriculum.

**GIFTED AND TALENTED:** A Gifted and Talented program is available in the Cliffside Park Schools with an emphasis on computer technology. The program begins on a pull-out basis in grades three through eight and is completed at the high school level (grades 9-12) in our advanced placement and other accelerated offerings.

**TESTING:** NJASK (grades three through eight, and the HSPA (grade 11) are required under NCLB. Other standardized tests given within the District include NJPass, Boehm Test, and the Otis Lennon Ability Test.

**PROFESSIONAL DEVELOPMENT:** The District's teaching staffs are currently undertaking professional development in reading and writing literacy, technology, substance abuse program, violence/vandalism prevention and affirmative action guidelines.

**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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is 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's 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.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual budgets are adopted for the General, Special Revenue and Debt Service Funds. The final budget amounts as amended for the fiscal year are reflected in the financial section.

**ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board,(GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Basic Financial Statements".

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 a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as a reservation of fund balance at June 30.

**PROPRIETARY FUND:** The Enterprise Food Service fund provides for the operation of food services in all schools within the school district.

**FIDUCIARY FUNDS:** Fiduciary Funds consist of assets held by the district as agent for student organizations, private organizations, other governments and other funds.

**DEBT ADMINISTRATION:** On July 15, 1999 the District issued \$5,400,000 of bonds to finance a capital improvement referendum approved by the District's voters on December 8, 1998 which were refunded on July 15, 2006. At June 30, 2011 \$3,070,000 of the school bonds were outstanding.

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by the state statute as detailed in the "Notes to the Basic Financial Statements", the District has adopted has 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 required governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

**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. The District provides its employee full medical insurance through traditional health insurance plan.

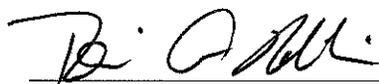
**OTHER INFORMATION:** A. Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkocz, Cerullo, & Cuva was selected by the Board. In addition to meeting the requirements set forth in state statutes, the

audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey Circular 04-04. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' report related specifically to the Single Audit is included in the Single Audit Section of this report.

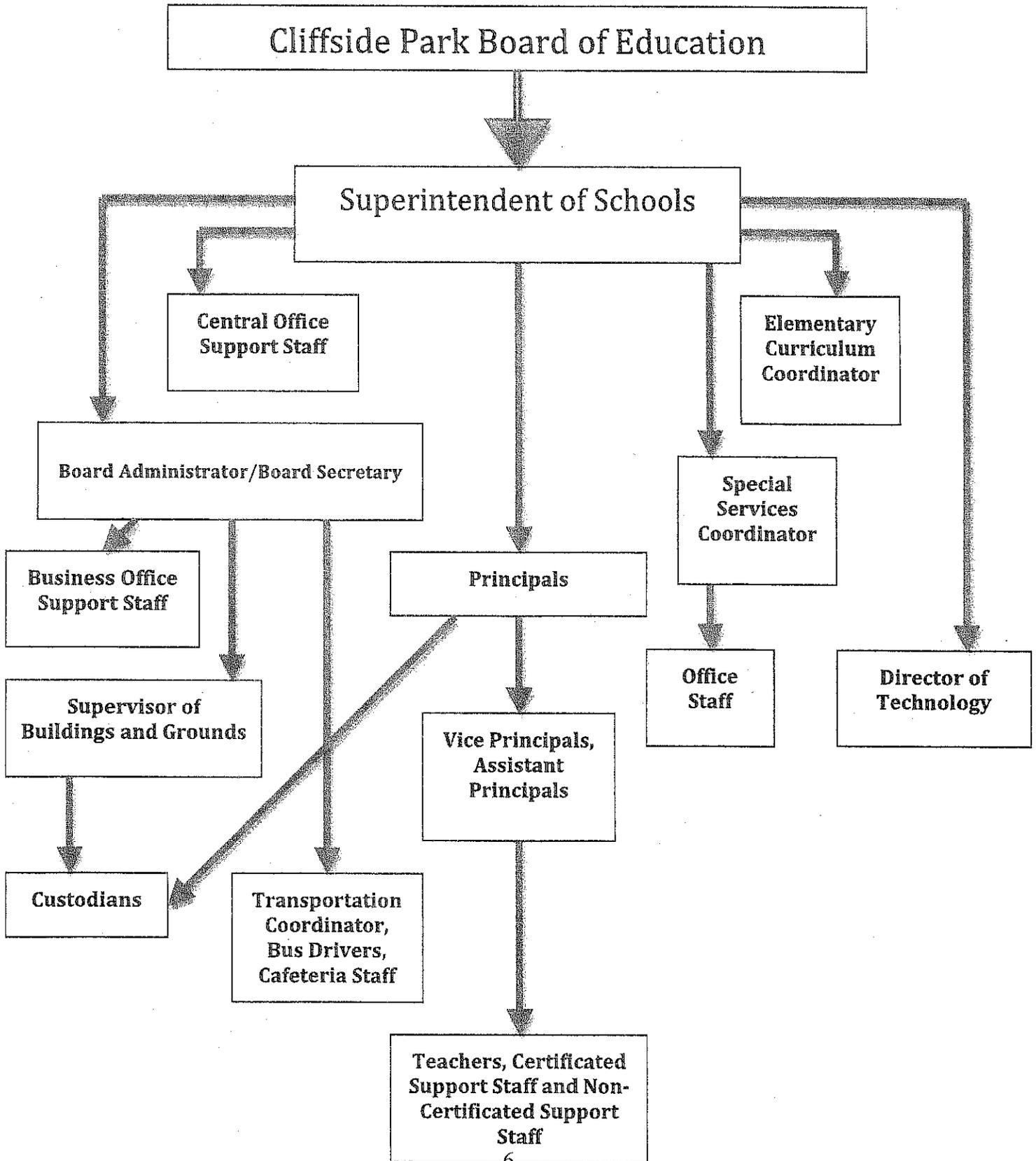
**ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Cliffside Park Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

  
\_\_\_\_\_  
Michael J. Romagnino  
Superintendent of Schools

  
\_\_\_\_\_  
Toni Ann Nebbia  
Business Administrator/Board Secretary

# ORGANIZATIONAL CHART



**CLIFFSIDE PARK BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2011**

**Members of the Board of Education**

**Term Expires**

Joseph Capano	2011
Joseph J. Cota	2012
Stephen D. Dobish, Ed. D.	2012
Lisa Frato	2013
Samuel Martone	2013
Donald Rocker	2014
Annette C. Scala	2011
Teddy F. Tarabokija	2011
Gina M. Vaccaro	2013

**Other Officials**

Angelo D' Arminio, Fairview Representative

Michael J. Romagnino, Superintendent of Schools

Toni Ann Nebbia, Business Administrator/Board Secretary

Frank Berardo, Treasurer of School Monies

Fogarty & Hara, Board Attorney

**CLIFFSIDE PARK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**June 30, 2011**

**Attorney**

FOGARTY & HARA  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**District Auditor**

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

**Official Depositories**

TD BANK NORTH  
354 Palisade Avenue  
Cliffside Park, NJ 07010

**FINANCIAL SECTION**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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 Cliffside Park School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Cliffside Park School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Cliffside Park School District Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2011 on our consideration of the Borough of Cliffside Park Board of Education's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 21 and 53 through 58 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Cliffside Park Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

October 25, 2011



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

As management of the Borough of Cliffside Park School District (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 Cliffside Park School District for the fiscal year ended June 30, 2011.

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, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net assets increased \$2,530,915. Net assets of governmental activities increased \$2,345,287 while net assets of business-type activity increased by \$185,628.
- General revenues accounted for \$41,318,579 in revenue or 92 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,466,850 or 8 percent of total revenues of \$44,785,429.
- The School District had \$40,693,861 in expenses related to governmental activities; only \$1,720,569 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$41,318,579 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

This discussion and analysis are intended to serve as an introduction to the Borough of Cliffside Park School District's basic financial statements. The Borough of Cliffside Park School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

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

**District-Wide Financial Statements**

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Cliffside Park School District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Borough of Cliffside Park School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Borough of Cliffside Park School District is improvement or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Cliffside Park School District 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*). The governmental activities of the Borough of Cliffside Park School District include instruction, support services and special schools. The business-type activities of the Borough of Cliffside Park School District include the food service program.

**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 Cliffside 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 Cliffside Park School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

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

**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 outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

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*.

The Borough of Cliffside Park School District maintains four 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, capital projects fund, and debt service fund which are all considered to be major funds.

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

**Proprietary Funds**

The Borough of Cliffside Park School District maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Cliffside Park School District uses enterprise funds to account for its food service program and after school program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Cliffside Park School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

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

**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 Assets provides the perspective of the District as a whole. Net assets 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.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

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

The School District's net assets were \$7,449,311 at June 30, 2011 and \$4,918,396 at June 30, 2010. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2011 compared to 2010 (Table 1) and change in net assets (Table 2) of the School District.

**Table 1**

**Net Assets  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Assets</b>						
Current and Other Assets	4,514,022	3,004,033	368,266	192,123	4,882,288	3,196,156
Capital Assets	<u>7,517,435</u>	<u>7,261,742</u>	<u>38,318</u>	<u>48,946</u>	<u>7,555,753</u>	<u>7,310,688</u>
Total Assets	<u>12,031,457</u>	<u>10,265,775</u>	<u>406,584</u>	<u>241,069</u>	<u>12,438,041</u>	<u>10,506,844</u>
<b>Liabilities</b>						
Current Liabilities	287,790	334,730	94,936	115,049	382,726	449,779
Noncurrent Liabilities	<u>4,606,004</u>	<u>5,138,669</u>	—	—	<u>4,606,004</u>	<u>5,138,669</u>
Total Liabilities	<u>4,893,794</u>	<u>5,473,399</u>	<u>94,936</u>	<u>115,049</u>	<u>4,988,730</u>	<u>5,588,448</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	4,199,337	3,568,379	38,318	48,946	4,237,655	3,617,325
Restricted	3,271,002	2,293,573			3,271,002	2,293,573
Unrestricted	<u>(332,676)</u>	<u>(1,069,576)</u>	<u>273,330</u>	<u>77,074</u>	<u>(59,346)</u>	<u>(992,502)</u>
Total Net Assets	<u>7,137,663</u>	<u>4,792,376</u>	<u>311,648</u>	<u>126,020</u>	<u>7,449,311</u>	<u>4,918,396</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

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

Table 2 below shows the changes in net assets for fiscal year 2011 compared to 2010.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			953,402	756,143	953,402	756,143
Operating Grants and						
Contributions	1,720,569	2,304,165	792,879	753,151	2,513,448	3,057,316
Capital Grants and						
Contributions	360,862				360,862	
General Revenues:						
Taxes:						
Property taxes	27,757,411	26,209,242			27,757,411	26,209,242
Federal and State Aid not						
Restricted	5,590,059	5,424,373			5,590,059	5,424,373
Tuition Received	6,922,484	5,743,912			6,922,484	5,743,912
Miscellaneous Income	<u>687,763</u>	<u>993,934</u>	<u>          </u>	<u>          </u>	<u>687,763</u>	<u>993,934</u>
Total Revenues and Transfers	<u>43,039,148</u>	<u>40,675,626</u>	<u>1,746,281</u>	<u>1,509,294</u>	<u>44,785,429</u>	<u>42,184,920</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	17,744,712	17,621,066			17,744,712	17,621,066
Special Education	4,075,643	3,800,012			4,075,643	3,800,012
Other Special Education	751,847	887,456			751,847	887,456
Other Instruction	730,640	734,748			730,640	734,748
Support Services:						
Tuition	1,662,115	1,891,441			1,662,115	1,891,441
Student & Instruction Related Services	4,600,551	4,761,630			4,600,551	4,761,630
School Administrative Services	2,037,280	1,251,075			2,037,280	1,251,075
General Administrative Services	1,336,229	1,683,523			1,336,229	1,683,523
Central Services and Admin. Info. Tech.	658,999	628,335			658,999	628,335
Plant Operations and Maintenance	2,934,424	3,104,869			2,934,424	3,104,869
Pupil Transportation	1,103,550	1,038,296			1,103,550	1,038,296
Unallocated Benefits	2,364,279	3,432,153			2,364,279	3,432,153
Food Service			1,383,115	1,457,507	1,383,115	1,457,507
After School Program			177,538		177,538	
Charter Schools	11,177				11,177	
Interest on Long-Term Debt	127,668	139,132			127,668	139,132
Unallocated Depreciation	294,713	337,078			294,713	337,078
Capital Outlay - Nondepreciable	<u>260,034</u>	<u>513,578</u>			<u>260,034</u>	<u>513,578</u>
Total Expenses and Transfers	<u>40,693,861</u>	<u>41,824,392</u>	<u>1,560,653</u>	<u>1,457,507</u>	<u>42,254,514</u>	<u>43,281,899</u>
Increase or (Decrease) in						
Net Assets	<u>2,345,287</u>	<u>(1,148,766)</u>	<u>185,628</u>	<u>51,787</u>	<u>2,530,915</u>	<u>(1,096,979)</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (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 \$42,254,514. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$27,757,411 because some of the cost was paid by those who benefitted from the programs \$953,402, by other governments and organizations who subsidized certain programs with grants and contributions \$2,513,448, unrestricted federal and state aid \$5,590,059, federal and state aid capital outlay \$360,862, tuition received \$6,922,484, and by miscellaneous sources \$687,763.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2011, and the amount and percentage of increases/(decreases) relative to the prior year.

**Schedule of Change in Governmental Fund Revenue and Expenditures**

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2010</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$35,367,658	82.2%	\$2,420,570	7.35%	\$ 32,947,088
State Source	6,122,991	14.2	41,190	0.68	6,081,801
Federal Source	<u>1,548,499</u>	<u>3.6</u>	<u>(76,863)</u>	(4.73)	<u>1,625,362</u>
Total	<u>\$43,039,148</u>	<u>100.0%</u>	<u>\$2,384,897</u>	5.87%	<u>\$40,654,251</u>
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2010</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$17,752,416	42.8%	(\$547,492)	(2.99) %	\$18,299,908
Undistributed	22,377,777	54.0	688,757	3.18	21,689,020
Debt Service	425,763	1.0	25	0.01	425,738
Capital Outlay	<u>928,832</u>	<u>2.2</u>	<u>150,523</u>	19.34	<u>778,309</u>
Total	<u>\$41,484,788</u>	<u>100.0%</u>	<u>\$291,813</u>	0.71%	<u>\$41,192,975</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.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law. 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 the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2011, the School District amended the general fund by \$335,583 for unbudgeted increase in PERS payment obligation (\$124,102) and unbudgeted legal settlement payment (\$211,481). The District also amended the special revenue fund by \$766,165 for increases in federal and state grants.

