

**SCHOOL DISTRICT OF THE
BOROUGH OF CLIFFSIDE PARK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

**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, 2013**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2013

Prepared by

**Louis Alfano
Business Administrator/Board Secretary**

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INTRODUCTORY SECTION

CLIFFSIDE PARK PUBLIC SCHOOLS

THE MUNICIPAL COMPLEX

525 PALISADE AVENUE

CLIFFSIDE PARK, NEW JERSEY 07010

Louis Alfano

Business Administrator/Board Secretary

TEL: 201-313-2300

FAX: 201-943-7050

E-MAIL: lalfano@cliffsidepark.edu

September 3, 2013

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, 2013.

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, 2013, 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 2012/2013 fiscal year with 2,839 students, which is 60 students more 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>
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)
2011-2012	2,779	1.4
2012-2013	2,839	2.1

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. 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.

MATH CURRICULUM: The Cliffside Park School District uses the Envision Math 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 Pearson 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, teacher evaluations, 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. This full service breakfast and lunch program operates successfully with no costs for the school district or the taxpayers of Cliffside Park.

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, 2013 \$2,345,237 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.

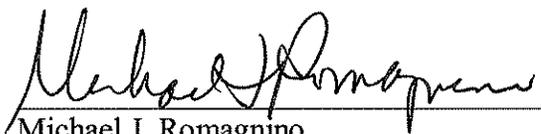
RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. The District provides its employee full medical insurance through traditional 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, Wielkotz,

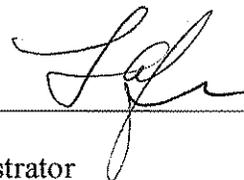
Cerullo, & Cuva was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey Circular 04-04. The auditors' report on the basic financial statements 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,



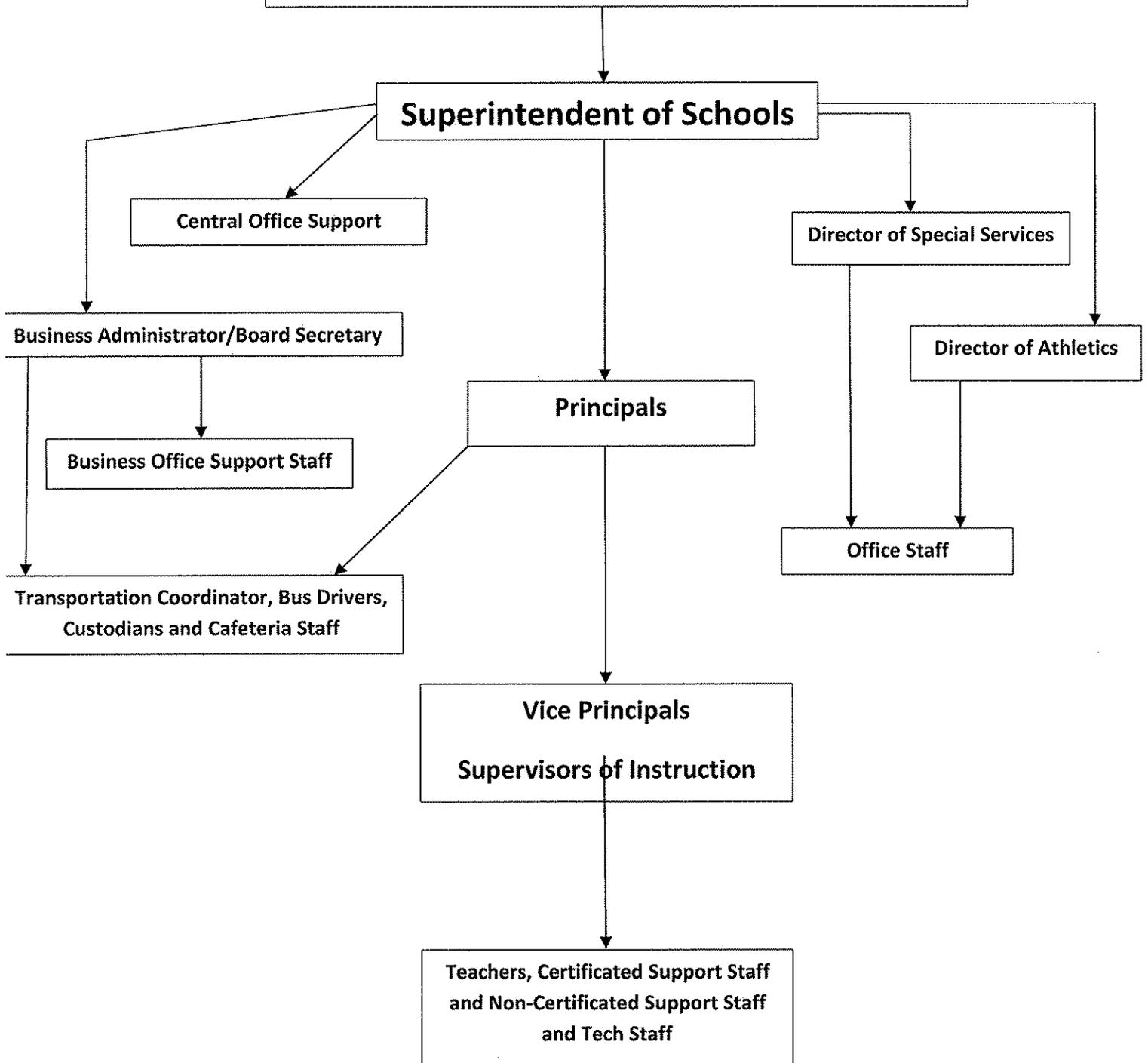
Michael J. Romagnino
Superintendent of Schools



Louis Alfano
Business Administrator
Board Secretary

ORGANIZATIONAL CHART

CLIFFSIDE PARK BOARD OF EDUCATION



CLIFFSIDE PARK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Capano	2014
Joseph J. Cota	2015
Stephen D. Dobish, Ed. D.	2015
Lisa Frato	2016
Samuel Martone	2016
Annette C. Scala	2014
Teddy F. Tarabokija	2014
Gina M. Vaccaro	2016
Toni Bongard	2015

Other Officials

Fairview Representative, Angelo D' Arminio

Michael J. Romagnino, Superintendent of Schools

Louis Alfano, Business Administrator/Board Secretary

Frank Berardo, Treasurer of School Monies

Fogarty & Hara, Board Attorney

CLIFFSIDE PARK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

June 30, 2013

Attorney

FOGARTY & HARA
21-00 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, 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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 year ended June 30, 2013, and the related notes to the financial statements, 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 Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and
Members of the Board of Education
Page 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, each major fund, and the aggregate remaining fund information of the Borough of Cliffside Park Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 13-23 and 57-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

Our audit was conducted 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 other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2013 on our consideration of the Borough of Cliffside Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report

Honorable President and
Members of the Board of Education
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is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Cliffside Park Board of Education's internal control over financial reporting and compliance.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 3, 2013



**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, 2013
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, 2013.

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 position increased \$3,589,909. Net position of governmental activities increased \$3,666,623 while net position of business-type activity decreased by \$76,714.
- General revenues accounted for \$43,745,555 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 \$3,810,776 or 8 percent of total revenues of \$47,556,331.
- The School District had \$41,969,185 in expenses related to governmental activities; only \$1,890,253 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$43,745,555 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, 2013
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 position* 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 position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, 2013
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, 2013
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 Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net position is \$12,517,788 at June 30, 2013 and \$8,927,879 at June 30, 2012. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2013 compared to 2012 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets						
Current and Other Assets	9,649,546	6,007,977	468,022	538,674	10,117,568	6,546,651
Capital Assets	<u>6,864,117</u>	<u>7,123,291</u>	<u>20,128</u>	<u>27,689</u>	<u>6,884,245</u>	<u>7,150,980</u>
Total Assets	<u>16,513,663</u>	<u>13,131,268</u>	<u>488,150</u>	<u>566,363</u>	<u>17,001,813</u>	<u>13,697,631</u>
Liabilities						
Current Liabilities	463,577	539,151	100,365	101,864	563,942	641,015
Noncurrent Liabilities	<u>3,829,153</u>	<u>4,128,737</u>	_____	_____	<u>3,829,153</u>	<u>4,128,737</u>
Total Liabilities	<u>4,292,730</u>	<u>4,667,888</u>	<u>100,365</u>	<u>101,864</u>	<u>4,393,095</u>	<u>4,769,752</u>
Deferred Inflow of Resources						
Unamortized Bond Premium	<u>90,930</u>	_____	_____	_____	<u>90,930</u>	_____
Total Deferred Inflow of Resources	<u>90,930</u>	_____	_____	_____	<u>90,930</u>	_____
Net Position						
Invested in Capital Assets,						
Net of Related Debt	4,275,454	4,179,066	20,128	27,689	4,295,582	4,206,755
Restricted	8,491,062	4,801,277			8,491,062	4,801,277
Unrestricted	<u>(636,513)</u>	<u>(516,963)</u>	<u>367,657</u>	<u>436,810</u>	<u>(268,856)</u>	<u>(80,153)</u>
Total Net Position	<u>12,130,003</u>	<u>8,463,380</u>	<u>387,785</u>	<u>464,499</u>	<u>12,517,788</u>	<u>8,927,879</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2013 compared to 2012.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			1,018,243	1,048,229	1,018,243	1,048,229
Operating Grants and						
Contributions	1,890,253	1,426,555	902,280	821,720	2,792,533	2,248,275
Capital Grants and						
Contributions	42,233	49,863			42,233	49,863
General Revenues:						
Taxes:						
Property taxes	28,840,118	28,303,814			28,840,118	28,303,814
Federal and State Aid not						
Restricted	7,466,294	6,325,802			7,466,294	6,325,802
Tuition Received	6,714,158	5,914,129			6,714,158	5,914,129
Miscellaneous Income	<u>682,752</u>	<u>400,832</u>	<u> </u>	<u> </u>	<u>682,752</u>	<u>400,832</u>
Total Revenues and Transfers	<u>45,635,808</u>	<u>42,420,995</u>	<u>1,920,523</u>	<u>1,869,949</u>	<u>47,556,331</u>	<u>44,290,944</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Functions/Program Expenses						
Instruction:						
Regular	17,888,947	17,971,833			17,888,947	17,971,833
Special Education	4,523,963	4,667,377			4,523,963	4,667,377
Other Special Education	793,949	804,050			793,949	804,050
Other Instruction	704,952	562,083			704,952	562,083
Support Services:						
Tuition	1,660,412	1,552,981			1,660,412	1,552,981
Student & Instruction Related Services	4,373,317	4,368,088			4,373,317	4,368,088
School Administrative Services	1,774,397	2,016,562			1,774,397	2,016,562
General Administrative Services	1,206,620	1,301,866			1,206,620	1,301,866
Central Services and Admin. Info. Tech.	774,908	727,758			774,908	727,758
Plant Operations and Maintenance	2,674,999	2,510,835			2,674,999	2,510,835
Pupil Transportation	1,090,420	1,047,315			1,090,420	1,047,315
Unallocated Benefits	4,036,579	2,974,168			4,036,579	2,974,168
Food Service			1,823,487	1,436,373	1,823,487	1,436,373
After School Program			173,750	280,725	173,750	280,725
Charter Schools	51,535	30,224			51,535	30,224
Interest on Long-Term Debt	109,596	120,544			109,596	120,544
Unallocated Depreciation	299,391	295,163			299,391	295,163
Capital Outlay - Nondepreciable	<u>5,200</u>	<u>144,431</u>			<u>5,200</u>	<u>144,431</u>
Total Expenses and Transfers	<u>41,969,185</u>	<u>41,095,278</u>	<u>1,997,237</u>	<u>1,717,098</u>	<u>43,966,422</u>	<u>42,812,376</u>
Increase or (Decrease) in Net Position	<u>3,666,623</u>	<u>1,325,717</u>	<u>(76,714)</u>	<u>152,851</u>	<u>3,589,909</u>	<u>1,478,568</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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 \$43,966,422. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$28,840,118 because some of the cost was paid by those who benefitted from the programs \$1,018,243, by other governments and organizations who subsidized certain programs with grants and contributions \$2,792,533, unrestricted federal and state aid \$7,466,294, federal and state aid capital outlay \$42,233, tuition received \$6,714,158, and by miscellaneous sources \$682,752.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2013, 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 2012</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$36,237,028	79.4%	\$1,597,203	4.61%	\$34,639,825
State Source	7,697,950	16.9%	1,226,572	18.95%	6,471,378
Federal Source	<u>1,700,830</u>	<u>3.7%</u>	<u>391,038</u>	29.85%	<u>1,309,792</u>
Total	<u>\$45,635,808</u>	<u>100.0%</u>	<u>\$3,214,813</u>	7.58%	<u>\$42,420,995</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$19,566,014	46.7%	\$1,240,922	6.77%	\$18,325,092
Undistributed	21,758,347	51.9%	(515,313)	(2.31)%	22,273,660
Debt Service	424,763	1.0%	(674)	(0.16)%	425,437
Capital Outlay	<u>174,708</u>	<u>0.4%</u>	<u>15,603</u>	9.81%	<u>159,105</u>
Total	<u>\$41,923,832</u>	<u>100.0%</u>	<u>\$740,538</u>	1.80 %	<u>\$41,183,294</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, 2013
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, 2013, the School District amended the special revenue fund by \$255,226 for increases in federal and state grants.

General Fund

The general fund actual revenue was \$43,328,105. That amount is \$5,054,309 above the final amended budget of \$38,273,796. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,889,672 for TPAF pension and social security reimbursements, an excess in other state and federal aid of \$304,002, and a \$860,635 excess in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$39,566,583 including transfers which is \$895,830 below the final amended budget of \$40,462,413. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$3,889,672 for TPAF pension and social security reimbursements, and \$4,785,502 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$43,328,105 and total expenditures of \$39,566,583 with an ending fund balance of \$9,389,081 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$2,022,657. That amount is \$315,806 below the final amended budget of \$2,338,463. 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 \$2,022,657, which is \$315,806 below the final amended budget of \$2,338,463. 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, 2013
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2013 the School District had \$16,633,761 invested in sites, buildings, equipment and construction in progress. Of this amount \$9,749,516 in depreciation has been taken over the years. We currently have a net book value of \$6,884,245. Total additions for the year were \$172,028, 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 2013 balances compared to 2012.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Construction in Progress	561,220	561,220			561,220	561,220
Buildings and Improvements	5,928,879	6,127,152			5,928,879	6,127,152
Furniture, Equipment and Vehicles	185,350	229,113	\$20,128	\$27,689	205,478	256,802
Land Improvements		<u>17,138</u>			<u>0</u>	<u>17,138</u>
	<u>\$6,864,117</u>	<u>\$7,123,291</u>	<u>\$20,128</u>	<u>\$27,689</u>	<u>\$6,884,245</u>	<u>\$7,150,980</u>

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

Debt Administration

At June 30, 2013, the District had \$3,829,153 of outstanding debt. Of this amount, \$1,331,420 is for compensated absences; \$37,733 is for various capital leases; and \$2,460,000 of serial bonds for school construction and related refunding costs.

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

	<u>2013</u>	<u>2012</u>
2001 School Improvement Bonds	<u>\$2,460,000</u>	<u>\$2,770,000</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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 2013-2014 school year that is higher than the level of the 2012-2013 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2013-2014 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:

Louis Alfano
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 Position
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	5,608,502	378,113	5,986,615
Receivables, net	1,451,398	71,609	1,523,007
Internal balances	20,459	(20,459)	-
Inventory		6,723	6,723
Restricted assets:			
Capital reserve account - cash	2,569,187		2,569,187
Capital assets:			
Land and construction in progress	749,888		749,888
Other capital assets, net	6,114,229	20,128	6,134,357
Total Assets	<u>16,513,663</u>	<u>456,114</u>	<u>16,969,777</u>
LIABILITIES			
Accounts payable and accrued liabilities	423,505	68,329	491,834
Payable to state government	1,551		1,551
Deferred revenue	38,521		38,521
Noncurrent liabilities:			
Due within one year	352,657		352,657
Due beyond one year	3,476,496		3,476,496
Total liabilities	<u>4,292,730</u>	<u>68,329</u>	<u>4,361,059</u>
Deferred Inflow of Resources:			
Unamortized Bond Premium	90,930		90,930
	<u>4,383,660</u>	<u>68,329</u>	<u>4,451,989</u>
NET POSITION			
Invested in capital assets, net of related debt	4,275,454	20,128	4,295,582
Restricted for:			
Capital projects	2,671,550		2,671,550
Debt service	1		1
Other purposes	5,819,511		5,819,511
Unrestricted (Deficit)	(636,513)	367,657	(268,856)
Total net position	<u>12,130,003</u>	<u>387,785</u>	<u>12,517,788</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, 2013

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:							
Instruction:							
Regular	14,750,608	3,138,339		1,649,391		(16,239,556)	(16,239,556)
Special education	3,594,285	929,678				(4,523,963)	(4,523,963)
Other special instruction	630,857	163,092				(793,949)	(793,949)
Other instruction	590,264	114,688				(704,952)	(704,952)
Support services:							
Tuition	1,660,412					(1,660,412)	(1,660,412)
Health Services	384,998	97,788				(482,786)	(482,786)
Student & instruction related services	3,284,893	605,638		240,862		(3,649,669)	(3,649,669)
School administrative services	1,411,946	362,451				(1,774,397)	(1,774,397)
General administrative services	1,126,401	80,219				(1,206,620)	(1,206,620)
Central services and administrative information technology	636,821	138,087				(774,908)	(774,908)
Plant operations and maintenance	2,382,366	292,633				(2,674,999)	(2,674,999)
Pupil transportation	892,684	197,736				(1,090,420)	(1,090,420)
Unallocated benefits	3,889,671	146,908				(4,036,579)	(4,036,579)
Charter Schools	51,535					(51,535)	(51,535)
Capital outlay - non-depreciable	5,200					(5,200)	(5,200)
Interest on long-term debt	109,596					(109,596)	(109,596)
Unallocated depreciation/amortization	299,391					(299,391)	(299,391)
Total governmental activities	35,701,928	6,267,257	-	1,890,253	-	(40,078,932)	(40,078,932)
Business-type activities:							
Food Service	1,823,487		836,286	902,280	-	(84,921)	(84,921)
After School Program	173,750		181,957			8,207	8,207
Total business-type activities	1,997,237		1,018,243	902,280	-	(76,714)	(76,714)
Total primary government	37,699,165		1,018,243	2,792,533	-	(40,155,646)	(40,155,646)
General revenues:							
Taxes:							
Levied for general purposes						28,419,932	28,419,932
Taxes levied for debt service						420,186	420,186
Federal and State aid not restricted						7,466,294	7,466,294
Federal and State aid - Capital Outlay						42,233	42,233
Tuition received						6,714,158	6,714,158
Miscellaneous Income						682,752	682,752
Total general revenues, special items, extraordinary items and transfers						43,745,555	43,745,555
Change in Net Position						(76,714)	(76,714)
Net Position—beginning						464,499	464,499
Net Position—ending						387,785	387,785
						12,130,003	12,517,788