**General Fund**

The general fund actual revenue was \$40,123,529. That amount is \$4,328,123 above the final amended budget of \$35,795,406. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,521,679 for TPAF pension and social security reimbursements and a \$1,647,799 excess in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$38,421,900 including transfers which is \$1,027,767 above the final amended budget of \$37,394,133. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$2,521,679 for TPAF pension and social security reimbursements, and \$1,493,912 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$40,123,529 and total expenditures of \$38,421,900 with an ending fund balance of \$4,315,444 on the budgetary basis of accounting.

**Special Revenue Fund**

The special revenue fund actual revenue was \$2,083,237. That amount is \$165,168 below the final amended budget of \$2,248,405. The variance between the actual revenues 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 \$2,083,237, which is \$165,168 below the final amended budget of \$2,248,405. The variance between the 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.

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2011 the School District had \$16,447,059 invested in sites, buildings, equipment and construction in progress. Of this amount \$8,891,306 in depreciation has been taken over the years. We currently have a net book value of \$7,555,753. Total additions for the year were \$674,324, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2011 balances compared to 2010.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Construction in Progress	561,220				561,220	
Buildings and Improvements	6,310,096	6,493,040			6,310,096	6,493,040
Furniture, Equipment and Vehicles	318,949	278,953	38,318	48,946	357,267	327,899
Land Improvements	<u>138,502</u>	<u>301,081</u>			<u>138,502</u>	<u>301,081</u>
	<u>\$7,517,435</u>	<u>\$7,261,742</u>	<u>\$38,318</u>	<u>\$48,946</u>	<u>\$7,555,753</u>	<u>\$7,310,688</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

**Debt Administration**

At June 30, 2011, the District had \$4,606,004 of outstanding debt. Of this amount, \$1,287,906 is for compensated absences; \$136,962 is for various capital leases; and \$3,181,136 of serial bonds for school construction and related refunding costs.

**Table 4  
Outstanding Serial Bonds at June 30,**

	<u>2011</u>	<u>2010</u>
2001 School Improvement Bonds	<u>\$3,070,000</u>	<u>\$3,360,000</u>

**BOROUGH OF CLIFFSIDE SCHOOL DISTRICT  
CLIFFSIDE PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (continued)**

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

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2011-2012 school year that is higher than the level of the 2010-2011 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2011-2012 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Borough of Cliffside Park School District'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:

Toni Ann Nebbia  
School Business Administrator  
Borough of Cliffside Park School District  
525 Palisade Avenue  
Cliffside Park, NJ 07010

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Net Assets**  
**June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	1,247,779	292,752	1,540,531
Receivables, net	3,147,175	67,059	3,214,234
Inventory		8,455	8,455
Restricted assets:			
Capital reserve account - cash	119,068		119,068
Capital assets, net: Land and construction in progress	749,888		749,888
Other capital, net	6,767,547	38,318	6,805,865
Total Assets	<u>12,031,457</u>	<u>406,584</u>	<u>12,438,041</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	223,011	48,686	271,697
Interfunds payable		46,250	46,250
Deferred revenue	64,779		64,779
Noncurrent liabilities:			
Due within one year	373,873		373,873
Due beyond one year	4,232,131		4,232,131
Total liabilities	<u>4,893,794</u>	<u>94,936</u>	<u>4,988,730</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,199,337	38,318	4,237,655
Restricted for:			
Capital projects	1,037,759		1,037,759
Other purposes	2,233,243		2,233,243
Unrestricted (Deficit)	(332,676)	273,330	(59,346)
Total net assets	<u>7,137,663</u>	<u>311,648</u>	<u>7,449,311</u>

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
Statement of Activities  
Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	13,685,865	4,058,847		1,414,557		(16,330,155)		(16,330,155)
Special education	2,998,317	1,077,326				(4,075,643)		(4,075,643)
Other special instruction	553,109	198,738				(751,847)		(751,847)
Other instruction	577,589	153,051				(730,640)		(730,640)
Support services:								
Tuition	1,662,115					(1,662,115)		(1,662,115)
Health Services	463,668	164,622				(628,290)		(628,290)
Student & instruction related services	3,236,080	736,181		306,012		(3,666,249)		(3,666,249)
School administrative services	1,501,419	535,861				(2,037,280)		(2,037,280)
General administrative services	1,230,755	105,474				(1,336,229)		(1,336,229)
Central services and administrative information technology	488,719	170,280				(658,999)		(658,999)
Plant operations and maintenance	2,498,369	436,055				(2,934,424)		(2,934,424)
Pupil transportation	881,673	221,877				(1,103,550)		(1,103,550)
Unallocated benefits	2,364,279					(2,364,279)		(2,364,279)
Charter Schools	11,177					(11,177)		(11,177)
Capital outlay - non-depreciable	260,034					(260,034)		(260,034)
Interest on long-term debt	127,668					(127,668)		(127,668)
Unallocated depreciation/amortization	294,713					(294,713)		(294,713)
Total governmental activities	32,835,549	7,858,312	-	1,720,569	-	(38,973,292)	-	(38,973,292)
Business-type activities:								
Food Service	1,383,115		771,777				181,541	181,541
After School Program	177,538		181,625				4,087	4,087
Total business-type activities	1,560,653		953,402				185,628	185,628
Total primary government	34,396,202		953,402				185,628	(38,787,664)
General revenues:								
Taxes:								
Levied for general purposes						27,336,235		27,336,235
Taxes levied for debt service						421,176		421,176
Federal and State aid not restricted						5,590,059		5,590,059
Federal and State aid - Capital Outlay						360,862		360,862
Tuition received						6,922,484		6,922,484
Miscellaneous Income						687,763		687,763
Total general revenues, special items, extraordinary items and transfers						41,318,579		41,318,579
Change in Net Assets						2,345,287	185,628	2,530,915
Net Assets—beginning, restated						4,792,376	126,020	4,918,396
Net Assets—ending						7,137,663	311,648	7,449,311

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

**FUND FINANCIAL STATEMENTS**

**CLIFFSIDE PARK BOARD OF EDUCATION  
Balance Sheet  
Governmental Funds  
June 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents				
Checking	2,082,117			2,082,117
Accounts Receivable -				
Interfunds	76,126			76,126
Intergovernmental - State	570,227	12,194	224,488	806,909
Intergovernmental - Federal	32,012	728,013		760,025
Intergovernmental - Other	1,504,115			1,504,115
Restricted cash and cash equivalents				
Capital reserve	119,068			119,068
<b>Total assets</b>	<u>4,383,665</u>	<u>740,207</u>	<u>224,488</u>	<u>5,348,360</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Deficit in Cash		728,541	105,797	834,338
Accounts payable	153,853	11,666		165,519
Deferred revenue	64,779			64,779
<b>Total liabilities</b>	<u>218,632</u>	<u>740,207</u>	<u>105,797</u>	<u>1,064,636</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Excess Surplus - current year	1,422,639			1,422,639
Excess Surplus - prior year - designated for subsequent year's expenditures	461,659			461,659
Capital reserve account	919,068			919,068
<b>Committed to:</b>				
Year-end Encumbrances	346,210			346,210
<b>Assigned to:</b>				
Designated by the BOE for subsequent year's expenditures	2,735			2,735
Capital projects fund			118,691	118,691
<b>Unassigned:</b>				
General Fund	1,012,722			1,012,722
<b>Total Fund balances</b>	<u>4,165,033</u>	<u>-</u>	<u>118,691</u>	<u>4,283,724</u>
<b>Total liabilities and fund balances</b>	<u>4,383,665</u>	<u>740,207</u>	<u>224,488</u>	

Amounts reported for governmental activities in the statement of net assets (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 \$16,200,462 and the accumulated depreciation is \$8,683,027.	7,517,435
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(57,492)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(4,606,004)
<b>Net assets of governmental activities</b>	<u>7,137,663</u>

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Municipal tax levy	27,336,235			421,176	27,757,411
Tuition charges	6,922,484				6,922,484
Miscellaneous	687,763				687,763
Total - Local Sources	34,946,482	-	-	421,176	35,367,658
State sources	5,306,332	587,584	224,488	4,587	6,122,991
Federal sources	54,652	1,493,847			1,548,499
Total revenues	40,307,466	2,081,431	224,488	425,763	43,039,148
<b>EXPENDITURES</b>					
Current:					
Regular instruction	12,208,844	1,414,557			13,623,401
Special education instruction	2,998,317				2,998,317
Other special instruction	553,109				553,109
School sponsored/other instructional	577,589				577,589
Support services and undistributed costs:					
Tuition	1,662,115				1,662,115
Health services	463,668				463,668
Student & instruction related services	2,914,774	306,012			3,220,786
School administrative services	1,501,419				1,501,419
General administrative services	1,230,755				1,230,755
Central services & administrative information technology	488,719				488,719
Plant operations and maintenance	2,498,369				2,498,369
Pupil transportation	920,778				920,778
Unallocated benefits	7,858,312				7,858,312
On-behalf contributions	2,521,679				2,521,679
Transfer to Charter Schools	11,177				11,177
Debt service:					
Principal				290,000	290,000
Interest and other charges				135,763	135,763
Capital outlay	12,276	360,862	561,220		934,358
Total expenditures	38,421,900	2,081,431	561,220	425,763	41,490,314
Excess (Deficiency) of revenues	1,885,566	-	(336,732)	-	1,548,834
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in			408,072		408,072
Transfers out	(408,072)				(408,072)
Total other financing sources and uses	(408,072)	-	408,072	-	-
Net change in fund balances	1,477,494	-	71,340	-	1,548,834
Fund balance—July 1	2,687,539		47,351		2,734,890
Fund balance—June 30	4,165,033	-	118,691	-	4,283,724

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

**CLIFFSIDE 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, 2011**

**Total net change in fund balances - governmental funds (from B-2)** 1,548,834

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	(418,631)	
	Depreciable Capital outlays	<u>674,324</u>	
			255,693

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

General Bond Obligations	290,000		
Amortization Expense - Premiums	10,103		
Capital Lease Obligations	<u>75,162</u>		
			375,265

*[For further illustration purposes only; use if applicable:]*

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

General Bond Obligations - Prior Year	65,587		
General Bond Obligations	<u>(57,492)</u>		
			8,095

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

	Decrease in compensated absences payable		157,400
--	--	--	---------

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

<b>Change in net assets of governmental activities</b>			<u><u>2,345,287</u></u>
--	--	--	-------------------------

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	242,415	50,337	292,752
Accounts receivable:			-
State	1,943		1,943
Federal	38,470		38,470
Other	26,646		26,646
Inventories	8,455		8,455
Total current assets	317,929	50,337	368,266
Noncurrent assets:			
Capital assets:			
Equipment	246,597		246,597
Less accumulated depreciation	(208,279)		(208,279)
Total capital assets (net of accumulated depreciation)	38,318	-	38,318
Total assets	356,247	50,337	406,584
Current Liabilities:			
Interfunds Payable		46,250	46,250
Accounts Payable	48,686		48,686
Total Liabilities	48,686	46,250	94,936
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	38,318	-	38,318
Unrestricted	269,243	4,087	273,330
Total net assets	307,561	4,087	311,648

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2011**

	<b>Business-type Activities - Enterprise Fund</b>		<b>Totals</b>
	<b>Food Service Program</b>	<b>After School Program</b>	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	472,126		472,126
Daily sales - non-reimbursable programs	299,651		299,651
Program Fees		181,625	181,625
Total operating revenues	<u>771,777</u>	<u>181,625</u>	<u>953,402</u>
Operating expenses:			
Cost of sales	592,526		592,526
Salaries	405,506	176,596	582,102
Employee Benefits	186,519		186,519
Supplies and materials	65,951	832	66,783
Purchased Services	79,162		79,162
Depreciation expense	10,628		10,628
Repairs and other expenses	42,823	110	42,933
Total Operating Expenses	<u>1,383,115</u>	<u>177,538</u>	<u>1,560,653</u>
Operating income (loss)	<u>(611,338)</u>	<u>4,087</u>	<u>(607,251)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	14,634		14,634
Snack program	19,341		19,341
Federal sources:			
National school lunch program	601,888		601,888
Breakfast program	107,459		107,459
U.S.D.A. Commodities	49,557		49,557
Total nonoperating revenues (expenses)	<u>792,879</u>	<u>-</u>	<u>792,879</u>
Income (loss) before contributions & transfers	<u>181,541</u>	<u>4,087</u>	<u>185,628</u>
Total net assets—beginning	<u>126,020</u>		<u>126,020</u>
Total net assets—ending	<u>307,561</u>	<u>4,087</u>	<u>311,648</u>

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2011**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	873,073	181,625	1,054,698
Payments to suppliers	(1,340,805)	(131,288)	(1,472,093)
Net cash provided by (used for) operating activities	<u>(467,732)</u>	<u>50,337</u>	<u>(417,395)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	35,330		35,330
Federal Sources	721,687		721,687
Net cash provided by (used for) non-capital financing activities	<u>757,017</u>	<u>-</u>	<u>757,017</u>
Net increase (decrease) in cash and cash equivalents	<u>289,285</u>	<u>50,337</u>	<u>339,622</u>
Balances—beginning of year	<u>(46,870)</u>		<u>(46,870)</u>
Balances—end of year	<u>242,415</u>	<u>50,337</u>	<u>292,752</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(611,338)	4,087	(607,251)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,628		10,628
Food Distribution Program	49,557		49,557
(Increase) decrease in accounts receivable, net	101,295		101,295
(Increase) decrease in inventories	1,619		1,619
Increase (decrease) in accounts payable	(19,493)	46,250	26,757
Total adjustments	<u>(467,732)</u>	<u>50,337</u>	<u>(417,395)</u>
Net cash provided by (used for) operating activities	<u>(467,732)</u>	<u>50,337</u>	<u>(417,395)</u>

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2011**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>	<b>Agency Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	118,847		312,983
Interfund Receivable	63,103		
Accounts Receivable			39,889
Total assets	181,950	-	352,872
<b>LIABILITIES</b>			
Payable to student groups			104,929
Due to other funds			92,978
Due to State - Unemployment	30,891		
Payroll deductions and withholdings			154,965
Total liabilities	30,891	-	352,872
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	151,059		
Reserved for scholarships		405	
	151,059	405	

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2011**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Donations		11,680
Payroll withholdings	27,518	
District contributions	350,000	
Total Contributions	377,518	11,680
<b>DEDUCTIONS</b>		
Unemployment claims	253,610	
Scholarships awarded		11,680
Total deductions	253,610	11,680
Change in net assets	123,908	-
Net assets—beginning of the year	27,151	405
Net assets—end of the year	151,059	405

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:**

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

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Board of Education of the Borough of Cliffside 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 Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board’s accounting policies are described below.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**A. Basis of Presentation:**

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

**District-wide Financial Statements:**

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

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

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds<sup>33</sup> -

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**GOVERNMENTAL FUNDS, (continued)**

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

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

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

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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

**PROPRIETARY FUNDS**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**PROPRIETARY FUNDS, (continued)**

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

The Board's Enterprise Fund is comprised of the Food Service Fund and the After School Program.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net assets and changes in net assets. 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. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net assets 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 assets, 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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. Basis of Accounting:**

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

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

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

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

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

**Expenses/Expenditures**

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

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**D. Budgets/Budgetary Control:**

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

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

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

**E. Encumbrances:**

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

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

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**F. Cash, Cash Equivalents and Investments:**

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

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

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

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

**G. Tuition Revenues/Receivable:**

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

**H. 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.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2011, 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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

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

**K. 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 assets 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 assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value 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

**L. 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 Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**L. 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.

**M. Deferred Revenue:**

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

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**N. 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.

**O. 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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

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

- **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.

**P. Net Assets:**

Net assets represent the difference between assets and liabilities. Net assets 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Q. 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.

**R. Extraordinary and Special Items:**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**S. 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 not allocated. 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.

**T. 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.

**NOTE 3. 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, 2011, \$-0- of the District's bank balance of \$3,646,694 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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**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.

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2011, consisted of accounts receivable 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	\$76,126	\$	\$76,126
State Aid	806,909	1,943	808,852
Federal Aid	760,025	38,470	798,495
Other	<u>1,504,115</u>	<u>26,646</u>	<u>1,530,761</u>
Gross Receivables	3,147,175	67,059	3,214,234
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$3,147,175</u>	<u>\$67,059</u>	<u>\$3,214,234</u>

**NOTE 5. INTERFUND BALANCE AND ACTIVITY**

Balances due to/from other funds at June 30, 2011 consist of the following:

\$8,508	Due to the General Fund from the Agency Fund for cash transfers made in error.
21,367	Due to the General Fund from the Agency Fund for prior years accumulated interest earnings.
46,250	Due to the General Fund from the After School Program for reimbursement of expenditures paid.
<u>63,103</u>	Due to the Unemployment Compensation Trust Fund from the Agency Fund for employee deductions not turned over.
<u>\$139,228</u>	

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>6/30/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2011</u>
<b>Governmental Activities</b>				
Capital assets that are not being depreciated:				
Land	\$188,668			\$188,668
Construction in progress	<u>                    </u>	<u>561,220</u>	<u>                    </u>	<u>561,220</u>
Total capital assets not being depreciated	<u>188,668</u>	<u>561,220</u>	<u>                    </u>	<u>749,888</u>
Building and building improvements	12,851,799			12,851,799
Machinery and equipment	1,264,946	109,819		1,374,765
Land Improvements	<u>1,220,725</u>	<u>3,285</u>	<u>                    </u>	<u>1,224,010</u>
Totals at historical cost	<u>15,337,470</u>	<u>113,104</u>	<u>                    </u>	<u>15,450,574</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,358,759)	(182,944)		(6,541,703)
Machinery and Equipment	(941,493)	(114,323)		(1,055,816)
Land Improvements	<u>(964,144)</u>	<u>(121,364)</u>	<u>                    </u>	<u>(1,085,508)</u>
Total accumulated depreciation	<u>(8,264,396)</u>	<u>(418,631)</u>	<u>                    </u>	<u>(8,683,027)</u>
Total capital assets being depreciated, net of accumulation	<u>7,073,074</u>	<u>(305,527)</u>	<u>                    </u>	<u>6,767,547</u>
Governmental activities capital assets, net	<u>7,261,742</u>	<u>255,693</u>	<u>                    </u>	<u>7,517,435</u>
Business-type activities:				
Equipment	246,597			246,597
Less accumulated depreciation for:				
Equipment	<u>(197,651)</u>	<u>(10,628)</u>	<u>                    </u>	<u>(208,279)</u>
Business-type activities capital assets, net	<u>\$48,946</u>	<u>(\$10,628)</u>	<u>\$                    </u>	<u>\$38,318</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$62,464
Support Service:	
Student & Instruction Related Services	15,294
Student Transportation	36,057
Unallocated Depreciation	<u>304,816</u>
	<u>\$418,631</u>

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2011**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

**Advance and Current Refundings of Debt**

On July 15, 2006, the District issued \$3,680,000 in School District Refunding Bonds having an interest rate of 3.50% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$3,570,000 and the total interest payments defeased was \$1,514,853. The net proceeds of \$3,735,688 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$165,688. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Changes in long-term obligations for the fiscal year ended June 30, 2011 were as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$3,360,000	\$	\$(290,000)	\$3,070,000	\$300,000
Unamortized Premiums	<u>121,239</u>	<u>          </u>	<u>(10,103)</u>	<u>111,136</u>	<u>10,103</u>
Total Bonds Payable	<u>3,481,239</u>	<u>          </u>	<u>(300,103)</u>	<u>3,181,136</u>	<u>310,103</u>
Other Liabilities:					
Obligations Under Capital Lease	212,124		(75,162)	136,962	63,770
Compensated Absences Payable	<u>1,445,306</u>	<u>33,789</u>	<u>(191,189)</u>	<u>1,287,906</u>	<u>          </u>
Total Other Liabilities	<u>1,657,430</u>	<u>33,789</u>	<u>(266,351)</u>	<u>1,424,868</u>	<u>63,770</u>
	<u>\$5,138,669</u>	<u>\$33,789</u>	<u>(\$566,454)</u>	<u>\$4,606,004</u>	<u>\$373,873</u>

**A. Bonds Payable:**

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 obligations bonds.

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2011**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)**

**A. Bonds Payable:**, (continued)

Outstanding bonds payable at June 30, 2011, consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2011</u>
School Refunding Bonds 2006	\$3,680,000	08/15/2006	3.50%-5.00%	07/15/201	<u>\$3,070,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2012	\$425,438	\$300,000	\$125,438
2013	424,763	310,000	114,763
2014	428,488	325,000	103,488
2015	426,524	335,000	91,524
2016	419,205	340,000	79,205
2017-2020	<u>1,608,500</u>	<u>1,460,000</u>	<u>148,500</u>
	<u>\$3,732,918</u>	<u>\$3,070,000</u>	<u>\$662,918</u>

**B. Capital Leases Payable:**

The District is leasing various school buses under capital leases. All capital leases are for terms of five to seven years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$50,690	\$6,483	\$57,173
2013	48,539	3,537	52,076
2014	27,657	1,765	29,422
2015	<u>10,077</u>	<u>425</u>	<u>10,502</u>
	<u>\$136,963</u>	<u>\$12,210</u>	<u>\$149,173</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 8. OPERATING LEASES**

The District is leasing a building in the Borough of Cliffside Park located at 247 Knox Ave for the purpose of operating the Early Childhood Center under noncancelable operating leases that expire in 2012. The District also has commitments to lease certain office equipment under operating leases that expire in 2016 and computer equipment that expire in 2010. Total operating lease payments made during the year ended June 30, 2011 were \$478,180. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$197,620
2013	151,080
2014	142,381
2015	116,957
2016	<u>28,862</u>
	<u>\$636,900</u>

**NOTE 9. RETROACTIVE RESTATEMENT DUE TO UPDATED CAPITAL LEASE SCHEDULE AND INCREASE IN PRIOR YEAR STATE AID**

During fiscal year 2010, the District entered into capital leases for two school buses. These leases were recorded at incorrect amounts and have been restated. There was an adjustment to the prior year state aid revenues that was not previously recorded. The following adjustments were made to the Statement of Net Assets as of June 30, 2010:

	<u>Balance June 30, 2010</u>	<u>Restatement</u>	<u>Restated Balance June 30, 2010</u>
Assets:			
Receivables, net	\$1,973,418	\$503,670	\$2,477,088
Noncurrent Liabilities:			
Due beyond one year	4,716,012	62,665	4,778,677
Net Assets:			
Invested in capital assets, net of related debt	3,631,045	(62,665)	3,568,380
Restricted for:			
Capital projects	574,296		574,296
Other purposes	1,257,618	461,659	1,719,277
Unrestricted (Deficit)	(1,111,588)	42,011	(1,069,577)
Total Net Assets	\$4,351,371	\$441,005	\$4,792,376

**Borough of Cliffside Park School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2011**

**NOTE 10. 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.

**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.

**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.

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 10. PENSION PLANS, (continued)**

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

<b>Year Ending</b>	
6/30/11	\$454,102
6/30/10	319,385
6/30/09	277,289

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<b>Year Ending</b>	<b>Pension Contributions</b>	<b>Post- Retirement Medical Contributions</b>	<b>NCGI Premium</b>
6/30/11	\$	\$1,150,060	\$54,146
6/30/10		1,104,371	58,801
6/30/09		997,210	52,272

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$1,204,206 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,317,473 during the year ended June 30, 2011 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

**NOTE 11. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 11. POST-RETIREMENT BENEFITS, (continued)**

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2010, the State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

**NOTE 12. 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:

AXA Equitable	GALIC
Oppenheimer Funds	Security Benefit
First Investors	VALIC
MetLife	

**NOTE 13. RISK MANAGEMENT**

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

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

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

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 13. RISK MANAGEMENT, (continued)**

State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$350,000	\$27,518	\$253,610	\$151,059
2009-2010	77,750	34,606	110,610	27,151
2008-2009		56,310	66,254	25,405

**NOTE 14. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Cliffside Park Board of Education by inclusion of \$200,000 on June 24, 2008 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. There existed a balance of \$919,068 in the capital reserve account at June 30, 2011.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amount 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, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, June 30, 2010	\$526,945
Deposits:	
Board Resolution - June 29, 2011	800,000
Interest Earnings	195
Withdrawals:	
Transfer to Capital Projects Fund	(408,072)
Ending balance, June 30, 2011	<u>\$919,068</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2011**

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$4,165,033 General Fund fund balance at June 30, 2011, \$346,210 is reserved for encumbrances; \$1,884,298 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$2,735 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$919,068 has been reserved in the Capital Reserve Account; and \$1,012,722 is unreserved and undesignated.

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, 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, 2011 is \$1,884,298 of which \$1,422,639 is the result of current year operations.

**NOTE 17. INVENTORY**

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	\$6,192
Supplies	<u>2,263</u>
	<u>\$8,455</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.