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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	5,730,626			1	5,730,627
Accounts Receivable -					
Interfunds	153,637				153,637
Intergovernmental - State	422,428		224,488		646,916
Intergovernmental - Federal		181,252			181,252
Intergovernmental - Other	593,548				593,548
Restricted cash and cash equivalents					
Capital reserve	2,569,187				2,569,187
Total assets	<u>9,469,426</u>	<u>181,252</u>	<u>224,488</u>	<u>1</u>	<u>9,875,167</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in Cash			122,125		122,125
Accounts payable	326,812	49,261			376,073
Intergovernmental accounts payable - State		1,551			1,551
Interfund payables	11,577	91,919			103,496
Unearned revenue		38,521			38,521
Total liabilities	<u>338,389</u>	<u>181,252</u>	<u>122,125</u>	<u>-</u>	<u>641,766</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,336,703				2,336,703
Excess Surplus - prior year - designated for subsequent year's expenditures	914,731				914,731
Capital reserve account	2,569,187				2,569,187
Assigned to:					
Year-end Encumbrances	1,912,978				1,912,978
Designated by the BOE for subsequent year's expenditures	655,099				655,099
Capital projects fund			102,363		102,363
Debt service fund				1	1
Unassigned:					
General Fund	742,339				742,339
Total Fund balances	<u>9,131,037</u>	<u>-</u>	<u>102,363</u>	<u>1</u>	<u>9,233,401</u>
Total liabilities and fund balances	<u>9,469,426</u>	<u>181,252</u>	<u>224,488</u>	<u>1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,384,644 and the accumulated depreciation is \$9,520,527

6,864,117

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

(47,432)

Bond issuance premiums are reported as revenues in the Governmental Funds in the year of the receipt. The original premium was \$202,066 and accumulated amortization is \$111,136

(90,930)

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)

(3,829,153)

Net position of governmental activities

12,130,003

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, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Municipal tax levy	28,419,932			420,186	28,840,118
Tuition charges	6,714,158				6,714,158
Miscellaneous	655,691	27,061			682,752
Total - Local Sources	35,789,781	27,061	-	420,186	36,237,028
State sources	7,439,809	253,564		4,577	7,697,950
Federal sources	75,357	1,625,473			1,700,830
Total revenues	43,304,947	1,906,098	-	424,763	45,635,808
EXPENDITURES					
Current:					
Regular instruction	13,101,217	1,649,391			14,750,608
Special education instruction	3,594,285				3,594,285
Other special instruction	630,857				630,857
School sponsored/other instructional	590,264				590,264
Support services and undistributed costs:					
Tuition	1,660,412				1,660,412
Health services	384,998				384,998
Student & instruction related services	3,044,031	240,862			3,284,893
School administrative services	1,411,946				1,411,946
General administrative services	1,126,401				1,126,401
Central services & administrative information technology	636,821				636,821
Plant operations and maintenance	2,382,366				2,382,366
Pupil transportation	928,143				928,143
Unallocated benefits	6,001,160				6,001,160
On-behalf contributions	3,889,672				3,889,672
Transfer to Charter Schools	51,535				51,535
Debt service:					
Principal				310,000	310,000
Interest and other charges				114,763	114,763
Capital outlay	132,475	42,233			174,708
Total expenditures	39,566,583	1,932,486	-	424,763	41,923,832
Excess (Deficiency) of revenues	3,738,364	(26,388)	-	-	3,711,976
Net change in fund balances	3,738,364	(26,388)	-	-	3,711,976
Fund balance—July 1	5,392,673	26,388	102,363	1	5,521,425
Fund balance—June 30	9,131,037	-	102,363	1	9,233,401

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, 2013

Total net change in fund balances - governmental funds (from B-2) 3,711,976

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	(428,682)	
	Depreciable Capital outlays	<u>169,508</u>	
			(259,174)

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	310,000		
Capital Lease Obligations	<u>35,459</u>		
			345,459

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	52,599		
General Bond Obligations	<u>(47,432)</u>		
			5,167

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 (146,908)

The government funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)

Current Year Amortization 10,103

Change in net position of governmental activities 3,666,623

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

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	335,295	42,818	378,113
Accounts receivable:			-
State	2,991		2,991
Federal	40,248		40,248
Interfund	11,577		11,577
Other	28,370		28,370
Inventories	6,723		6,723
Total current assets	425,204	42,818	468,022
Noncurrent assets:			
Capital assets:			
Equipment	249,117		249,117
Less accumulated depreciation	(228,989)		(228,989)
Total capital assets (net of accumulated depreciation)	20,128	-	20,128
Total assets	445,332	42,818	488,150
Current Liabilities:			
Interfunds Payable		32,036	32,036
Accounts Payable	68,329		68,329
Total Liabilities	68,329	32,036	100,365
NET POSITION			
Invested in capital assets net of related debt	20,128	-	20,128
Unrestricted	356,875	10,782	367,657
Total net position	377,003	10,782	387,785

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	509,163		509,163
Daily sales - non-reimbursable programs	327,123		327,123
Program Fees		181,957	181,957
Total operating revenues	<u>836,286</u>	<u>181,957</u>	<u>1,018,243</u>
Operating expenses:			
Cost of sales	681,430		681,430
Salaries	578,798	170,274	749,072
Employee Benefits	366,892		366,892
Supplies and materials	59,150	3,476	62,626
Purchased Services	92,334		92,334
Depreciation expense	10,081		10,081
Repairs and other expenses	34,802		34,802
Total Operating Expenses	<u>1,823,487</u>	<u>173,750</u>	<u>1,997,237</u>
Operating income (loss)	<u>(987,201)</u>	<u>8,207</u>	<u>(978,994)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	15,778		15,778
Snack program	36,672		36,672
Federal sources:			
National school lunch program	678,745		678,745
Breakfast program	111,513		111,513
U.S.D.A. Commodities	59,572		59,572
Total nonoperating revenues (expenses)	<u>902,280</u>	<u>-</u>	<u>902,280</u>
Income (loss) before contributions & transfers	<u>(84,921)</u>	<u>8,207</u>	<u>(76,714)</u>
Total net position—beginning	<u>461,924</u>	<u>2,575</u>	<u>464,499</u>
Total net position—ending	<u>377,003</u>	<u>10,782</u>	<u>387,785</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, 2013

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	825,885	194,109	1,019,994
Payments to suppliers	<u>(1,716,090)</u>	<u>(228,357)</u>	<u>(1,944,447)</u>
Net cash provided by (used for) operating activities	<u>(890,205)</u>	<u>(34,248)</u>	<u>(924,453)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	51,466		51,466
Federal Sources	<u>763,619</u>		<u>763,619</u>
Net cash provided by (used for) non-capital financing activities	<u>815,085</u>	<u>-</u>	<u>815,085</u>
Net increase (decrease) in cash and cash equivalents	<u>(75,120)</u>	<u>(34,248)</u>	<u>(109,368)</u>
Balances—beginning of year	<u>410,415</u>	<u>77,066</u>	<u>487,481</u>
Balances—end of year	<u>335,295</u>	<u>42,818</u>	<u>378,113</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(987,201)	8,207	(978,994)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,081		10,081
Food Distribution Program	59,572		59,572
(Increase) decrease in accounts receivable, net	(12,920)		(12,920)
(Increase) decrease in inventories	(693)		(693)
Increase (decrease) in accounts payable	40,956	(42,455)	(1,499)
Total adjustments	<u>(890,205)</u>	<u>(34,248)</u>	<u>(924,453)</u>
Net cash provided by (used for) operating activities	<u>(890,205)</u>	<u>(34,248)</u>	<u>(924,453)</u>

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

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds	Agency Fund
ASSETS			
Cash and cash equivalents	242,990	2,405	421,037
Interfund Receivable	40,086		
Accounts Receivable			40,086
Total assets	283,076	2,405	461,123
LIABILITIES			
Payable to student groups			102,891
Due to other funds			69,768
Due to State - Unemployment	32,475		
Payroll deductions and withholdings			288,464
Total liabilities	32,475	-	461,123
NET POSITION			
Held in trust for unemployment claims and other purposes	250,601		
Reserved for scholarships		2,405	
	250,601	2,405	

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

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2013

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
ADDITIONS		
Contributions:		
Donations		15,750
Payroll withholdings	55,080	
District contributions	140,000	
Total Contributions	195,080	15,750
 DEDUCTIONS		
Unemployment Claims	24,005	
Scholarships awarded		15,250
Total deductions	24,005	15,250
Change in net position	171,075	500
Net position—beginning of the year	79,526	1,905
Net position—end of the year	250,601	2,405

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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 more significant of the board's accounting policies are described below.

A. Basis of Presentation:

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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

District-wide Financial Statements:

The statement of net position 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 position 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 - *governmental*, *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:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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 position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. 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 position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

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

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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, 2013**

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 unearned revenues at fiscal year end.

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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, 2013, 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, 2013**

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 position, 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 position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. 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, 2013**

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. Unearned Revenue:

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

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 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, 2013**

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 Position:

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

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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

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.

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.