**NOTE 18. CONTINGENT LIABILITIES**

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

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

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	27,336,235		27,336,235	27,336,235	
Tuition	6,009,684		6,009,684	6,922,484	912,800
Transportation Fees from Other LEAs	180,000		180,000	334,731	
Interest Earned on Capital Reserve Funds	50	(50)		195	195
Unrestricted Miscellaneous Revenues	55,000		55,000	352,837	297,837
<b>Total - Local Sources</b>	<u>33,580,969</u>	<u>(50)</u>	<u>33,580,919</u>	<u>34,946,482</u>	<u>1,365,563</u>
Revenues from State Sources:					
Categorical Special Education Aid	756,504		756,504	924,989	168,485
Equalization Aid	1,407,245		1,407,245	1,238,760	(168,485)
Extraordinary Aid				436,967	436,967
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				1,150,060	1,150,060
On-behalf TPAF Pension NCGI Premium				54,146	54,146
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,317,473	1,317,473
<b>Total - State Sources</b>	<u>2,163,749</u>		<u>2,163,749</u>	<u>5,122,395</u>	<u>2,958,646</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	50,738		50,738	54,652	3,914
<b>Total - Federal Sources</b>	<u>50,738</u>		<u>50,738</u>	<u>54,652</u>	<u>3,914</u>
<b>TOTAL REVENUES</b>	<u>35,795,456</u>	<u>(50)</u>	<u>35,795,406</u>	<u>40,123,529</u>	<u>4,328,123</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	296,070	167,651	463,721	463,721	
Grades 1-5 - Salaries of Teachers	3,487,333	(355,836)	3,131,497	3,131,497	
Grades 6-8 - Salaries of Teachers	1,749,188	5,896	1,755,084	1,721,011	34,073
Grades 9-12 - Salaries of Teachers	5,595,857	87,449	5,683,306	5,683,306	
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	35,000	(1,180)	33,820	33,175	645
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	362,427	(98,920)	263,507	263,507	
Other Purchased Services (400-500 series)	89,024	55,063	144,087	93,428	50,659
General Supplies	383,481	119,948	503,429	409,582	93,847
Textbooks	42,174		42,174	41,610	564
Other Objects	449,000	(38,056)	410,944	368,007	42,937
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>12,489,554</u>	<u>(57,985)</u>	<u>12,431,569</u>	<u>12,208,844</u>	<u>222,725</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	470,765	(12,584)	458,181	458,181	
Other Salaries for Instruction	82,650	(23,924)	58,726	58,726	
<b>Total Learning and/or Language Disabilities</b>	<u>553,415</u>	<u>(36,508)</u>	<u>516,907</u>	<u>516,907</u>	
<b>Behavioral Disabilities</b>					
Salaries of Teachers	258,325	(58,425)	199,900	199,900	
Other Salaries for Instruction	74,134	(9,815)	64,319	64,319	
<b>Total Behavioral Disabilities</b>	<u>332,459</u>	<u>(68,240)</u>	<u>264,219</u>	<u>264,219</u>	
<b>Multiple Disabilities</b>					
Salaries of Teachers	250,570	4,825	255,395	255,395	
Other Salaries for Instruction	128,937	(7,842)	121,095	114,443	6,652
<b>Total Multiple Disabilities</b>	<u>379,507</u>	<u>(3,017)</u>	<u>376,490</u>	<u>369,838</u>	<u>6,652</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,061,955	(35,525)	1,026,430	989,415	37,015
Other Salaries for Instruction	245,625	30,503	276,128	276,128	
<b>Total Resource Room/Resource Center</b>	<u>1,307,580</u>	<u>(5,022)</u>	<u>1,302,558</u>	<u>1,265,543</u>	<u>37,015</u>
<b>Autism</b>					
Salaries of Teachers	125,400	108,025	233,425	233,425	
Other Salaries for Instruction	124,666	2,617	127,283	127,283	
<b>Total Autism</b>	<u>250,066</u>	<u>110,642</u>	<u>360,708</u>	<u>360,708</u>	
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	108,645		108,645	93,400	15,245
Other Salaries for Instruction	93,644	34,058	127,702	127,702	
<b>Total Preschool Disabilities - Full-Time</b>	<u>202,289</u>	<u>34,058</u>	<u>236,347</u>	<u>221,102</u>	<u>15,245</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>3,025,316</u>	<u>31,913</u>	<u>3,057,229</u>	<u>2,998,317</u>	<u>58,912</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	552,149	960	553,109	553,109	
<b>Total Bilingual Education - Instruction</b>	552,149	960	553,109	553,109	
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	192,770		192,770	133,643	59,127
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	192,770		192,770	133,643	59,127
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	292,900		292,900	292,315	585
Supplies and Materials	112,533	10,315	122,848	111,631	11,217
Transfers to Cover Deficit (Agency Funds)	106,000	(12,315)	93,685	40,000	53,685
<b>Total School-Sponsored Athletics - Instruction</b>	511,433	(2,000)	509,433	443,946	65,487
<b>TOTAL INSTRUCTION</b>	16,771,222	(27,112)	16,744,110	16,337,859	406,251
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular					
Tuition to Other LEAs Within the State - Special	178,162	93,618	271,780	246,125	25,655
Tuition to County Voc. School Dist. - Regular	365,700	(7,950)	357,750	357,744	6
Tuition to County Voc. School Dist. - Special	186,970	(74,842)	112,128	74,325	37,803
Tuition to CSSD & Regional Day Schools	704,000	155,765	859,765	780,223	79,542
Tuition to Private Schools for the Handicapped - Within State	444,492	(215,425)	229,067	151,945	77,122
Tuition - State Facilities	51,753		51,753	51,753	
<b>Total Undistributed Expenditures - Instruction:</b>	1,931,077	(48,834)	1,882,243	1,662,115	220,128
<b>Undist. Expend. - Health Services</b>					
Salaries	454,825	3,335	458,160	458,160	
Supplies and Materials	7,159		7,159	5,508	1,651
<b>Total Undistributed Expenditures - Health Services</b>	461,984	3,335	465,319	463,668	1,651
<b>Undist. Expend. - Speech, OT, PT &amp; Related Svcs.</b>					
Salaries	312,280	(15,260)	297,020	295,027	1,993
Purchased Prof. Services-Educational Services	1,600		1,600		1,600
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Svcs</b>	313,880	(15,260)	298,620	295,027	3,593
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	751,257	(5,994)	745,263	717,960	27,303
Salaries of Secretarial and Clerical Assistants	114,732	(1,047)	113,685	65,882	47,803
<b>Total Undist. Expend. - Guidance</b>	865,989	(7,041)	858,948	783,842	75,106
<b>Undist. Expend. - Other Supp. Child Study Teams</b>					
Salaries of Other Professional Staff	650,715		650,715	632,403	18,312
Salaries of Secretarial and Clerical Assistants	108,848	(26,769)	82,079	82,079	
Other Purchased Professional and Technical Services	948,989	(4,512)	944,477	824,370	120,107
<b>Total Undist. Expend. - Other Supp. Serv. Students-Special</b>	1,708,552	(31,281)	1,677,271	1,538,852	138,419
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	103,510	15,006	118,516	110,116	8,400
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	103,510	15,006	118,516	110,116	8,400
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	152,800		152,800	145,408	7,392
Supplies and Materials	37,000	(3,625)	33,375	20,759	12,616
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	189,800	(3,625)	186,175	166,167	20,008
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	20,750	20	20,770	20,770	
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	20,750	20	20,770	20,770	
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	295,317	(1,770)	293,547	293,547	
Legal Services	95,000	(15,771)	79,229	31,863	47,366
Audit Fees	82,000	(8,000)	74,000	37,000	37,000
Other Purchased Professional Services	36,250	18	36,268	36,268	
Purchased Technical Services	30,000	(30,000)			
Communications/Telephone	174,669	247	174,916	123,403	51,513
Other Purch Services (400-500 Series)	199,395	176,717	376,112	370,589	5,523
Judgements against the School District		270,852	270,852	270,852	
Misc. Expenditures	55,000	13,578	68,578	67,233	1,345
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	967,631	405,871	1,373,502	1,230,755	142,747
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	1,165,763	2,385	1,168,148	1,168,148	
Salaries of Secretarial and Clerical Assistants	265,010	58,203	323,213	323,213	
Other Objects	7,000	3,058	10,058	10,058	
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	1,437,773	63,646	1,501,419	1,501,419	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	311,021	(3,865)	307,156	307,156	
Misc. Expenditures	18,925	(4,116)	14,809	14,809	
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<u>329,946</u>	<u>(7,981)</u>	<u>321,965</u>	<u>321,965</u>	
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	116,700	50,054	166,754	166,754	
<b>Total Undist. Expend. - Support Serv. - Administrative</b>					
<b>Information Technology</b>	<u>116,700</u>	<u>50,054</u>	<u>166,754</u>	<u>166,754</u>	
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	64,750	(17,353)	47,397	47,397	
Cleaning, Repair and Maintenance Services	98,474	9,659	108,133	106,415	1,718
General Supplies	14,149	(4,931)	9,218	5,571	3,647
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<u>177,373</u>	<u>(12,625)</u>	<u>164,748</u>	<u>159,383</u>	<u>5,365</u>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant (262)</b>					
Salaries	1,216,076	(6,688)	1,209,388	1,166,193	43,195
Cleaning, Repair and Maintenance Services	115,000	12,465	127,465	113,605	13,860
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	145,832		145,832	131,665	14,167
Insurance	352,000	(71,949)	280,051	280,051	
General Supplies	187,654	1,851	189,505	157,447	32,058
Energy (Energy and Electricity)	299,450		299,450	197,379	102,071
Energy (Natural Gas)	299,450		299,450	292,646	6,804
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>2,615,462</u>	<u>(64,321)</u>	<u>2,551,141</u>	<u>2,338,986</u>	<u>212,155</u>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries of Non-Instructional Aides	62,050	108,531	170,581	170,581	
Salaries for Pupil Trans (Bet. Home & Sch. ) - Sp Ed	378,404	(18,935)	359,469	354,678	4,791
Salaries for Pupil Trans (Other than Bet. Home & Sch. )	95,000		95,000	92,248	2,752
Cleaning, Repair and Maintenance Services	37,442	11,303	48,745	43,192	5,553
Lease Purchase Payments - School Buses	50,032	(10,433)	39,599	22,882	16,717
Contract Services (Sp. Ed. Students)-Joint Agreements	223,000	(53,785)	169,215	146,223	22,992
General Supplies	75,000	28,103	103,103	90,974	12,129
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>920,928</u>	<u>64,784</u>	<u>985,712</u>	<u>920,778</u>	<u>64,934</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	426,000	88,381	514,381	514,381	
T.P.A.F. Contributions - ERIP	550	566	1,116	1,116	
Other Retirement Contributions-PERS	330,000	124,102	454,102	454,102	
Unemployment Compensation	480,000	(130,000)	350,000	350,000	
Workmen's Compensation	135,000	(130,803)	4,197		4,197
Health Benefits	6,720,631		6,720,631	6,538,713	181,918
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>8,092,181</u>	<u>(47,754)</u>	<u>8,044,427</u>	<u>7,858,312</u>	<u>186,115</u>
On-behalf TPAF pension Contributions (non-budgeted)				1,150,060	(1,150,060)
On-behalf TPAF NCGI Premium (non-budgeted)				54,146	(54,146)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,317,473	(1,317,473)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>2,521,679</u>	<u>(2,521,679)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>8,092,181</u>	<u>(47,754)</u>	<u>8,044,427</u>	<u>10,379,991</u>	<u>(2,335,564)</u>
<b>Undistributed Expenditures - Food Services</b>					
Transfers to Cover Deficit (Enterprise Fund)	1,000		1,000		1,000
<b>Total Undistributed Expenditures - Food Services</b>	<u>1,000</u>		<u>1,000</u>		<u>1,000</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>20,254,536</u>	<u>363,994</u>	<u>20,618,530</u>	<u>22,060,588</u>	<u>(1,442,058)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>37,025,758</u>	<u>336,882</u>	<u>37,362,640</u>	<u>38,398,447</u>	<u>(1,035,807)</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	50	(50)			
<b>Total</b>	<u>50</u>	<u>(50)</u>			
<b>Equipment</b>					
<b>Facilities Acquisition and Construction Services</b>					
Other Purchased Prof. and Tech. Services	6,494	256	6,750	6,750	
Infrastructure	5,526	3,971	9,497	5,526	3,971
<b>Total Facilities Acquisition and Construction Services</b>	<u>12,020</u>	<u>4,227</u>	<u>16,247</u>	<u>12,276</u>	<u>3,971</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>12,070</u>	<u>4,177</u>	<u>16,247</u>	<u>12,276</u>	<u>3,971</u>
Transfer of Funds to Charter Schools	15,246		15,246	11,177	4,069
<b>TOTAL EXPENDITURES</b>	<u>37,053,074</u>	<u>341,059</u>	<u>37,394,133</u>	<u>38,421,900</u>	<u>(1,027,767)</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(1,257,618)	(341,109)	(1,598,727)	1,701,629	3,300,356
<b>Other Financing Sources/(Uses):</b>					
Operating Transfers Out:					
Capital Reserve - Transfer to Capital Projects				(408,072)	408,072
<b>Total Other Financing Sources/(Uses):</b>				<u>(408,072)</u>	<u>408,072</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	(1,257,618)	(341,109)	(1,598,727)	1,293,557	3,708,428
<b>Fund Balance, July 1</b>	3,021,887		3,021,887	3,021,887	
<b>Fund Balance, June 30</b>	<u>1,764,269</u>	<u>(341,109)</u>	<u>1,423,160</u>	<u>4,315,444</u>	<u>3,708,428</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(507,106)		(507,106)	(507,106)	
<b>Increase in Capital Reserve:</b>					
Interest Deposit to Capital Reserve				195	(195)
Withdrawal from Capital Reserve				(408,072)	408,072
<b>Budgeted Fund Balance</b>	<u>(750,512)</u>	<u>(341,109)</u>	<u>(1,091,621)</u>	<u>2,208,540</u>	<u>3,300,551</u>
	<u>(1,257,618)</u>	<u>(341,109)</u>	<u>(1,598,727)</u>	<u>1,293,557</u>	<u>3,708,428</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Legally Restricted - Excess Surplus				1,422,639	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				461,659	
Capital Reserve				919,068	
<b>Committed Fund Balance:</b>					
Year-end Encumbrances				346,210	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				2,735	
<b>Unassigned Fund Balance</b>				<u>1,163,133</u>	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				<u>4,315,444</u>	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>150,411</u>	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>4,165,033</u>	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	617,240	124	617,364	587,705	(29,659)
Federal Sources	865,000	766,041	1,631,041	1,495,532	(135,509)
<b>Total Revenues</b>	<b>1,482,240</b>	<b>766,165</b>	<b>2,248,405</b>	<b>2,083,237</b>	<b>(165,168)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	621,960	52,615	674,575	615,647	58,928
Other Salaries for Instruction	125,654	(42,205)	83,449	83,449	-
Purchased Professional and Technical Services		6,000	6,000	5,697	303
Other Purchased Services (400-500 series)	450,000	93,197	543,197	543,197	-
General Supplies	9,475	159,870	169,345	168,316	1,029
Textbooks		57	57	57	-
<b>Total instruction</b>	<b>1,207,089</b>	<b>269,534</b>	<b>1,476,623</b>	<b>1,416,363</b>	<b>60,260</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	15,900	(4,073)	11,827	11,544	283
Salaries of Program Directors	73,190	1,601	74,791	74,791	-
Salaries of Secretarial and Clerical Assistants	25,229	(2,151)	23,078	22,586	492
Personal Services - Employee Benefits		63,804	63,804	-	63,804
Purchased Professional - Educational Services	15,000	22,000	37,000	4,000	18,000
Other Purchased Professional Services	145,832	-	145,832	17,895	(2,895)
Rentals		20,084	20,084	131,665	14,167
Travel		26,149	26,149	32,217	20,084
Other Purchased Services (400-500 series)		7,769	7,769	11,314	(6,068)
Supplies & Materials					(3,545)
<b>Total support services</b>	<b>275,151</b>	<b>135,183</b>	<b>410,334</b>	<b>306,012</b>	<b>104,322</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment		99,428	99,428	98,842	586
Noninstructional Equipment		262,020	262,020	262,020	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>361,448</b>	<b>361,448</b>	<b>360,862</b>	<b>586</b>
<b>Total Expenditures</b>	<b>1,482,240</b>	<b>766,165</b>	<b>2,248,405</b>	<b>2,083,237</b>	<b>165,168</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
Fiscal Year Ended June 30, 2011**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	40,123,529	2,083,237
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(1,806)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		334,348	59,891
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).		(150,411)	(59,891)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	40,307,466	2,081,431
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	38,421,900	2,083,237
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			(1,806)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	38,421,900	2,081,431