U. Recent Accounting Pronouncements:

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which is effective for fiscal periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

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, 2013, \$-0- of the District's bank balance of \$9,886,921 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

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, 2013, 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 Statements	Enterprise Fund	District Wide Financial Statements
Interfunds	\$153,637	\$11,577	\$29,682
State Aid	646,916	2,991	649,907
Federal Aid	181,252	40,248	221,500
Other	<u>593,548</u>	<u>28,370</u>	<u>621,918</u>
Gross Receivables	1,575,353	83,186	1,523,007
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,575,353</u>	<u>\$83,186</u>	<u>\$1,523,007</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY

Balances due to/from other funds at June 30, 2013 consist of the following:

\$91,919	Due to the General Fund from the Special Revenue Fund for short term loans.
1,050	Due to the General Fund from the Agency Fund for cash transfers made in error.
28,632	Due to the General Fund from the Agency Fund for prior years accumulated interest earnings.
32,036	Due to the General Fund from the After School Program for reimbursement of expenditures paid.
11,577	Due to the Food Service Fund from the General Fund for subsidy claims reimbursements.
<u>40,086</u>	Due to the Unemployment Account from the Payroll Agency Account for employee deductions.
<u>\$205,300</u>	

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Balance 6/30/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2013</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	\$188,668	\$	\$	\$188,668
Construction in progress	<u>561,220</u>	_____	_____	<u>561,220</u>
Total capital assets not being depreciated	<u>749,888</u>	_____	_____	<u>749,888</u>
Building and building improvements	12,851,799	93,575		12,945,374
Machinery and equipment	1,389,439	75,933		1,465,372
Land Improvements	<u>1,224,010</u>	_____	_____	<u>1,224,010</u>
Totals at historical cost	<u>15,465,248</u>	<u>169,508</u>	_____	<u>15,634,756</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,724,647)	(187,622)		(6,912,269)
Machinery and Equipment	(1,160,326)	(119,696)		(1,280,022)
Land Improvements	<u>(1,206,872)</u>	<u>(121,364)</u>	_____	<u>(1,328,236)</u>
Total accumulated depreciation	<u>(9,091,845)</u>	<u>(428,682)</u>	_____	<u>(9,520,527)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>6,373,403</u>	<u>(259,174)</u>	_____	<u>6,114,229</u>
Governmental activities capital assets, net	<u>7,123,291</u>	<u>(259,174)</u>	_____	<u>6,864,117</u>
Business-type activities:				
Equipment	246,597	2,520		249,117
Less accumulated depreciation for:				
Equipment	<u>(218,908)</u>	<u>(10,081)</u>	_____	<u>(228,989)</u>
Business-type activities capital assets, net	<u>\$27,689</u>	<u>(\$7,561)</u>	<u>\$</u>	<u>\$20,128</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$64,516
Support Service:	
Student & Instruction Related Services	27,755
Operations and Maintenance	1,400
Student Transportation	25,517
Unallocated Depreciation	<u>309,494</u>
Total Depreciation Expense	<u>\$428,682</u>

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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 position. 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, 2013 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	\$2,770,000	\$ _____	\$(310,000)	\$2,460,000	\$325,000
Total Bonds Payable	<u>2,770,000</u>	<u>_____</u>	<u>(310,000)</u>	<u>2,460,000</u>	<u>325,000</u>
Other Liabilities:					
Obligations Under Capital Lease	73,192		(35,459)	37,733	27,657
Compensated Absences Payable	<u>1,184,512</u>	<u>338,626</u>	<u>(191,718)</u>	<u>1,331,420</u>	<u>_____</u>
Total Other Liabilities	<u>1,257,704</u>	<u>338,626</u>	<u>(227,177)</u>	<u>1,369,153</u>	<u>27,657</u>
	<u>\$4,027,704</u>	<u>\$338,626</u>	<u>(\$537,177)</u>	<u>\$3,829,153</u>	<u>\$352,657</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, 2013**

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

A. Bonds Payable:, (continued)

Outstanding bonds payable at June 30, 2013, 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, 2013</u>
School Refunding Bonds 2006	\$3,680,000	08/15/2006	3.50%-5.00%	07/15/201	<u>\$2,460,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$428,487	\$325,000	\$103,487
2015	426,524	335,000	91,524
2016	419,205	340,000	79,205
2017	414,250	350,000	64,250
2018	406,500	360,000	46,500
2019-2021	<u>787,750</u>	<u>750,000</u>	<u>37,750</u>
	<u>\$2,882,716</u>	<u>\$2,460,000</u>	<u>\$422,716</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, 2013:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$27,657	\$1,765	\$29,422
2015	<u>10,076</u>	<u>425</u>	<u>10,501</u>
	<u>\$37,733</u>	<u>\$2,190</u>	<u>\$39,923</u>

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

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 2015. Total operating lease payments made during the year ended June 30, 2013 were \$243,266. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$251,958
2015	208,928
2016	96,868
2017	15,473
2018	<u>7,149</u>
	<u>\$580,376</u>

NOTE 9. PENSION PLANS

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

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 9. PENSION PLANS, (continued)

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. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. 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, 2013 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.

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

Year <u>Ending</u>	
6/30/13	\$438,177
6/30/12	476,922
6/30/11	454,102

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 9. PENSION PLANS, (continued)

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

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI Premium</u>
6/30/13	\$1,123,492	\$1,337,226	\$59,111
6/30/12	529,324	1,178,269	56,804
6/30/11		1,150,060	54,146

During the fiscal year ended June 30, 2013, the State of New Jersey contributed \$2,519,829 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 \$1,369,843 during the year ended June 30, 2013 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.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 9. PENSION PLANS, (continued)

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

NOTE 10. 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, 2012, there were 97,661 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.

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 2012, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 11. 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 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, 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

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>
2012-2013	\$140,000	\$55,080	\$24,005	\$250,601
2011-2012	40,000	32,180	143,713	79,526
2010-2011	350,000	27,518	253,610	151,059

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 13. 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 \$2,569,187 in the capital reserve account at June 30, 2013.

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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, June 30, 2012	\$1,719,128
Deposits:	
Board Resolution - June 26, 2013	1,000,000
Interest Earnings	59
Withdrawal	<u>150,000</u>
Ending balance, June 30, 2013	<u>\$2,569,187</u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$9,131,037 General Fund fund balance at June 30, 2013, \$1,912,978 is reserved for encumbrances; \$3,251,434 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$914,731 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$2,569,187 has been reserved in the Capital Reserve Account; \$655,099 has been appropriated and included as anticipated revenue for the year ended June 30, 2014; and \$742,339 is unreserved and undesignated.

NOTE 15. 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, 2013 is \$3,251,434 of which \$2,336,703 is the result of current year operations.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 16. INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$4,679
Supplies	<u>2,044</u>
	<u>\$6,723</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 17. CONTINGENT LIABILITIES

Management is not aware of any other material items of noncompliance which would result in the disallowance of program expenditures.