**SPECIAL REVENUE FUND**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2011**

	Total						
	Brought Forward (Ex. E-1a)	NCLB Title I	ARRA - NCLB Title I	IDEA Part - B	ARRA - IDEA Part - B	IDEA Part - B Preschool	Totals 2011
<b>REVENUES</b>							
State Sources	587,705						587,705
Federal Sources	228,808	311,289	55,332	528,745	356,906	14,452	1,495,532
<b>Total Revenues</b>	<b>816,513</b>	<b>311,289</b>	<b>55,332</b>	<b>528,745</b>	<b>356,906</b>	<b>14,452</b>	<b>2,083,237</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	372,866	242,781					615,647
Other Salaries for Instruction	83,449		5,697				83,449
Purchased Professional and Technical Services	-			528,745		14,452	543,197
Other Purchased Services (400-500 series)	77,552	40,472	40,292		10,000		168,316
General Supplies							
Textbooks	57						57
<b>Total Instruction</b>	<b>533,924</b>	<b>288,950</b>	<b>40,292</b>	<b>528,745</b>	<b>10,000</b>	<b>14,452</b>	<b>1,416,363</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction	8,100		3,444				11,544
Salaries of Program Directors	74,791						74,791
Salaries of Secretarial and Clerical Assistants	22,586						22,586
Personal Services - Employee Benefits							
Purchased Professional - Educational Services	4,000						4,000
Other Purchased Professional Services		17,895					17,895
Rentals	131,665						131,665
Travel							
Other Purchased Services (400-500 series)	31,133				1,084		32,217
Supplies & Materials	10,314	1,000					11,314
<b>Total support services</b>	<b>282,589</b>	<b>22,339</b>			<b>1,084</b>		<b>306,012</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment			15,040				98,842
Noninstructional Equipment							262,020
<b>Total facilities acquisition and const. serv.</b>			<b>15,040</b>		<b>345,822</b>		<b>360,862</b>
<b>Total Expenditures</b>	<b>816,513</b>	<b>311,289</b>	<b>55,332</b>	<b>528,745</b>	<b>356,906</b>	<b>14,452</b>	<b>2,083,237</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>							

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2011**

	Total Brought Forward (Ex. E-1b)	ARRA - IDEA Part - B Preschool	Title II, Part A Training & Recruiting	Title II Part D	NCLB Title III	NCLB Title III, Immigrant	IMPACT Grant	Total Carried Forward
<b>REVENUES</b>								
State Sources	587,705	21,271	92,329	5,694	67,888	7,441	34,185	587,705
Federal Sources	-	-	-	-	-	-	-	228,808
<b>Total Revenues</b>	<b>587,705</b>	<b>21,271</b>	<b>92,329</b>	<b>5,694</b>	<b>67,888</b>	<b>7,441</b>	<b>34,185</b>	<b>816,513</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	286,340	10,000	46,935	-	24,941	-	4,650	372,866
Other Salaries for Instruction	83,449	-	-	-	-	-	-	83,449
Purchased Professional and Technical Services	-	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
General Supplies	2,617	11,271	-	1,656	42,947	7,441	11,620	77,552
Textbooks	57	-	-	-	-	-	-	57
<b>Total Instruction</b>	<b>372,463</b>	<b>21,271</b>	<b>46,935</b>	<b>1,656</b>	<b>67,888</b>	<b>7,441</b>	<b>16,270</b>	<b>533,924</b>
<b>Support services:</b>								
Salaries of Supervisors of Instruction	-	-	-	-	-	-	8,100	8,100
Salaries of Program Directors	60,991	-	13,800	-	-	-	-	74,791
Salaries of Secretarial and Clerical Assistants	22,586	-	-	-	-	-	-	22,586
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	4,000	-	-	-	-	4,000
Other Purchased Professional Services	-	-	-	-	-	-	-	-
Rentals	131,665	-	-	-	-	-	-	131,665
Travel	-	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	21,318	4,038	-	-	9,815	31,133
Supplies & Materials	-	-	6,276	-	-	-	-	10,314
<b>Total support services</b>	<b>215,242</b>	<b>-</b>	<b>45,394</b>	<b>4,038</b>	<b>-</b>	<b>-</b>	<b>17,915</b>	<b>282,589</b>
<b>Facilities acquisition and const. serv.:</b>								
Instructional Equipment	-	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>587,705</b>	<b>21,271</b>	<b>92,329</b>	<b>5,694</b>	<b>67,888</b>	<b>7,441</b>	<b>34,185</b>	<b>816,513</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

CLIFFSIDE PARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2011

	Nonpublic - Textbooks	Nonpublic - Nursing	Preschool Education Aid	Total Carried Forward
<b>REVENUES</b>				
State Sources	57	67	587,581	587,705
Federal Sources	-	-	-	-
<b>Total Revenues</b>	<b>57</b>	<b>67</b>	<b>587,581</b>	<b>587,705</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers			286,340	286,340
Other Salaries for Instruction			83,449	83,449
Purchased Professional and Technical Services			-	-
Other Purchased Services (400-500 series)		67	2,550	2,617
General Supplies				
Textbooks	57			57
<b>Total Instruction</b>	<b>57</b>	<b>67</b>	<b>372,339</b>	<b>372,463</b>
<b>Support services:</b>				
Salaries of Supervisors of Instruction				
Salaries of Program Directors			60,991	60,991
Salaries of Secretarial and Clerical Assistants			22,586	22,586
Personal Services - Employee Benefits				
Purchased Professional - Educational Services				
Other Purchased Professional Services				
Rentals			131,665	131,665
Travel				
Other Purchased Services (400-500 series)				
Supplies & Materials				
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>215,242</b>	<b>215,242</b>
<b>Facilities acquisition and const. serv.:</b>				
Instructional Equipment				
Noninstructional Equipment				
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>57</b>	<b>67</b>	<b>587,581</b>	<b>587,705</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2011**

	<b>District Wide Total</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	286,340	286,340	
Other salaries for instruction	83,449	83,449	
General supplies	2,550	2,550	
<b>Total instruction</b>	<b>372,339</b>	<b>372,339</b>	
<b>Support services:</b>			
Salaries of Program Directors	60,991	60,991	
Salaries of Secr. and Clerical Assistants	23,078	22,586	492
Other purchased professional services	15,000		15,000
Rentals	145,832	131,665	14,167
<b>Total support services</b>	<b>244,901</b>	<b>215,242</b>	<b>29,659</b>
<b>Total expenditures</b>	<b>617,240</b>	<b>587,581</b>	<b>29,659</b>

**Summary of Location Totals**

Total revised 2010-11 Preschool Education Aid	617,240
Add: Actual Preschool Education Aid Carryover (June 30, 2010)	17,917
Add: Budgeted Transfer from the General Fund 2010-11	
Total Preschool Education Aid Funds Available for 2010-11 Budget	635,157
Less: 2010-11 Budgeted Preschool Education Aid (prior year budgeted carryover)	617,240
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2011	17,917
Add: June 30, 2010 Unexpended Preschool Education Aid	29,659
2010-11 Carryover - Preschool Education Aid/Preschool	47,576

**CAPITAL PROJECTS FUND**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance-Budgetary Basis**  
**Fiscal Year Ended June 30, 2011**

<b>Revenues and Other Financing Sources</b>	
State Sources - SCC Grant	272,048
Bond proceeds and transfers	-
Transfers from Capital Reserve	408,072
Transfers from Capital Outlay	-
	<hr/>
	680,120
	<hr/>
<b>Expenditures and Other Financing Uses</b>	
Purchased professional and technical services	-
Land and improvements	-
Construction services	561,220
Equipment purchases	-
	<hr/>
Total expenditures	561,220
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	118,900
<b>Other Finance Sources (Uses)</b>	
Transfers out	<hr/>
Total other financing sources (uses)	<hr/>
Net change in fund balance	118,900
Fund balance - beginning	<hr/> 47,351
Fund balance - ending	<hr/> <hr/> 166,251
Recapitulation:	
Unrestricted Fund Balance	166,251
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<hr/> (47,560)
Fund Balance per Governmental Funds	<hr/> <hr/> 118,691

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Construction of Additions to School #6**  
**Fiscal Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	
Bond proceeds and transfers	5,400,000		5,400,000	5,400,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>5,400,000</u>	<u>-</u>	<u>5,400,000</u>	<u>5,400,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	5,352,649		5,352,649	5,400,000
Equipment purchases				
	<u>5,352,649</u>	<u>-</u>	<u>5,352,649</u>	<u>5,400,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,351</u>	<u>-</u>	<u>47,351</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	7/15/1999			
Bonds authorized	5,400,000			
Bonds issued	5,400,000			
Original authorization cost	5,400,000			
Additional authorized cost				
Revised authorized cost	5,400,000			
Percentage increase over original authorized cost	-			
Percentage completion	99%			
Original target completion date	June-03			
Revised target completion date	June-03			

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Boiler Replacement**  
**Fiscal Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant		272,048	272,048	272,048
Bond proceeds and transfers			-	
Transfers from Capital Reserve		408,072	408,072	408,072
Transfers from Capital Outlay			-	
	-	680,120	680,120	680,120
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services		561,220	561,220	680,120
Equipment purchases				
	-	561,220	561,220	680,120
Excess (deficiency) of revenues over (under) expenditures	-	118,900	118,900	-
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	8/6/2010			
Bonds authorized				
Bonds issued				
Original authorization cost	680,120			
Additional authorized cost				
Revised authorized cost	680,120			
Percentage increase over original authorized cost	-			
Percentage completion	83%			
Original target completion date	Oct. 2011			
Revised target completion date	Oct. 2011			

CLIFFSIDE PARK BOARD OF EDUCATION  
 Capital Projects Fund  
 Summary Statement of Project Expenditures  
 Fiscal Year Ended June 30, 2011

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2011
			Prior Years	Current Year	
Construction Additions to School #6	July 15, 1999	5,400,000	5,352,649		47,351
Boiler Replacement	Aug. 6, 2010	680,120		561,220	118,900
		<u>6,080,120</u>	<u>5,352,649</u>	<u>561,220</u>	<u>166,251</u>
Analysis					
				Project Balance - June 30, 2010 Unfunded Authorizations	166,251
				Fund Balance (Deficit) - June 30, 2010	<u>166,251</u>

**PROPRIETARY FUNDS**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Net Assets**  
**Enterprise Funds**  
**June 30, 2011**

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	242,415	50,337	292,752
Accounts receivable:			
State	1,943		1,943
Federal	38,470		38,470
Other	26,646		26,646
Inventories	8,455		8,455
Total current assets	<u>317,929</u>	<u>50,337</u>	<u>368,266</u>
Noncurrent assets:			
Capital assets:			
Equipment	246,597		246,597
Less accumulated depreciation	<u>(208,279)</u>		<u>(208,279)</u>
Total capital assets (net of accumulated depreciation)	<u>38,318</u>	-	<u>38,318</u>
Total assets	<u>356,247</u>	<u>50,337</u>	<u>406,584</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Interfunds Payable		46,250	46,250
Accounts Payable	48,686		48,686
Total Liabilities	<u>48,686</u>	<u>46,250</u>	<u>94,936</u>
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	38,318	-	38,318
Unrestricted	269,243	4,087	273,330
Total net assets	<u>307,561</u>	<u>4,087</u>	<u>311,648</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2011**

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	472,126		472,126
Daily sales - non-reimbursable programs	299,651		299,651
Program Fees		181,625	181,625
Total operating revenues	<u>771,777</u>	<u>181,625</u>	<u>953,402</u>
Operating expenses:			
Cost of food	592,526		592,526
Salaries	405,506	176,596	582,102
Employee Benefits	186,519		186,519
Supplies and materials	65,951	832	66,783
Purchased Services	79,162		79,162
Depreciation	10,628		10,628
Repairs and other expenses	42,823	110	42,933
Total Operating Expenses	<u>1,383,115</u>	<u>177,538</u>	<u>1,560,653</u>
Operating income (loss)	<u>(611,338)</u>	<u>4,087</u>	<u>(607,251)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	14,634		14,634
School snack program	19,341		19,341
Federal sources:			
School lunch program	601,888		601,888
School breakfast program	107,459		107,459
U.S.D.A. Commodities	49,557		49,557
Total nonoperating revenues (expenses)	<u>792,879</u>	<u>-</u>	<u>792,879</u>
Income (loss) before contributions & transfers	181,541	4,087	185,628
Total net assets—beginning	<u>126,020</u>		<u>126,020</u>
Total net assets—ending	<u>307,561</u>	<u>4,087</u>	<u>311,648</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2011**

	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	873,073	181,625	1,054,698
Payments to suppliers	(1,340,805)	(131,288)	(1,472,093)
Net cash provided by (used for) operating activities	<u>(467,732)</u>	<u>50,337</u>	<u>(417,395)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	35,330		35,330
Federal Sources	721,687		721,687
Net cash provided by (used for) non-capital financing activities	<u>757,017</u>	<u>-</u>	<u>757,017</u>
Net increase (decrease) in cash and cash equivalents	<u>289,285</u>	<u>50,337</u>	<u>339,622</u>
Balances—beginning of year	<u>(46,870)</u>		<u>(46,870)</u>
Balances—end of year	<u>242,415</u>	<u>50,337</u>	<u>292,752</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(611,338)	4,087	(607,251)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,628		10,628
Food distribution program	49,557		49,557
(Increase) decrease in accounts receivable, net	101,295		101,295
(Increase) decrease in inventories	1,619		1,619
Increase (decrease) in accounts payable	(19,493)	46,250	26,757
Total adjustments	<u>143,606</u>	<u>46,250</u>	<u>189,856</u>
Net cash provided by (used for) operating activities	<u>(467,732)</u>	<u>50,337</u>	<u>(417,395)</u>

**FIDUCIARY FUND**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2011**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	118,847	405	312,983
Interfund receivable	63,103		
Accounts receivable			39,889
Total assets	181,950	405	352,872
<b>LIABILITIES</b>			
Payable to student groups			104,929
Payable to other funds			92,978
Due to State - Unemployment	30,891		
Payroll deductions and withholdings			154,965
Total liabilities	30,891	-	352,872
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	151,059		
Reserved for scholarships		405	
	151,059	405	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2011**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Donations		11,680
Payroll withholdings	27,518	
District contributions	350,000	
Total Contributions	377,518	11,680
 <b>DEDUCTIONS</b>		
Unemployment Claims	253,610	
Scholarships awarded		11,680
Total deductions	253,610	11,680
Change in net assets	123,908	-
Net assets—beginning of the year	27,151	405
Net assets—end of the year	151,059	405

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2011</u>
Elementary Schools:				
School #3	9,590	30,659	26,738	13,511
School #4	5,120	21,283	20,859	5,544
School #5	9,281	1,061	3,181	7,161
School #6	11,187	18,695	20,759	9,123
Early Learning Center	2,262	5,571	3,412	4,421
Total Elementary Schools	<u>37,440</u>	<u>77,269</u>	<u>74,949</u>	<u>39,760</u>
Middle School:				
School #6 - Middle	7,268	26,369	25,634	8,003
Student Council	1,306	19,802	14,707	6,401
Total Middle Schools	<u>8,574</u>	<u>46,171</u>	<u>40,341</u>	<u>14,404</u>
High School:				
High School	62,455	134,925	156,338	41,042
Athletic	7,443	50,478	52,305	5,616
Project Graduation	13,473	24,568	33,934	4,107
Total High Schools	<u>83,371</u>	<u>209,971</u>	<u>242,577</u>	<u>50,765</u>
Total All Schools	<u><u>129,385</u></u>	<u><u>333,411</u></u>	<u><u>357,867</u></u>	<u><u>104,929</u></u>

**CLIFFSIDE PARK BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2011</u>
Net Payroll	-	14,402,932	14,402,932	-
Payroll Deductions and Withholdings	266,304	11,491,166	11,642,394	115,076
Due to Other Funds	<u>28,632</u>	<u>64,346</u>		<u>92,978</u>
	<u>294,936</u>	<u>25,958,444</u>	<u>26,045,326</u>	<u>208,054</u>

**LONG-TERM DEBT**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Serial Bonds Payable**  
**Fiscal Year Ended June 30, 2011**

School District Bpnds Refunding - 2006	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2010	Retired	Balance, June 30, 2011
			Date	Amount				
	July 15, 2006	3,680,000	7/15/2011	300,000	3.50	3,360,000	290,000	3,070,000
			7/15/2012	310,000	3.50			
			7/15/2013	325,000	3.60			
			7/15/2014	335,000	3.65			
			7/15/2015	340,000	3.65			
			7/15/2016	350,000	5.00			
			7/15/2017	360,000	5.00			
			7/15/2018	370,000	5.00			
			7/15/2019	380,000	5.00			
						\$ 3,360,000	290,000	3,070,000



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	421,176	-	421,176	421,176	-
State Sources:					
Debt Service Aid Type II	4,587	-	4,587	4,587	-
Total - State Sources	4,587	-	4,587	4,587	-
<b>Total Revenues</b>	<b>425,763</b>	<b>-</b>	<b>425,763</b>	<b>425,763</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	135,763	-	135,763	135,763	-
Redemption of Principal	290,000	-	290,000	290,000	-
Total Regular Debt Service	425,763	-	425,763	425,763	-
<b>Total expenditures</b>	<b>425,763</b>	<b>-</b>	<b>425,763</b>	<b>425,763</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Operating Transfers In:					
Excess Bond Proceeds - Capital Projects Fund	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unreserved - Undesignated Fund Balance	-	-	-	-	-

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

#### Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- 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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

CLIFFSIDE PARK BOARD OF EDUCATION

Net Assets by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 2,826,181	\$ 2,772,447	\$ 3,715,088	\$ 3,873,386	\$ 3,766,968	\$ 3,504,723	\$ 3,505,327	\$ 3,568,379	\$ 4,199,337	
Restricted	191,779	111,163	10	54,111	338,688	2,293,573	2,317,975	2,293,573	3,271,002	
Unrestricted	966,492	67,773	(129,105)	165,291	837,425	1,361,376	(323,165)	(1,069,576)	(332,676)	
Total governmental activities net assets	\$ 3,984,452	\$ 2,951,383	\$ 3,585,983	\$ 4,038,687	\$ 4,658,504	\$ 5,204,787	\$ 5,500,137	\$ 4,792,376	\$ 7,137,663	
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 61,726	\$ 31,903	\$ 3,315	\$ 4,068	\$ 48,946	\$ 38,318				
Restricted										
Unrestricted	36,015	80,742	31,989	172,280	135,833	67,314	68,999	77,074	273,330	
Total business-type activities net assets	\$ 97,741	\$ 112,645	\$ 35,304	\$ 172,280	\$ 135,833	\$ 71,382	\$ 74,233	\$ 126,020	\$ 311,648	
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 2,887,907	\$ 2,804,350	\$ 3,718,403	\$ 3,873,386	\$ 3,766,968	\$ 3,508,791	\$ 3,510,561	\$ 3,617,325	\$ 4,237,655	
Restricted	191,779	111,163	10	54,111	338,688	2,293,573	2,317,975	2,293,573	3,271,002	
Unrestricted	1,002,507	148,515	(97,116)	337,571	973,258	1,428,690	(254,166)	(992,502)	(59,346)	
Total district net assets	\$ 4,082,193	\$ 3,064,028	\$ 3,621,287	\$ 4,210,967	\$ 4,794,337	\$ 5,276,169	\$ 5,574,370	\$ 4,918,396	\$ 7,449,311	

Source: CAFR Seehdule A-1

Note: GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Net Assets, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 15,055,753	\$ 14,496,918	\$ 16,436,559	\$ 17,199,226	\$ 18,303,906	\$ 16,839,644	\$ 17,500,839	\$ 17,621,066	\$ 17,744,712	\$ 17,744,712
Special education	4,180,097	5,540,816	5,073,181	5,738,920	6,223,934	3,363,762	3,787,841	3,800,012	4,075,643	4,075,643
Other special education	676,026	860,725	871,801	1,048,032	779,957	611,346	625,896	887,456	751,847	751,847
Other instruction	804,676	1,142,883	1,119,003	894,939	842,381	844,526	965,266	734,748	730,640	730,640
Support Services:										
Tuition										
Student & instruction related services	2,559,791	3,765,470	3,723,210	4,048,070	4,466,064	2,054,178	1,958,454	1,891,441	1,662,115	1,662,115
General administrative services	860,834	714,252	885,260	973,848	1,063,066	877,259	945,280	1,683,523	1,336,229	1,336,229
School administrative services	1,441,400	1,471,373	1,397,049	1,632,440	1,852,429	1,693,371	1,924,975	1,251,075	2,037,280	2,037,280
Central services and administrative information technology			473,188	395,010	554,673	579,607	589,144	628,335	658,999	658,999
Business administrative services	443,688	574,705								
Plant operations and maintenance	2,235,528	2,423,433	2,404,596	2,946,820	3,156,552	2,938,403	3,333,162	3,104,869	2,934,424	2,934,424
Pupil transportation	446,640	529,873	683,775	799,673	778,549	943,570	932,372	1,038,296	1,103,550	1,103,550
Unallocated Benefits						2,458,264	2,362,021	3,432,153	2,364,279	2,364,279
Charter Schools									11,177	11,177
Interest on long-term debt	260,465	247,766	238,294	224,624	282,043	243,087	151,407	139,132	127,668	127,668
Unallocated depreciation						258,335	254,233	337,078	294,713	294,713
Capital Outlay - nondepreciable						55,255	-	513,578	260,034	260,034
Total governmental activities expenses	28,964,898	31,768,214	33,305,916	35,901,602	38,303,554	38,627,011	39,617,069	41,824,392	40,693,861	40,693,861
Business-type activities:										
Food service	807,792	769,211	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,383,115	1,383,115
After School Program									177,538	177,538
Academy School										
Total business-type activities expense	807,792	769,211	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,560,653	1,560,653
Total district expenses	\$ 29,772,690	\$ 32,537,425	\$ 34,215,347	\$ 36,749,613	\$ 39,367,495	\$ 39,826,606	\$ 40,874,191	\$ 43,281,899	\$ 42,254,514	\$ 42,254,514
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 4,644,793	\$ 3,946,048	\$ 3,390,300	\$ 3,916,272	\$ 4,045,074	\$ 5,539,912	\$ 6,329,138	\$ 5,743,912	\$ 6,922,484	\$ 6,922,484
Pupil transportation	639,495	552,664	740,220	946,011	948,845	8100	-	-	-	-
Business and other support services	16,000	16,000	16,000	16,200	16,200	8,100	1,849,270	2,304,165	1,720,569	1,720,569
Operating grants and contributions	5,862,993	7,039,535	7,591,619	8,051,115	8,688,078	4,247,991	-	-	-	-
Capital grants and contributions				173,736	310,062	-	-	-	-	-
Total governmental activities program revenues	11,163,281	11,554,247	11,738,139	13,103,334	14,008,259	9,796,003	8,178,408	8,048,077	9,003,915	9,003,915

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Net Assets, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Business-type activities:</b>										
Charges for services	453,281	429,922	432,602	497,839	602,942	684,899	703,926	756,143	771,777	
Food service									181,625	
After School Program										
Academy School										
Operating grants and contributions	335,421	354,184	399,488	437,148	424,552	450,245	556,047	753,151	792,879	
Capital grants and contributions										
Total business type activities program revenues	788,702	784,106	832,090	934,987	1,027,494	1,135,144	1,259,973	1,509,294	1,746,281	
Total district program revenues	\$ 11,951,983	\$ 12,338,353	\$ 12,570,229	\$ 14,038,321	\$ 15,035,753	\$ 10,931,147	\$ 9,438,381	\$ 9,557,371	\$ 10,750,196	
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$(17,801,617)	\$(20,213,967)	\$(21,567,777)	\$(22,798,268)	\$(24,295,295)	\$(28,831,008)	\$(31,438,661)	\$(33,776,315)	\$(31,689,946)	
Business-type activities	(19,090)	14,895	(77,341)	86,976	(36,447)	(64,451)	2,851	51,787	185,628	
Total district-wide net expense	\$(17,820,707)	\$(20,199,072)	\$(21,645,118)	\$(22,711,292)	\$(24,331,742)	\$(28,895,459)	\$(31,435,810)	\$(33,724,528)	\$(31,504,318)	
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 17,393,901	\$ 18,371,836	\$ 21,222,078	\$ 22,195,851	\$ 23,525,325	\$ 24,028,200	\$ 24,989,328	\$ 25,788,901	\$ 27,336,235	
Taxes levied for debt service	379,718	466,322	447,336	448,022	441,357	426,053	377,867	420,341	421,176	
Federal and State Aid - Restricted	344,034	229,248	348,731	366,575	367,137					
Federal and State Aid - Not Restricted						4,650,550	6,215,308	5,424,373	5,590,059	
Investment earnings	217,363	21,383	28,406	91,145	188,266		17,920			
Miscellaneous income	(879)	172,725	155,826	199,379	393,027	394,785	133,588	993,934	687,763	
Transfers				(50,000)						
Total governmental activities	18,334,137	19,261,514	22,202,377	23,250,972	24,915,112	29,499,588	31,734,011	32,627,549	34,035,233	
Business-type activities:										
Investment earnings	311	9								
Miscellaneous Income	879			50,000						
Transfers	1,190	9		50,000						
Total business-type activities	\$ 18,335,327	\$ 19,261,523	\$ 22,202,377	\$ 23,300,972	\$ 24,915,112	\$ 29,499,588	\$ 31,734,011	\$ 32,627,549	\$ 34,035,233	
Total district-wide										
<b>Change in Net Assets</b>										
Governmental activities	\$ 532,520	\$ (952,453)	\$ 634,600	\$ 452,704	\$ 619,817	\$ 668,580	\$ 295,350	\$ (1,148,766)	\$ 2,345,287	
Business-type activities	(17,900)	14,904	(77,341)	136,976	(36,447)	(64,451)	2,851	51,787	185,628	
Total district	\$ 514,620	\$ (937,549)	\$ 557,259	\$ 589,680	\$ 583,370	\$ 604,129	\$ 298,201	\$ (1,096,979)	\$ 2,530,915	

Source: CAFR Schedule A-2

Note: GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 244,000	\$ 94,395	\$ 235,500	\$ 248,387	\$ 446,745	\$ 1,685,611	\$ 2,233,065	\$ 1,784,563	
Unreserved	941,842	409,890	389,718	629,745	1,022,176	632,072	399,782	399,306	2,803,366
Restricted									346,210
Committed									2,735
Assigned									1,012,722
Unassigned									4,165,033
<b>Total general fund</b>	<b>\$ 1,185,842</b>	<b>\$ 504,285</b>	<b>\$ 625,218</b>	<b>\$ 878,132</b>	<b>\$ 1,468,921</b>	<b>\$ 2,317,683</b>	<b>\$ 2,632,847</b>	<b>\$ 2,183,869</b>	<b>\$ 4,165,033</b>
All Other Governmental Funds									
Reserved									
Unreserved, reported in:									
Special revenue fund						(32,863)			
Capital projects fund						84,587	84,587	47,351	
Debt service fund	34,363					54,101			
Unreserved	66,765	24,844	17,816	(1,395)	49,380				
Assigned, reported in:									
Special revenue fund									
Capital projects fund									118,691
Debt service fund									
Permanent fund									
<b>Total all other governmental funds</b>	<b>\$ 101,128</b>	<b>\$ 24,844</b>	<b>\$ 17,816</b>	<b>\$ (1,395)</b>	<b>\$ 49,380</b>	<b>\$ 105,825</b>	<b>\$ 84,587</b>	<b>\$ 47,351</b>	<b>\$ 118,691</b>