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

NOTE 18. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through September 3, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	28,419,932		28,419,932	28,419,932	
Tuition	5,777,505		5,777,505	6,714,158	936,653
Transportation Fees from Other LEAs	250,000		250,000	275,639	25,639
Interest Earned on Capital Reserve Funds	50		50	59	9
Unrestricted Miscellaneous Revenues	481,659		481,659	379,993	(101,666)
Total - Local Sources	<u>34,929,146</u>		<u>34,929,146</u>	<u>35,789,781</u>	<u>860,635</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,345,088		1,345,088	1,345,088	
Equalization Aid	1,561,163		1,561,163	1,561,163	
Categorical Security Aid	348,290		348,290	348,290	
Categorical Transportation Aid	31,909		31,909	31,909	
Extraordinary Aid				286,845	286,845
Reimbursed TPAF Social Security				1,369,843	1,369,843
On-behalf TPAF Postretirement Medical Cont.				1,182,603	1,182,603
On-behalf TPAF Pension and Non-contributory Insurance Contributions				1,337,226	1,337,226
Total - State Sources	<u>3,286,450</u>		<u>3,286,450</u>	<u>7,462,967</u>	<u>4,176,517</u>
Medicaid Administrative Claiming (MAC)				4,484	4,484
Special Education Medicaid Initiative	58,200		58,200	70,873	12,673
Total - Federal Sources	<u>58,200</u>		<u>58,200</u>	<u>75,357</u>	<u>17,157</u>
TOTAL REVENUES	<u>38,273,796</u>		<u>38,273,796</u>	<u>43,328,105</u>	<u>5,054,309</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	490,150	55,111	545,261	545,261	
Grades 1-5 - Salaries of Teachers	3,185,306	48,246	3,233,552	3,161,366	72,186
Grades 6-8 - Salaries of Teachers	1,862,795	199,648	2,062,443	2,019,586	42,857
Grades 9-12 - Salaries of Teachers	5,637,454	330,850	5,968,304	5,868,860	99,444
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	31,675	66,675	66,675	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	473,832	(109,000)	364,832	220,175	144,657
Other Purchased Services (400-500 series)	376,323	(12,000)	364,323	352,427	11,896
General Supplies	463,209	(10,878)	452,331	428,218	24,113
Textbooks	286,946	(3,665)	283,281	268,449	14,832
Other Objects	276,799	(56,058)	220,741	170,200	50,541
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>13,087,814</u>	<u>473,929</u>	<u>13,561,743</u>	<u>13,101,217</u>	<u>460,526</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	479,945	71,738	551,683	551,683	
Other Salaries for Instruction	95,299	132,348	227,647	209,278	18,369
General Supplies	4,928	(422)	4,506	595	3,911
Total Learning and/or Language Disabilities	<u>580,172</u>	<u>203,664</u>	<u>783,836</u>	<u>761,556</u>	<u>22,280</u>
Behavioral Disabilities					
Salaries of Teachers	279,150	(50,000)	229,150	221,601	7,549
Other Salaries for Instruction	85,926		85,926	74,686	11,240
Total Behavioral Disabilities	<u>365,076</u>	<u>(50,000)</u>	<u>315,076</u>	<u>296,287</u>	<u>18,789</u>
Multiple Disabilities					
Salaries of Teachers	277,155	15,455	292,610	292,610	
Other Salaries for Instruction	141,813	41,610	183,423	183,423	
Total Multiple Disabilities	<u>418,968</u>	<u>57,065</u>	<u>476,033</u>	<u>476,033</u>	
Resource Room/Resource Center:					
Salaries of Teachers	1,031,511	109,170	1,140,681	1,140,681	
Other Salaries for Instruction	237,808		237,808	211,054	26,754
General Supplies	1,000		1,000		1,000
Total Resource Room/Resource Center	<u>1,270,319</u>	<u>109,170</u>	<u>1,379,489</u>	<u>1,351,735</u>	<u>27,754</u>
Autism					
Salaries of Teachers	245,210	9,240	254,450	254,450	
Other Salaries for Instruction	137,572		137,572	122,841	14,731
Total Autism	<u>382,782</u>	<u>9,240</u>	<u>392,022</u>	<u>377,291</u>	<u>14,731</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	162,745	13,882	176,627	176,627	
Other Salaries for Instruction	165,109		165,109	154,756	10,353
Total Preschool Disabilities - Full-Time	<u>327,854</u>	<u>13,882</u>	<u>341,736</u>	<u>331,383</u>	<u>10,353</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>3,345,171</u>	<u>343,021</u>	<u>3,688,192</u>	<u>3,594,285</u>	<u>93,907</u>
Bilingual Education - Instruction					
Salaries of Teachers	579,229	51,205	630,434	630,434	
General Supplies		423	423	423	
Total Bilingual Education - Instruction	<u>579,229</u>	<u>51,628</u>	<u>630,857</u>	<u>630,857</u>	
School-Sponsored Cocurricular Activities - Instruction					
Salaries	241,884	(43,000)	198,884	146,055	52,829
Total School-Sponsored Cocurricular Activities - Instruction	<u>241,884</u>	<u>(43,000)</u>	<u>198,884</u>	<u>146,055</u>	<u>52,829</u>
School-Sponsored Athletics - Instruction					
Salaries	198,105	99,294	297,399	297,272	127
Supplies and Materials	96,681	6,015	102,696	91,937	10,759
Transfers to Cover Deficit (Agency Funds)	103,530	(45,125)	58,405	55,000	3,405
Total School-Sponsored Athletics - Instruction	<u>398,316</u>	<u>60,184</u>	<u>458,500</u>	<u>444,209</u>	<u>14,291</u>
TOTAL INSTRUCTION	<u>17,652,414</u>	<u>885,762</u>	<u>18,538,176</u>	<u>17,916,623</u>	<u>621,553</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	288,023	(7,461)	280,562	263,632	16,930
Tuition to County Voc. School Dist. - Regular	485,570	7,461	493,031	493,031	
Tuition to County Voc. School Dist. - Special	90,720		90,720	52,520	38,200
Tuition to CSSD & Regional Day Schools	1,028,522	131,884	1,160,406	718,837	441,569
Tuition to Private Schools for the Handicapped - Within State	538,160	(55,759)	482,401	73,756	408,645
Tuition - State Facilities	58,636		58,636	58,636	
Total Undistributed Expenditures - Instruction:	<u>2,489,631</u>	<u>76,125</u>	<u>2,565,756</u>	<u>1,660,412</u>	<u>905,344</u>
Undist. Expend. - Health Services					
Salaries	367,230	10,770	378,000	378,000	
Supplies and Materials	7,000	9	7,009	6,998	11
Total Undistributed Expenditures - Health Services	<u>374,230</u>	<u>10,779</u>	<u>385,009</u>	<u>384,998</u>	<u>11</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	328,630	15,040	343,670	343,670	
Purchased Prof. Services-Educational Services	1,600		1,600		1,600
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>330,230</u>	<u>15,040</u>	<u>345,270</u>	<u>343,670</u>	<u>1,600</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	649,350	187,945	837,295	837,295	
Salaries of Secretarial and Clerical Assistants	90,112	2,485	92,597	92,596	1
Total Undist. Expend. - Guidance	<u>739,462</u>	<u>190,430</u>	<u>929,892</u>	<u>929,891</u>	<u>1</u>
Undist. Expend. - Other Supp. Child Study Teams					
Salaries of Other Professional Staff	631,660	27,752	659,412	659,412	
Salaries of Secretarial and Clerical Assistants	111,404	6,267	117,671	117,670	1
Other Purchased Professional and Technical Services	1,092,324	(198,024)	894,300	740,628	153,672
Total Undist. Expend. - Other Supp. Serv. Students-Special	<u>1,835,388</u>	<u>(164,005)</u>	<u>1,671,383</u>	<u>1,517,710</u>	<u>153,673</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	170,560	12,615	183,175	183,175	
Supplies and Materials	29,500	11,991	41,491	40,574	917
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>200,060</u>	<u>24,606</u>	<u>224,666</u>	<u>223,749</u>	<u>917</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	71,050	(15,908)	55,142	14,660	40,482
Other Purchased Services (400-500 series)		14,522	14,522	14,351	171
Total Undist. Expend. - Instructional Staff Training Serv.	<u>71,050</u>	<u>(1,386)</u>	<u>69,664</u>	<u>29,011</u>	<u>40,653</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	302,087	8,000	310,087	310,087	
Legal Services	95,000	(10,600)	84,400	34,922	49,478
Audit Fees	84,000	(4,000)	80,000	39,000	41,000
Other Purchased Professional Services	35,000	6,250	41,250	41,250	
Purchased Technical Services	31,800	46,400	78,200	54,510	23,690
Communications/Telephone	215,943	(122,672)	93,271	43,263	50,008
BOE Other Purchased Services	352,855	(352,855)			
Other Purch Services (400-500 Series)	5,000	331,614	336,614	332,422	4,192
Judgements against the School District		176,361	176,361	176,361	
Misc. Expenditures	86,000	22,205	108,205	89,292	18,913
BOE Membership Dues and Fees	18,000	(17,117)	883	883	
Total Undist. Expend. - Supp. Serv. - General Administration	<u>1,225,685</u>	<u>83,586</u>	<u>1,309,271</u>	<u>1,121,990</u>	<u>187,281</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,034,518	30,913	1,065,431	1,065,430	1
Salaries of Secretarial and Clerical Assistants	302,245	33,387	335,632	335,631	1
Other Objects	11,500		11,500	10,885	615
Total Undist. Expend. - Support Serv. - School Administration	1,348,263	64,300	1,412,563	1,411,946	617
Undist. Expend. - Support Serv. - Central Services					
Salaries	329,818	16,969	346,787	346,787	
Misc. Expenditures	20,425	16,041	36,466	36,465	1
Total Undist. Expend. - Support Serv. - Central Services	350,243	33,010	383,253	383,252	1
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	174,600	12,390	186,990	186,990	
Supplies and Materials		61,350	61,350	60,579	771
Other Objects		6,000	6,000	6,000	
Total Undist. Expend. - Support Serv. - Administrative Information Technology	174,600	79,740	254,340	253,569	771
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries					
Cleaning, Repair and Maintenance Services	132,608	110,769	243,377	198,659	44,718
General Supplies	13,500	2,628	16,128	16,127	1
Undist. Expend. - Required Maint. for School Facilities	146,108	113,397	259,505	214,786	44,719
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,080,771	44,994	1,125,765	1,125,765	
Cleaning, Repair and Maintenance Services	137,113	212,888	350,001	346,475	3,526
Insurance	223,510	(53,532)	169,978	160,123	9,855
General Supplies	182,000	(19,064)	162,936	152,298	10,638
Energy (Energy and Electricity)	322,000	(163,170)	158,830	157,233	1,597
Energy (Natural Gas)	275,000	47,758	322,758	225,686	97,072
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,220,394	69,874	2,290,268	2,167,580	122,688
Undist. Expend. - Student Transportation Services (270)					
Salaries of Non-Instructional Aides	163,473	53,030	216,503	216,502	1
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	358,322	32,186	390,508	390,507	1
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	107,215	(48,506)	58,709	58,708	1
Cleaning, Repair and Maintenance Services	47,500	55,385	102,885	96,465	6,420
Lease Purchase Payments - School Buses	38,933	1	38,934	38,934	
Contract Services (Sp. Ed. Students)-Joint Agreements	85,000	(57,928)	27,072	11,534	15,538
Misc. Purchased Services - Transportation	52,000	(51,003)	997	997	
General Supplies	100,000	15,494	115,494	115,493	1
Total Undist. Expend. - Student Transportation Services	952,443	(1,341)	951,102	928,143	22,959
UNALLOCATED BENEFITS					
Social Security Contributions	500,000		500,000	462,557	37,443
T.P.A.F. Contributions - ERIP	1,150		1,150	954	196
Other Retirement Contributions-PERS	534,153		534,153	438,177	95,976
Unemployment Compensation	140,000		140,000	140,000	
Workmen's Compensation	257,350		257,350	243,449	13,901
Health Benefits	8,697,729	(3,153,946)	5,543,783	4,636,110	907,673
Other Employee Benefits	31,000	48,913	79,913	79,913	
TOTAL UNALLOCATED BENEFITS	10,161,382	(3,105,033)	7,056,349	6,001,160	1,055,189
Reimbursed TPAF Social Security				1,369,843	(1,369,843)
On-behalf TPAF Postretirement Medical Cont.				1,182,603	(1,182,603)
On-behalf TPAF Pension and Non-contributory Insurance Contributions				1,337,226	(1,337,226)
TOTAL ON-BEHALF CONTRIBUTIONS				3,889,672	(3,889,672)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	10,161,382	(3,105,033)	7,056,349	9,890,832	(2,834,483)
TOTAL UNDISTRIBUTED EXPENDITURES	22,619,169	(2,510,878)	20,108,291	21,461,539	(1,353,248)
TOTAL GENERAL CURRENT EXPENSE	40,271,583	(1,625,116)	38,646,467	39,378,162	(731,695)