Source: CAFR Schedule B-1

Note: GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Tax levy	\$ 17,773,619	\$ 18,838,158	\$ 21,669,414	\$ 22,643,873	\$ 23,966,682	\$ 24,454,253	\$ 25,367,195	\$ 26,209,242	\$ 27,757,411
Tuition	4,644,793	4,585,543	4,683,184	4,862,283	4,993,919	5,539,912	6,329,138	5,743,912	6,922,484
Transportation	16,000	16,000	16,000	16,200	16,200	8,100	-	-	-
Miscellaneous	217,363	194,108	184,232	290,524	581,293	394,785	151,508	993,934	687,763
State sources	5,265,732	5,561,440	5,892,445	6,419,968	7,748,650	7,328,908	7,008,171	6,081,801	6,122,991
Federal sources	953,273	1,707,343	2,047,905	2,171,458	1,616,627	1,569,633	1,056,407	1,646,737	1,548,499
<b>Total revenue</b>	<b>28,870,780</b>	<b>30,902,592</b>	<b>34,493,180</b>	<b>36,404,306</b>	<b>38,923,371</b>	<b>39,295,591</b>	<b>39,912,419</b>	<b>40,675,626</b>	<b>43,039,148</b>
<b>Expenditures</b>									
Instruction									
Regular Instruction	14,944,647	14,536,723	16,375,914	17,184,794	18,391,821	13,920,802	13,978,849	14,106,514	13,623,401
Special education instruction	4,185,544	5,506,852	5,099,373	5,738,775	6,226,466	2,585,092	2,864,561	2,911,280	2,998,317
Other special instruction	671,128	1,140,935	1,108,152	1,051,850	825,254	469,649	473,370	715,984	553,109
Other instruction	804,676	860,725	854,652	897,023	843,037	695,121	784,632	566,130	577,589
Support Services:									
Tuition	2,559,791	3,695,352	3,737,385	4,047,225	4,462,377	2,054,178	1,958,454	1,891,441	1,662,115
Student & instruction related services	829,564	816,062	876,851	980,989	1,063,066	4,133,354	3,505,836	3,926,255	3,684,454
School Administrative services	1,415,282	1,374,784	1,473,942	1,603,206	1,844,181	1,297,613	1,452,067	1,593,890	1,501,419
General administrative services	440,161	538,182				785,851	856,452	762,244	1,230,755
Business and other support services									
Central services and administrative information technology	1,894,304	2,090,827	496,680	408,469	554,673	447,125	446,580	486,891	488,719
Plant operations and maintenance	433,571	516,804	2,115,420	2,624,258	2,809,298	2,553,836	2,895,927	2,676,161	2,498,369
Pupil transportation			680,991	796,110	764,446	690,463	758,501	918,529	920,778
Unallocated benefits						5,823,670	6,852,710	6,909,221	7,858,312
On-behalf contributions						2,337,780	2,356,734	2,545,763	2,521,679
Charter Schools									11,177
Capital outlay	398,047	80,616	1,059,889	354,871	187,398	165,011	186,607	741,073	934,358
Special Revenue Fund									
Debt service:									
Principal	242,360	249,027	255,795	275,791	312,066	260,000	280,000	280,000	290,000
Interest and other charges	266,087	253,544	244,231	228,500	164,397	170,839	157,514	145,738	135,763
Bond issuance costs					95,860				
Advance refunding excrow					165,688				
<b>Total expenditures</b>	<b>29,085,162</b>	<b>31,660,433</b>	<b>34,379,275</b>	<b>36,191,861</b>	<b>38,710,028</b>	<b>38,390,384</b>	<b>39,808,794</b>	<b>41,177,114</b>	<b>41,490,314</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(214,382)</b>	<b>(757,841)</b>	<b>113,905</b>	<b>212,445</b>	<b>213,343</b>	<b>905,207</b>	<b>103,625</b>	<b>(501,488)</b>	<b>1,548,834</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Other Financing sources (uses)</b>									
Capital leases (non-budgeted)	-	-	-	71,258	166,673	-	-	-	-
Proceeds of refunding debt	-	-	-	-	3,680,000	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	(3,570,000)	-	-	-	-
Original issue premium	-	-	-	-	151,548	-	-	-	-
Transfers in	-	-	-	-	2,214,710	-	43,352	-	408,072
Transfers out	(879)	-	-	(50,000)	(2,214,710)	-	-	-	(408,072)
<b>Total other financing sources (uses)</b>	<b>(879)</b>	<b>-</b>	<b>-</b>	<b>21,258</b>	<b>428,221</b>	<b>-</b>	<b>43,352</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (215,261)</b>	<b>\$ (757,841)</b>	<b>\$ 113,905</b>	<b>\$ 233,703</b>	<b>\$ 641,564</b>	<b>\$ 905,207</b>	<b>\$ 146,977</b>	<b>\$ (501,488)</b>	<b>\$ 1,548,834</b>

Debt service as a percentage of noncapital expenditures	1.8%	1.6%	1.5%	1.4%	1.2%	1.1%	1.1%	1.1%	1.0%
---	------	------	------	------	------	------	------	------	------

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

Source: CAFR Schedule B-2

Note: GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation		Refunds	Rent	Restitution	Misc.	Total
			Fees						
2002	56,930	4,311,185	20,400					956,980	5,345,495
2003	41,367	4,644,793	16,000					90,067	4,792,227
2004	21,383	4,585,543	16,000					172,725	4,795,651
2005	28,406	4,683,184	16,000					155,826	4,883,416
2006	91,145	4,862,283	16,200					199,379	5,169,007
2007	188,266	4,993,919	16,200					393,027	5,591,412
2008	107,283	5,539,912	8,100	57,414	25,000	59,400		145,688	5,942,797
2009	17,920	6,329,138	-					133,588	6,480,646
2010		5,743,912		532,227				461,707	6,737,846
2011	13,320	6,922,484	334,731	59,854	50,000			229,858	7,610,247

Source: District Records

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Year Ended Dec. 31,	Total Assessed Value				Less: Tax-Exempt Property	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Commercial	Industrial					
2001	\$ 7,553,300	\$ 1,023,160,600	\$ 100,092,700	\$ 7,250,900	\$ -	\$ 1,260,543,800	1.338	\$ 1,658,882,614	75.99%
2002	\$ 7,847,800	\$ 1,031,703,500	\$ 100,161,800	\$ 7,250,900	\$ -	\$ 1,266,380,300	1.375	\$ 1,850,275,631	68.44%
2003	\$ 7,575,700	\$ 1,036,723,400	\$ 100,232,900	\$ 7,250,900	\$ -	\$ 1,271,842,300	1.438	\$ 1,912,160,189	66.51%
2004	\$ 18,002,200	\$ 2,017,587,000	\$ 147,379,300	\$ 10,037,300	\$ -	\$ 2,399,250,200	0.833	\$ 2,166,522,428	110.74%
2005	\$ 15,412,600	\$ 2,034,533,200	\$ 143,532,900	\$ 9,905,100	\$ -	\$ 2,411,263,400	0.738	\$ 2,497,757,535	96.54%
2006	\$ 12,183,200	\$ 2,056,357,500	\$ 142,889,400	\$ 9,526,700	\$ -	\$ 2,426,853,300	0.959	\$ 2,860,388,344	84.84%
2007	\$ 9,532,300	\$ 2,090,836,700	\$ 141,369,500	\$ 6,232,400	\$ -	\$ 2,453,102,200	0.985	\$ 2,456,887,669	99.85%
2008	\$ 7,707,000	\$ 2,105,334,300	\$ 135,715,000	\$ 5,502,700	\$ -	\$ 2,461,469,708	1.012	\$ 3,597,734,318	68.42%
2009	\$ 7,248,200	\$ 2,124,563,400	\$ 135,464,800	\$ 5,502,700	\$ -	\$ 2,479,242,333	1.091	\$ 3,543,171,541	69.97%
2010	\$ 7,226,900	\$ 2,118,923,500	\$ 135,279,300	\$ 4,602,900	\$ -	\$ 2,469,463,000	1.091	\$ 3,507,065,519	70.54%

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Cliffside Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Borough of Cliffside Park	Bergen County	
		Total Direct				
2002	1.38			1.04	0.32	2.74
2003	1.44			1.13	0.32	2.89
2004 *	0.83			0.72	0.19	1.74
2005	0.74			0.91	0.21	1.86
2006	0.96			0.8	0.22	1.98
2007	0.99			0.81	0.24	2.04
2008	1.01			0.83	0.27	2.114
2009	1.04			0.28	0.88	2.203
2010	1.08		0.01	0.91	0.28	2.28
2011	1.00		0.02	0.85	0.23	2.093

\* - The Borough underwent a revaluation of real property which was effective for calendar year 2004.

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 ever is greater, plus any pending 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.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Briarcliff Corp.	\$ 79,500,000		3.21%	\$ 32,500,000		2.57%
Palisadium Mgmt. Corp.	\$ 12,550,500		0.51%	\$ 5,232,700		0.41%
Verizon - New Jersey	\$ 10,232,071		0.41%	\$ 5,492,085		0.43%
T&F Realty	\$ 7,200,100		0.29%	\$ 3,510,000		0.28%
Savoy Plaza	\$ 5,664,800		0.23%	\$ 3,412,600		0.27%
Carlton Corp.	\$ 4,700,500		0.19%	\$ 2,375,000		0.19%
TD Banknorth	\$ 2,946,200		0.12%	\$ 3,250,000		0.26%
Timmes Realty Assoc.	\$ 3,690,500		0.15%	\$ 1,985,600		0.16%
G&N Realty	\$ 3,595,600		0.15%	\$ 1,956,200		0.15%
A.K. Macagna Development Corp.	\$ 2,540,200		0.10%	\$ 1,715,000		0.14%
<b>Total</b>	<b>\$ 132,620,471</b>		<b>5.36%</b>	<b>\$ 61,429,185</b>		<b>4.85%</b>

Net Assessed Valuation: \$ 2,473,841,933

\$ 1,266,380,300

Source: Municipal Tax Assessor.

Exhibit J-9

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$16,510,859	\$16,510,859	100.00%	\$ -
2002	\$17,186,540	\$17,186,540	100.00%	\$ -
2003	\$17,773,619	\$17,773,619	100.00%	\$ -
2004	\$18,838,158	\$18,838,158	100.00%	\$ -
2005	\$21,669,414	\$21,669,414	100.00%	\$ -
2006	\$22,643,873	\$22,643,873	100.00%	\$ -
2007	\$23,966,682	\$23,966,682	100.00%	\$ 520,561
2008	\$24,028,200	\$24,028,200	100.00%	\$ -
2009	\$25,367,195	\$25,367,195	100.00%	\$ -
2010	\$26,209,242	\$26,209,242	100.00%	\$ -
2011	\$26,983,327	\$26,983,327	100.00%	\$ -

Source: Municipal Tax Collector

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds/Loans <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2005	4,535,000	67,689	-	-	4,602,689	1.24%	\$ 56,963	
2006	4,305,000	93,156	-	-	4,398,156	1.43%	\$ 63,021	
2007	4,180,000	182,763	-	-	4,362,763	1.54%	\$ 67,113	
2008	3,920,000	147,301	-	-	4,067,301	1.66%	\$ 67,696	
2009	3,640,000	143,987	-	-	3,783,987	1.70%	\$ 64,388	
2010	3,360,000	212,214	-	-	3,572,214	Not Available	Not Available	
2011	3,070,000	136,962	-	-	3,206,962	Not Available	Not Available	

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

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

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

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

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Exhibit J-11

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2002	\$ -	-	-	0.00%	\$ 51,931
2003	\$ -	-	-	0.00%	\$ 51,291
2004	\$ -	-	-	0.00%	\$ 54,669
2005	\$ 4,535,000	-	4,535,000	0.19%	\$ 56,963
2006	\$ 4,305,000	-	4,305,000	0.18%	\$ 63,021
2007	\$ 4,180,000	-	4,180,000	0.17%	\$ 67,113
2008	\$ 3,920,000	-	3,920,000	0.16%	\$ 67,696
2009	\$ 3,640,000	-	3,640,000	0.15%	\$ 64,388
2010	\$ 3,360,000	-	3,360,000	0.14%	Not Available
2011	\$ 3,070,000	-	3,070,000	Not Available	Not Available

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

<sup>a</sup> See Exhibit NJ J-6 for property tax data.

<sup>b</sup> Population data can be found in Exhibit NJ J-14.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2011**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2011</b>			\$ 3,070,000
<b>Net overlapping debt of School District:</b>			
Borough of Cliffside Park	100.000%	\$ 29,893,982	
County of Bergen - City's Share	1.551%	\$ 11,335,103	
Bergen County Utility Authority-City's Share	3.325%	\$ 8,936,397	
<b>Subtotal, overlapping debt</b>			<u>\$ 50,165,482</u>
<b>Total direct and overlapping debt</b>			<u>\$ 53,235,482</u>

**Sources:** Borough of Cliffside Park Finance Office / Bergen County Treasurer's Office

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

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Legal Debt Margin Information**  
 Last Ten Fiscal Years

**Legal Debt Margin Calculation for Fiscal Year 2011**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit										
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ 81,877,579	\$ 94,590,964	\$ 81,701,738	\$ 125,430,228	\$ 135,430,215	\$ 138,417,632	\$ 134,306,426
Legal debt margin				5.25%	4.35%	4.87%	3.03%	2.62%	2.37%	2.23%
Total net debt applicable to the limit as a percentage of debt limit										

Equalized valuation basis	2010	\$ 3,247,584,166
	2009	\$ 3,497,051,576
	2008	\$ 3,538,596,207
	[A]	\$ 10,303,231,949
Average equalized valuation of taxable property	[A/3]	\$ 3,434,410,650
Debt limit (4 % of average equalization value)	[B]	1,37,376,426 <sup>a</sup>
Net bonded school debt	[C]	3,070,000
Legal debt margin	[B-C]	\$ 1,34,306,426

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

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

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	22,847	\$ 1,186,467,557	51,931	6.60%
2003	22,746	\$ 1,166,665,086	51,291	6.50%
2004	22,704	\$ 1,241,204,976	54,669	5.30%
2005	22,665	\$ 1,291,066,395	56,963	4.10%
2006	22,499	\$ 1,417,909,479	63,021	4.50%
2007	22,599	\$ 1,516,686,687	67,113	4.00%
2008	22,772	\$ 1,541,573,312	67,696	5.20%
2009	22,994	\$ 1,480,537,672	64,388	9.20%
2010	23,594	Not Available	Not Available	9.40%
2011	Not Available	Not Available	Not Available	Not Available

**Source:**

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

**CLIFFSIDE PARK BOARD OF EDUCATION**

Principal Employers

Current Year and Ten Years Ago \*\*

	2011		2002	
	Employees	Percentage of Total Employment	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

Source: Borough of Cliffside Park

\*\* Data was only provided for years noted

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction						
Regular	220	220	220	209	194	183
Special education	15	15	15	33	31	30
Support Services:						
Student & instruction related services	70	70	70	65	64	62
General administrative services	1	1	1	1	1	1
School administrative services	7	7	7	7	7	7
Central services	6	6	6	6	6	6
Plant operations and maintenance	5	5	5	5	5	5
Pupil transportation	32	32	32	46	46	48
Food Service	21	21	21	22	22	22
Total	<u>377</u>	<u>377</u>	<u>377</u>	<u>394</u>	<u>376</u>	<u>364</u>

**Source:** District Personnel Records

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	2,643.0	26,145,576	9,892	-3.59%	220	1:19	1:18		2,643	2,495	5.37%	94.40%
2003	2,669.0	28,558,951	10,700	8.17%	225	1:19	1:18		2,670	2,524	1.02%	94.53%
2004	2,590.0	31,113,495	12,013	12.27%	235	1:20	1:20	1:20	2,590	2,443	-3.00%	94.32%
2005	2,558.0	32,862,188	12,847	6.94%	270	1:22	1:23	1:22	2,558	2,412	-1.24%	94.29%
2006	2,606.0	35,353,445	13,566	5.60%	276	1:22	1:24	1:22	2,606	2,448	1.88%	93.94%
2007	2,572.0	37,784,619	14,691	14.35%	243	1:22	1:24	1:22	2,573	2,419	0.59%	94.01%
2008	2,587.0	37,794,534	14,609	7.69%	238	1:22	1:24	1:22	3,596	3,367	37.99%	93.63%
2009	2,661.0	39,184,350	14,725	0.24%	242	1:22	1:24	1:22	2,622	2,468	1.90%	94.13%
2010	2,772.0	40,040,303	14,445	-1.13%	225	1:22	1:24	1:22	2,708	2,558	-24.69%	94.46%
2011	2,779.0	40,130,193	14,441	-1.93%	213	1:22	1:25	1:23	2,755	2,589	5.07%	93.97%