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
School Buses-Special		120,000	120,000		120,000
Total Undist. Expend.		<u>120,000</u>	<u>120,000</u>		<u>120,000</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		174,000	174,000	38,900	135,100
Other Purchased Prof. and Tech. Services					
Construction Services HS	150,000	1,316,000	1,466,000	93,575	1,372,425
Principal- Lease Purchase Infrastructure					
Assessment for Debt Service on SDA Funding	4,411		4,411	4,411	
Total Facilities Acquisition and Construction Services	<u>154,411</u>	<u>1,490,000</u>	<u>1,644,411</u>	<u>136,886</u>	<u>1,507,525</u>
TOTAL CAPITAL OUTLAY	<u>154,411</u>	<u>1,610,000</u>	<u>1,764,411</u>	<u>136,886</u>	<u>1,627,525</u>
Transfer of Funds to Charter Schools	23,419	28,116	51,535	51,535	
TOTAL EXPENDITURES	<u>40,449,413</u>	<u>13,000</u>	<u>40,462,413</u>	<u>39,566,583</u>	<u>895,830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,188,617)</u>	<u>(13,000)</u>	<u>(2,188,617)</u>	<u>3,761,522</u>	<u>5,950,139</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,188,617)</u>	<u>(13,000)</u>	<u>(2,188,617)</u>	<u>3,761,522</u>	<u>5,950,139</u>
Fund Balance, July 1	5,627,559		5,627,559	5,627,559	
Fund Balance, June 30	<u>3,438,942</u>	<u>(13,000)</u>	<u>3,438,942</u>	<u>9,389,081</u>	<u>5,950,139</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(245,783)		(245,783)		245,783
Increase in Capital Reserve:					
Principal				1,000,000	1,000,000
Interest Deposit to Capital Reserve				59	59
Withdrawal from Capital Reserve	(150,000)		(150,000)	(150,000)	
Budgeted Fund Balance	<u>(1,792,834)</u>	<u>(13,000)</u>	<u>(1,792,834)</u>	<u>2,911,463</u>	<u>4,704,297</u>
	<u>(2,188,617)</u>	<u>(13,000)</u>	<u>(2,188,617)</u>	<u>3,761,522</u>	<u>5,950,139</u>
Recapitulation:					
Restricted Fund Balance:					
Legally Restricted - Excess Surplus				2,336,703	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				914,731	
Capital Reserve				2,569,187	
Assigned Fund Balance:					
Year-end Encumbrances				1,912,978	
Designated for Subsequent Year's Expenditures				655,099	
Unassigned Fund Balance				<u>1,000,383</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>9,389,081</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>258,044</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>9,131,037</u>	

CLIFFSIDE PARK BOARD OF EDUCATION
 Budgetary Comparison Schedule
 Special Revenue Fund
 Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		28,436	28,436	27,061	(1,375)
State Sources	587,705	(273,872)	313,833	279,952	(33,881)
Federal Sources	1,495,532	500,662	1,996,194	1,715,644	(280,550)
Total Revenues	2,083,237	255,226	2,338,463	2,022,657	(315,806)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,285,094	(244,074)	1,041,020	909,323	131,697
Other Salaries for Instruction	95,778	(32,204)	63,574	63,574	-
Purchased Professional and Technical Services		97,299	97,299	93,315	3,984
Other Purchased Services (400-500 series)		539,668	539,668	525,078	14,590
General Supplies		154,148	154,148	131,542	22,606
Textbooks		225	225	225	-
Total instruction	1,380,872	515,062	1,895,934	1,723,057	172,877
Support services:					
Salaries of Supervisors of Instruction		25,098	25,098	21,441	3,657
Salaries of Program Directors		53,774	53,774	36,732	17,042
Salaries of Other Professional Staff		7,089	7,089	6,611	478
Salaries of Secretarial and Clerical Assistants		32,204	32,204	16,506	15,698
Other Salaries	111,621	28,734	140,355	40,205	100,150
Personal Services - Employee Benefits		-	-	-	-
Purchased Professional - Educational Services	95,778	(7,501)	88,277	86,070	2,207
Other Purchased Professional Services		-	-	-	-
Purchased Technical Services		-	-	-	-
Rentals		-	-	-	-
Contracted Services - Trans. (Between Home and School)		-	-	-	-
Travel		5,425	5,425	3,625	1,800
Other Purchased Services (400-500 series)	452,450	(423,197)	29,253	27,639	1,614
Supplies & Materials		18,538	18,538	18,538	-
Total support services	659,849	(259,836)	400,013	257,367	142,646
Facilities acquisition and const. serv.:					
Instructional Equipment	42,516	-	42,516	42,233	283
Noninstructional Equipment		-	-	-	-
Total facilities acquisition and const. serv.	42,516	-	42,516	42,233	283
Total Expenditures	2,083,237	255,226	2,338,463	2,022,657	315,806
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2013

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	43,378,084	2,022,657
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(90,171)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		234,886	33,503
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).		(198,153)	(59,891)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	43,414,817	1,906,098
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	39,566,583	2,022,657
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.			(90,171)
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]	39,566,583	1,932,486

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, 2013

	Total							
	Brought Forward (Ex. E-1a)	NCLB Title I	IDEA Part - B	Title II, Part A Training & Recruiting	NCLB Title III	NCLB Title III - Immigrant	21st Century Community Learning	Totals 2013
REVENUES								
Local Sources	27,061							27,061
State Sources	279,952							279,952
Federal Sources	34,332	542,089	522,997	90,110	90,634	24,453	411,029	1,715,644
Total Revenues	341,345	542,089	522,997	90,110	90,634	24,453	411,029	2,022,657
EXPENDITURES:								
Instruction:								
Salaries of Teachers	183,155	416,865	522,997		47,244	24,346	237,713	1,432,320
Other Salaries for Instruction	63,574							63,574
Purchased Professional and Technical Services	-						93,315	93,315
Other Purchased Services (400-500 series)	-						2,081	2,081
General Supplies	4,463	38,724		36,828	42,404	107	9,016	131,542
Textbooks	225							225
Total instruction	251,417	455,589	522,997	36,828	89,648	24,453	342,125	1,723,057
Support services:								
Salaries of Program Directors	17,781			3,660				21,441
Salaries of Other Professional Staff	-						36,732	36,732
Salaries of Secretarial and Clerical Assistants	6,611							6,611
Other Salaries	8,051	8,455						16,506
Personal Services - Employee Benefits	-	40,205		800			25,300	40,205
Other Purchased Professional Services	25,607	34,363		1,095			2,530	86,070
Travel	-			13,586			4,342	3,625
Other Purchased Services (400-500 series)	8,725			15,061	986			27,639
Supplies & Materials	-	3,477						18,538
Total support services	66,775	86,500	-	34,202	986	-	68,904	257,367
Facilities acquisition and const. serv.:								
Instructional Equipment	23,153			19,080				42,233
Total facilities acquisition and const. serv.	23,153	-	-	19,080	-	-	-	42,233
Total Expenditures	341,345	542,089	522,997	90,110	90,634	24,453	411,029	2,022,657
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2013

	Race to the Top	Nonpublic - Textbooks	Nonpublic - Technology	Nonpublic - Nursing	Preschool Education Aid	NJSBAIG Safety Grant	Laura Bush Foundation	Total Carried Forward
REVENUES								
Local Sources								
State Sources	34,332	225	247	308	279,172	23,153	3,908	27,061
Federal Sources								279,952
								34,332
Total Revenues	34,332	225	247	308	279,172	23,153	3,908	341,345
EXPENDITURES:								
Instruction:								
Salaries of Teachers					183,155			183,155
Other Salaries for Instruction					63,574			63,574
Purchased Professional and Technical Services								-
Other Purchased Services (400-500 series)			247	308			3,908	-
General Supplies		225						4,463
Textbooks								225
Total instruction	-	225	247	308	246,729	-	3,908	251,417
Support services:								
Salaries of Program Directors					17,781			17,781
Salaries of Other Professional Staff					6,611			-
Salaries of Secretarial and Clerical Assistants					8,051			6,611
Other Salaries								8,051
Personal Services - Employee Benefits	25,607							-
Other Purchased Professional Services								25,607
Travel								-
Other Purchased Services (400-500 series)	8,725							-
Supplies & Materials								8,725
Total support services	34,332	-	-	-	32,443	-	-	66,775
Facilities acquisition and const. serv.:								
Instructional Equipment						23,153		23,153
Total facilities acquisition and const. serv.	-	-	-	-	-	23,153	-	23,153
Total Expenditures	34,332	225	247	308	279,172	23,153	3,908	341,345
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2013

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	183,835	183,155	680
Other salaries for instruction	63,574	63,574	
Total instruction	<u>247,409</u>	<u>246,729</u>	<u>680</u>
Support services:			
Salaries of Program Directors	18,798	17,781	1,017
Salaries of Secr. and Clerical Assistants	7,089	6,611	478
Other Salaries	32,204	8,051	24,153
Total support services	<u>58,091</u>	<u>32,443</u>	<u>25,648</u>
Total expenditures	<u>305,500</u>	<u>279,172</u>	<u>26,328</u>

Summary of Location Totals

Total revised 2012-13 Preschool Education Aid	305,500
Add: Actual Preschool Education Aid Carryover (June 30, 2012)	70,709
Add: Budgeted Transfer from the General Fund 2012-13	
Total Preschool Education Aid Funds Available for 2012-13 Budget	<u>376,209</u>
Less: 2012-13 Budgeted Preschool Education Aid (prior year budgeted carryover)	<u>305,500</u>
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2013	<u>70,709</u>
Add: June 30, 2012 Unexpended Preschool Education Aid	<u>26,328</u>
2012-13 Carryover - Preschool Education Aid/Preschool	<u>97,037</u>

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, 2013

Revenues and Other Financing Sources	
State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	-
Expenditures and Other Financing Uses	
Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	-
Total expenditures	-
Excess (deficiency) of revenues over (under) expenditures	-
Other Finance Sources (Uses)	
Transfers out	-
	-
Total other financing sources (uses)	-
Net change in fund balance	-
Fund balance - beginning	149,923
Fund balance - ending	149,923
Recapitulation:	
Unrestricted Fund Balance	149,923
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	(47,560)
Fund Balance per Governmental Funds	102,363

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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	5,368,977		5,368,977	5,400,000
Equipment purchases				
	<u>5,368,977</u>	<u>-</u>	<u>5,368,977</u>	<u>5,400,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,023</u>	<u>-</u>	<u>31,023</u>	<u>-</u>
Additional project information:				
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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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
Expenditures and Other Financing Uses				
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	-
Additional project information:				
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, 2013

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2013
			Prior Years	Current Year	
Construction Additions to School #6	July 15, 1999	5,400,000	5,368,977		31,023
Boiler Replacement	Aug. 6, 2010	680,120	561,220		118,900
		<u>6,080,120</u>	<u>5,930,197</u>	<u>-</u>	<u>149,923</u>
			Analysis		
			Project Balance - June 30, 2013		149,923
			Unfunded Authorizations		
			Fund Balance (Deficit) - June 30, 2013		<u>149,923</u>

PROPRIETARY FUNDS

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	335,295	42,818	378,113
Accounts receivable:			-
State	2,991		2,991
Federal	40,248		40,248
Interfund	11,577		11,577
Other	28,370		28,370
Inventories	6,723		6,723
Total current assets	425,204	42,818	468,022
Noncurrent assets:			
Capital assets:			
Equipment	249,117		249,117
Less accumulated depreciation	(228,989)		(228,989)
Total capital assets (net of accumulated depreciation)	20,128	-	20,128
Total assets	445,332	42,818	488,150
Current Liabilities:			
Interfunds Payable		32,036	32,036
Accounts Payable	68,329		68,329
Total Liabilities	68,329	32,036	100,365
NET POSITION			
Invested in capital assets net of related debt	20,128	-	20,128
Unrestricted	356,875	10,782	367,657
Total net position	377,003	10,782	387,785

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	509,163		509,163
Daily sales - non-reimbursable programs	327,123		327,123
Program Fees		181,957	181,957
Total operating revenues	<u>836,286</u>	<u>181,957</u>	<u>1,018,243</u>
Operating expenses:			
Cost of sales	681,430		681,430
Salaries	578,798	170,274	749,072
Employee Benefits	366,892		366,892
Supplies and materials	59,150	3,476	62,626
Purchased Services	92,334		92,334
Depreciation expense	10,081		10,081
Repairs and other expenses	34,802		34,802
Total Operating Expenses	<u>1,823,487</u>	<u>173,750</u>	<u>1,997,237</u>
Operating income (loss)	<u>(987,201)</u>	<u>8,207</u>	<u>(978,994)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	15,778		15,778
Snack program	36,672		36,672
Federal sources:			
National school lunch program	678,745		678,745
Breakfast program	111,513		111,513
U.S.D.A. Commodities	59,572		59,572
Total nonoperating revenues (expenses)	<u>902,280</u>	<u>-</u>	<u>902,280</u>
Income (loss) before contributions & transfers	<u>(84,921)</u>	<u>8,207</u>	<u>(76,714)</u>
Total net position—beginning	<u>461,924</u>	<u>2,575</u>	<u>464,499</u>
Total net position—ending	<u>377,003</u>	<u>10,782</u>	<u>387,785</u>

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

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2013

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	825,885	194,109	1,019,994
Payments to suppliers	(1,716,090)	(228,357)	(1,944,447)
Net cash provided by (used for) operating activities	<u>(890,205)</u>	<u>(34,248)</u>	<u>(924,453)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	51,466		51,466
Federal Sources	763,619		763,619
Net cash provided by (used for) non-capital financing activities	<u>815,085</u>	<u>-</u>	<u>815,085</u>
Net increase (decrease) in cash and cash equivalents	<u>(75,120)</u>	<u>(34,248)</u>	<u>(109,368)</u>
Balances—beginning of year	<u>410,415</u>	<u>77,066</u>	<u>487,481</u>
Balances—end of year	<u>335,295</u>	<u>42,818</u>	<u>378,113</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(987,201)	8,207	(978,994)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,081		10,081
Food distribution program	59,572		59,572
(Increase) decrease in accounts receivable, net	(12,920)		(12,920)
(Increase) decrease in inventories	(693)		(693)
Increase (decrease) in accounts payable	40,956	(42,455)	(1,499)
Total adjustments	<u>96,996</u>	<u>(42,455)</u>	<u>54,541</u>
Net cash provided by (used for) operating activities	<u>(890,205)</u>	<u>(34,248)</u>	<u>(924,453)</u>

FIDUCIARY FUND

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	242,990	2,405	421,037
Interfund receivable	40,086		
Accounts receivable			40,086
Total assets	<u>283,076</u>	<u>2,405</u>	<u>461,123</u>
LIABILITIES			
Payable to student groups			102,891
Payable to other funds			69,768
Due to State - Unemployment	32,475		
Payroll deductions and withholdings			288,464
Total liabilities	<u>32,475</u>	<u>-</u>	<u>461,123</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	250,601		
Reserved for scholarships		2,405	
	<u>250,601</u>	<u>2,405</u>	

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2013

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		15,750
Payroll withholdings	55,080	
District contributions	140,000	
Total Contributions	195,080	15,750
DEDUCTIONS		
Unemployment Claims	24,005	
Scholarships awarded		15,250
Total deductions	24,005	15,250
Change in net position	171,075	500
Net position—beginning of the year	79,526	1,905
Net position—end of the year	250,601	2,405

CLIFFSIDE PARK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2013</u>
Elementary Schools:				
School #3	19,600	23,577	28,588	14,589
School #4	10,171	16,946	20,236	6,881
School #5	6,926	5,244	5,590	6,580
School #6	5,152	7,822	9,997	2,977
Total Elementary Schools	<u>41,849</u>	<u>53,589</u>	<u>64,411</u>	<u>31,027</u>
Middle School:				
School #6 - Middle	6,183	24,374	25,670	4,887
Student Council	2,408	17,030	18,835	603
Total Middle Schools	<u>8,591</u>	<u>41,404</u>	<u>44,505</u>	<u>5,490</u>
High School:				
High School	52,524	149,977	150,571	51,930
Athletic	5,409	65,871	59,849	11,431
Project Graduation	1,134	33,250	31,371	3,013
Total High Schools	<u>59,067</u>	<u>249,098</u>	<u>241,791</u>	<u>66,374</u>
Total All Schools	<u>109,507</u>	<u>344,091</u>	<u>350,707</u>	<u>102,891</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2013</u>
Net Payroll	-	14,451,710	14,451,710	-
Payroll Deductions and Withholdings	192,941	13,246,979	13,151,456	288,464
Due to Other Funds	124,964		55,196	69,768
	<u>317,905</u>	<u>27,698,689</u>	<u>27,658,362</u>	<u>358,232</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, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2012	Retired	Balance, June 30, 2013
			Date	Amount				
School District Bpnds Refunding - 2006	July 15, 2006	3,680,000	7/15/2013	325,000	3.60	2,770,000	310,000	2,460,000
			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			
						\$ 2,770,000	310,000	2,460,000

CLIFFSIDE PARK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2013

<u>Issue</u>	<u>Amount of Loan</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2012</u>	<u>Retired</u>	<u>Balance, June 30, 2013</u>
		<u>Date</u>	<u>Amount</u>				
2009 16 Passenger Bus	43,352			4.73%	\$ 9,081	9,081	
2010 54 Passenger Bus	85,695	9/1/2013	17,984	5.20%	35,079	17,095	17,984
2010 24 Passenger Bus	48,400	7/15/2013 7/15/2014	9,673 10,076	4.20%	29,032	9,283	19,749
					\$ 73,192	35,459	37,733