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

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

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). J-12

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**School Building Information**  
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011
<b>District Buildings</b>						
<b>Elementary</b>						
School #3						
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	500	500	500	500	500	500
Enrollment	275	275	224	224	266	263
School #4						
Square Feet	57,574	57,574	57,574	57,574	57,574	57,574
Capacity (students)	600	600	600	600	600	600
Enrollment	300	300	273	273	299	296
School #5						
Square Feet	22,080	22,080	22,080	22,080	22,080	22,080
Capacity (students)	180	180	180	180	180	180
Enrollment	125	125	138	138	156	156
School #6						
Square Feet	44,250	44,250	44,250	44,250	44,250	44,250
Capacity (students)	500	500	500	500	500	500
Enrollment	371	371	286	286	289	283
<b>Middle School</b>						
Middle School						
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	375	375	375	375	375	375
Enrollment	350	350	296	296	360	354
<b>High School</b>						
Hackensack High School						
Square Feet	112,563	112,563	112,563	112,563	112,563	112,563
Capacity (students)	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,125	1,125	1,052	1,052	1,104	1,103
<b>Other</b>						
ELC						
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	375	375	375	375	375	375
Enrollment	298	298	298	298	298	323

Number of Schools at June 30, 2011  
 Elementary = 4  
 Middle School = 1  
 High School = 1  
 Other School = 1

Source: District records, ASSA

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

Note: GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLIFFSIDE 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)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ELC	N/A					77,763	74,339	37,828	22,700	12,145	16,197
School #3	N/A	15,007	31,611	18,716	18,458	22,000	21,031	10,702	19,563	12,355	20,446
School #4	N/A	24,001	50,051	39,825	21,050	25,250	24,138	12,282	28,542	10,499	26,764
School #5	N/A	9,204	18,440	17,150	11,315	22,500	21,509	10,945	27,190	22,897	19,497
School #6	N/A	33,349	68,491	62,325	61,100	81,000	77,434	39,403	47,885	44,939	50,709
High School	N/A	46,925	94,834	96,125	104,250	110,500	105,635	39,012	32,105	42,168	25,770
Grand Total		\$ 128,486	\$ 263,427	\$ 234,141	\$ 216,173	\$ 339,013	\$ 324,086	\$ 150,172	\$ 177,985	\$ 145,003	\$ 159,383

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
	School package policy:		
	New Jersey School Boards Association Insurance Group		
	Property - Blanket Building and Contents	\$ 300,000,000	\$ 5,000
	Comprehensive General Liability	50,000,000	16,000
	Comprehensive Automobile Liability	11,000,000	1,000
	Computers and schedule equipment -		
	Data Processing Equipment	2,000,000	1,000
	School Board legal liability -		
	Professional Errors and Omissions	11,000,000	10,000
	Public Employees' Faithful Performance Blanket		
	Position Bond - Treasurer	250,000	1,000
	Position Bond - Board Secretary	50,000	1,000
	Position Bond - Business Administrator	50,000	1,000
	Flood Zones, Earthquake	50,000,000	500,000
	Terrorism	1,000,000	
	Pollution	250,000	

Source: District Records

**SINGLE AUDIT SECTION**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

K-1  
Page 1 of 2

## 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 Cliffside Park School District  
County of Bergen, New Jersey  
Cliffside Park, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Cliffside Park School District in the County of Bergen as of and for the fiscal year ended June 30, 2011 which collectively comprise the basic financial statements of the Board of Education of the Borough of Cliffside Park School District in the County of Bergen, and have issued our report thereon dated October 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Cliffside Park School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Cliffside Park School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park School District Board of Education's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Cliffside Park School District 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* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the Borough of Cliffside Park School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 25, 2011.

This report is intended solely for the information of management, the Borough of Cliffside Park Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

October 25, 2011

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkocz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

K-2

Page 1 of 2

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR FEDERAL AND STATE PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

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

Compliance

We have audited the compliance of the Board of Education of the Borough of Cliffside Park School District in the County of Bergen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. Borough of Cliffside Park School District 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Cliffside Park School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Cliffside Park School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Cliffside Park School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Cliffside Park School District Board of Education's compliance with those requirements.



In our opinion, the Borough of Cliffside Park School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

The management of the Borough of Cliffside Park School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Cliffside Park School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park School District Board of Education's internal control over compliance.

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

Our consideration of the 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Borough of Cliffside Park Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

**CLIFFSIDE PARK  
BOARD OF EDUCATION**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2011

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011		MEMO Cumulative Total Expenditures
											(Accounts Receivable)	Deferred Revenue	
<b>U.S. Department of Education</b>													
Passed-through State Department of Education:													
General Fund:													
Medical Assistance Program (SEMI)	93.778		9/1/10 - 8/31/11	\$ 54,652	(21,976)		22,640	54,652			(32,012)		54,652
Medical Assistance Program (SEMI)	93.778		9/1/09 - 8/31/10	45,310			21,976						45,310
<b>Total General Fund</b>					(21,976)		44,616	54,652			(32,012)		99,962
<b>U.S. Department of Education</b>													
Passed-through State Department of Education:													
Social Revenue Fund:													
Title I													
Title I	84.010A		9/1/10 - 8/31/11	372,712	(362,731)	(362,731)	404,340	311,289	41,293		(228,387)		311,289
ID.E.A. Part B	84.010A		9/1/09 - 8/31/10	402,199		(362,731)							402,199
ID.E.A. Part B	84.027		9/1/10 - 8/31/11	528,745	(398,307)	(398,307)	666,589	528,745			(260,463)		528,745
ID.E.A. Part B	84.027		9/1/09 - 8/31/10	504,857	(398,307)	(398,307)							504,857
ID.E.A. Part B Preschool	84.173		9/1/10 - 8/31/11	14,452	(70,877)	(70,877)	82,474	14,452	3,694		(14,452)		14,452
Title IIA	84.367A		9/1/10 - 8/31/11	82,088	(70,877)	(70,877)					(77,038)		92,329
Title IIA	84.367A		9/1/09 - 8/31/10	70,877		(70,877)							70,877
Title IIB	84.318X		9/1/10 - 8/31/11	865	(247)	(247)	1,303	5,694	3,773		(865)		5,694
Title IIB	84.318X		9/1/09 - 8/31/10	4,020		(247)							1,303
Title IID	84.365A		9/1/10 - 8/31/11	63,423	(48,142)	(48,142)	58,173	67,888	12,444		(45,413)		67,888
Title IID	84.365A		9/1/09 - 8/31/10	55,369		(48,142)							55,369
Title III	84.365A		9/1/10 - 8/31/11	32,777	(25,987)	(25,987)	26,552	7,441	5,002		(1,874)		29,651
Title III	84.365A		9/1/09 - 8/31/10	8,127		(25,987)							17,388
Title IV	86.186A		9/1/09 - 8/31/10	8,127	(17,388)	(17,388)	8,513	8,875	8,875				219,014
ARRA - Title I	84.389		9/1/09 - 8/31/11	274,276	(47,238)	(47,238)	102,600	55,332	(30)		(81,101)		234,476
ARRA - Title I	84.391		9/1/09 - 8/31/11	591,968	(144,476)	(144,476)	420,867	356,906	(586)		(3,598)		21,271
ARRA - IDEA, Part B Basic	84.392		9/1/09 - 8/31/11	21,281			17,673	21,271			(16,507)		34,185
ARRA - IDEA, Part B Preschool	84.041		9/1/10 - 8/31/11	35,025	(21,375)	(21,375)	39,053	34,185					21,375
Impact Aid	84.041		9/1/10 - 8/31/11	21,375									21,375
Impact Aid	84.041		9/1/09 - 8/31/10										
<b>Total Special Revenue Fund</b>					(1,136,768)		1,828,137	1,495,532	74,465		(729,698)		2,636,983
<b>U.S. Department of Agriculture</b>													
Passed-through State Department of Education:													
Enterprise Fund:													
USDA Commodities	10.565		7/1/10 - 6/30/11	\$ 49,557			49,557	49,557			(7,697)		49,557
National Breakfast Program	10.553		9/1/10 - 8/31/11	107,459			99,762	107,459					107,459
National Breakfast Program	10.553		9/1/09 - 8/31/10	90,030	(8,929)	(8,929)	8,929				(30,773)		90,030
National School Lunch Program	10.555		9/1/10 - 8/31/11	601,888	(41,881)	(41,881)	571,115	601,888					601,888
National School Lunch Program	10.555		9/1/09 - 8/31/10	533,374			41,881						533,374
<b>Total Enterprise Fund</b>					(50,810)		771,244	758,904			(38,470)		1,428,276
<b>Total Federal Financial Assistance</b>				\$ 1,209,554			2,643,997	2,309,938	74,465		(800,180)		4,165,221

See accompanying notes to schedules of expenditures of federal and state awards.

**CLIFFSIDE PARK  
BOARD OF EDUCATION**  
Schedule of Expenditures of State Awards  
Year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Asset Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2011			MEMO	
											(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at		Budgetary Receivable
<b>State Department of Education:</b>															
<b>General Fund:</b>															
Equalization Aid	495-034-5120-078	7/1/10-6/30/11	919,463				855,384	919,463							919,463
Special Education Aid	495-034-5120-089	7/1/10-6/30/11	1,238,760				1,152,428	1,238,760							1,238,760
Extraordinary Aid	100-034-5120-473	7/1/10-6/30/11	436,967					436,967		(436,967)					436,967
Reimbursed TPAF Social Security	495-034-5095-002	7/1/10-6/30/11	1,317,473	(127,311)			1,273,111	1,317,473		(133,260)					1,317,473
On Behalf TPAF Pension - Post Retirement	495-034-5095-002	7/1/10-6/30/11	1,382,593	(139,293)			139,293	1,382,593							1,382,593
On Behalf TPAF NCGI Premium	495-034-5095-006	7/1/10-6/30/11	1,150,060				1,150,060	1,150,060							1,150,060
			54,146				54,146	54,146							54,146
<b>Total General Fund</b>			<b>4,662,835</b>	<b>(265,604)</b>			<b>4,662,835</b>	<b>5,116,869</b>		<b>(570,227)</b>			<b>(150,411)</b>		<b>6,626,773</b>
<b>Special Revenue Fund:</b>															
Preschool Education Aid	495-034-5120-086	7/1/10-6/30/11	617,240			(41,974)	617,240	587,581		(12,315)					587,581
Preschool Education Aid	495-034-5120-086	7/1/09-6/30/10	598,915			41,974	57	57							598,915
N.J. Nonpublic Textbook Aid	100-034-5120-064	7/1/10-6/30/11	67				67	67							67
N.J. Nonpublic Nursing Services	100-034-5120-070	7/1/10-6/30/11													
<b>Total Special Revenue Fund</b>			<b>1,283,822</b>	<b>(41,974)</b>			<b>1,283,822</b>	<b>587,705</b>		<b>(12,315)</b>			<b>(59,891)</b>		<b>1,181,771</b>
<b>Capital Projects Fund:</b>															
Boiler Replacement	SP# 0890-030-09-1001		272,048					224,488		(224,488)					224,488
<b>Total Capital Projects Fund</b>			<b>272,048</b>					<b>224,488</b>		<b>(224,488)</b>					<b>224,488</b>
<b>Debt Service Fund:</b>															
Debt Service Aid Type II	100-034-5120-067	7/1/10-6/30/11	4,587				4,587	4,587							4,587
<b>Total Debt Service Fund</b>			<b>4,587</b>				<b>4,587</b>	<b>4,587</b>							<b>4,587</b>
<b>Enterprise Fund:</b>															
National School Lunch Program (State Share)	100-010-3350-023	7/1/10-6/30/11	14,634				13,826	14,634		(808)					19,632
National School Lunch Program (State Share)	100-010-3350-023	7/1/09-6/30/10	22,818	(1,785)			1,785	22,818							22,818
National Breakfast Program (State Share)	100-010-3350-021	7/1/09-6/30/10	6,068	(587)			587	6,068							6,068
National School Snack Program	100-010-3350-024	7/1/10-6/30/11	19,341				18,206	19,341		(1,135)					17,304
National School Snack Program	100-010-3350-024	7/1/09-6/30/10	21,074	(926)			926	21,074							21,074
<b>Total Enterprise Fund</b>			<b>80,934</b>	<b>(3,298)</b>			<b>35,330</b>	<b>83,975</b>		<b>(1,943)</b>					<b>91,614</b>
<b>Total State Financial Assistance</b>			<b>\$ 8,129,233</b>	<b>(311,876)</b>			<b>8,129,233</b>	<b>8,129,233</b>		<b>(808,973)</b>			<b>(210,302)</b>		<b>8,129,233</b>

See accompanying notes to schedules of expenditures of federal and state awards.

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." 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 \$183,937 for the general fund and \$(1,806) 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	\$54,652	\$5,300,806	\$5,355,458
Special Revenue Fund	1,493,847	587,584	2,081,431
Capital Projects Fund		224,488	224,488
Debt Service Fund		4,587	4,587
Food Service Fund	<u>758,904</u>	<u>33,975</u>	<u>792,879</u>
Total Financial Awards	<u>\$2,307,403</u>	<u>\$6,151,440</u>	<u>\$8,458,843</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 U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. 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, 2011. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards**

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173/ 84.391/84.392</u> (A)	<u>IDEA, Part B-Basic/IDEA, Part B-Preschool/ ARRA-IDEA, Part B-Basic/ARRA-IDEA, Part B-Preschool</u>
<u>84.010/84.389</u> (A)	<u>Title I, Part A/ARRA-Title I, Part A</u>
<u>10.553/10.555</u> (A)	<u>National School Lunch Program/ National School Breakfast Program</u>

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

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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



**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Status of Prior Year Findings**

None