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	420,854	-	420,854	420,186	(668)
State Sources:					
Debt Service Aid Type II	4,584	-	4,584	4,577	(7)
Total - State Sources	4,584	-	4,584	4,577	(7)
Total Revenues	425,438	-	425,438	424,763	(675)
EXPENDITURES:					
Regular Debt Service:					
Interest	125,438	-	125,438	114,763	(10,675)
Redemption of Principal	300,000	-	300,000	310,000	10,000
Total Regular Debt Service	425,438	-	425,438	424,763	(675)
Total expenditures	425,438	-	425,438	424,763	(675)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	1	1
Fund Balance, June 30	-	-	-	1	1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Unreserved - Undesignated Fund Balance	-	-	-	1	1

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the 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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,772,447	\$ 3,715,088	\$ 3,873,386	\$ 3,766,968	\$ 3,504,723	\$ 3,505,327	\$ 3,568,379	\$ 4,199,337	\$ 4,179,066	\$ 4,275,454
Restricted	111,163	-	10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062
Unrestricted	67,773	(129,105)	165,291	837,425	1,361,376	(323,165)	(1,069,576)	(332,676)	(516,963)	(636,513)
Total governmental activities net position	\$ 2,951,383	\$ 3,585,983	\$ 4,038,687	\$ 4,658,504	\$ 5,204,787	\$ 5,500,137	\$ 4,792,376	\$ 7,137,663	\$ 8,463,380	\$ 12,130,003
Business-type activities										
Invested in capital assets, net of related debt	\$ 31,903	\$ 3,315			\$ 4,068	\$ 5,234	\$ 48,946	\$ 38,318	\$ 27,689	\$ 20,128
Restricted	80,742	31,989	172,280	135,833	67,314	68,999	77,074	273,330	436,810	367,657
Unrestricted	112,645	35,304	172,280	135,833	71,382	74,233	126,020	311,648	464,499	387,785
Total business-type activities net position	\$ 112,645	\$ 35,304	\$ 172,280	\$ 135,833	\$ 71,382	\$ 74,233	\$ 126,020	\$ 311,648	\$ 464,499	\$ 387,785
District-wide										
Invested in capital assets, net of related debt	\$ 2,804,350	\$ 3,718,403	\$ 3,873,386	\$ 3,766,968	\$ 3,508,791	\$ 3,510,561	\$ 3,617,325	\$ 4,237,655	\$ 4,206,755	\$ 4,293,582
Restricted	111,163	-	10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062
Unrestricted	148,515	(97,116)	337,571	973,258	1,428,690	(254,166)	(992,502)	(59,346)	(80,153)	(268,856)
Total district net position	\$ 3,064,028	\$ 3,621,287	\$ 4,210,967	\$ 4,794,337	\$ 5,276,169	\$ 5,574,370	\$ 4,918,396	\$ 7,449,311	\$ 8,927,879	\$ 12,517,788

Source: CAFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	\$ 14,496,918	\$ 16,436,559	\$ 17,199,226	\$ 18,303,906	\$ 16,839,644	\$ 17,500,839	\$ 17,621,066	\$ 17,744,712	\$ 17,971,833	\$ 17,888,947
Special education	5,540,816	5,073,181	5,738,920	6,223,934	3,363,762	3,787,841	3,800,012	4,075,643	4,667,377	4,523,963
Other special education	860,725	871,801	1,048,032	779,957	611,346	625,896	887,456	751,847	804,050	793,949
Other instruction	1,142,883	1,119,003	894,939	842,381	844,526	965,266	734,748	730,640	562,083	704,952
Support Services:										
Tuition					2,054,178	1,958,454	1,891,441	1,662,115	1,552,981	1,660,412
Student & instruction related services	3,765,470	3,723,210	4,048,070	4,466,064	4,866,404	4,286,179	4,761,630	4,600,551	4,368,088	4,373,317
General administrative services	714,252	885,260	973,848	1,063,066	877,259	945,280	1,683,523	1,336,229	1,301,866	1,206,620
School administrative services	1,471,373	1,397,049	1,632,440	1,852,429	1,693,371	1,924,975	1,251,075	2,037,280	2,016,562	1,774,397
Central services and administrative information technology		473,188	395,010	554,673	579,607	589,144	628,335	658,999	727,758	774,908
Business administrative services	574,705									
Plant operations and maintenance	2,423,433	2,404,596	2,946,820	3,156,552	2,938,403	3,333,162	3,104,869	2,934,424	2,510,835	2,674,999
Pupil transportation	529,873	683,775	799,673	778,549	943,570	932,372	1,038,296	1,103,550	1,047,315	1,090,420
Unallocated Benefits					2,458,264	2,362,021	3,432,153	2,364,279	2,974,168	4,036,579
Charter Schools								11,177	30,224	51,535
Interest on long-term debt	247,766	238,294	224,624	282,043	243,087	151,407	139,132	127,668	120,544	109,596
Unallocated depreciation					258,335	254,233	337,078	294,713	295,163	299,391
Capital Outlay - nondepreciable					55,255	-	513,578	260,034	144,431	5,200
Total governmental activities expenses	31,768,214	33,305,916	35,901,602	38,303,554	38,627,011	39,617,069	41,824,392	40,693,861	41,095,278	41,969,185
Business-type activities:										
Food service	769,211	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,383,115	1,436,373	1,823,487
After School Program								177,538	280,725	173,750
Academy School										
Total business-type activities expense	769,211	909,431	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,560,653	1,717,098	1,997,237
Total district expenses	\$ 32,537,425	\$ 34,215,347	\$ 36,749,613	\$ 39,367,495	\$ 39,826,606	\$ 40,874,191	\$ 43,281,899	\$ 42,254,514	\$ 42,812,376	\$ 43,966,422
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 3,946,048	\$ 3,390,300	\$ 3,916,272	\$ 4,045,074	\$ 5,539,912	\$ 6,329,138	\$ 5,743,912	\$ 6,922,484	\$ 5,914,129	\$ 6,714,158
Pupil transportation	552,664	740,220	946,011	948,845	8,100	-	-	-	-	-
Business and other support services	16,000	16,000	16,200	16,200	8,100	1,849,270	2,304,165	1,720,569	1,426,555	1,890,253
Operating grants and contributions	7,039,535	7,591,619	8,051,115	8,688,078	4,247,991	-	-	360,862	49,863	42,233
Capital grants and contributions	-	-	173,736	310,062	-	-	-	-	-	-
Total governmental activities program revenues	11,554,247	11,738,139	13,103,334	14,008,259	9,796,003	8,178,408	8,048,077	9,003,915	7,390,547	8,646,644

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services										
Food service	429,922	432,602	497,839	602,942	684,899	703,926	756,143	771,777	769,016	836,286
After School Program								181,625	279,213	181,957
Academy School	354,184	399,488	437,148	424,552	450,245	556,047	753,151	792,879	821,720	902,280
Operating grants and contributions										
Capital grants and contributions	784,106	832,090	934,987	1,027,494	1,135,144	1,259,973	1,509,294	1,746,281	1,869,949	1,920,523
Total business type activities program revenues	\$ 12,338,353	\$ 12,570,229	\$ 14,038,321	\$ 15,035,753	\$ 10,931,147	\$ 9,438,381	\$ 9,557,371	\$ 10,750,196	\$ 9,260,496	\$ 10,567,167
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	\$ (20,213,967)	\$ (21,567,777)	\$ (22,798,268)	\$ (24,295,295)	\$ (28,831,008)	\$ (31,438,661)	\$ (33,776,315)	\$ (31,689,946)	\$ (33,704,731)	\$ (33,322,541)
Business-type activities	14,895	(77,341)	86,976	(36,447)	(64,451)	2,851	51,787	185,628	152,851	(76,714)
Total district-wide net expense	\$ (20,199,072)	\$ (21,645,118)	\$ (22,711,292)	\$ (24,331,742)	\$ (28,895,459)	\$ (31,435,810)	\$ (33,724,528)	\$ (31,504,318)	\$ (33,551,880)	\$ (33,399,255)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 18,371,836	\$ 21,222,078	\$ 22,195,851	\$ 23,525,325	\$ 24,028,200	\$ 24,989,328	\$ 25,788,901	\$ 27,336,235	\$ 27,882,960	\$ 28,419,932
Taxes levied for debt service	466,322	447,336	448,022	441,357	426,053	377,867	420,341	421,176	420,854	420,186
Federal and State Aid - Restricted	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	6,325,802	7,466,294
Investment earnings	21,383	28,406	91,145	188,266		17,920				
Miscellaneous income	172,725	155,826	199,379	393,027	394,785	133,588	993,934	687,763	400,832	682,752
Transfers			(50,000)							
Total governmental activities	19,261,514	22,202,377	23,250,972	24,915,112	29,499,588	31,734,011	32,627,549	34,035,233	35,030,448	36,989,164
Business-type activities:										
Investment earnings										
Miscellaneous Income			50,000							
Transfers			50,000							
Total business-type activities	\$ 19,261,523	\$ 22,202,377	\$ 23,300,972	\$ 24,915,112	\$ 29,499,588	\$ 31,734,011	\$ 32,627,549	\$ 34,035,233	\$ 35,030,448	\$ 36,989,164
Total district-wide										
Change in Net Position										
Governmental activities	\$ (952,453)	\$ 634,600	\$ 452,704	\$ 619,817	\$ 668,580	\$ 295,350	\$ (1,148,766)	\$ 2,345,287	\$ 1,325,717	\$ 3,666,623
Business-type activities	14,904	(77,341)	136,976	(36,447)	(64,451)	2,851	51,787	185,628	152,851	(76,714)
Total district	\$ (937,549)	\$ 557,259	\$ 589,680	\$ 583,370	\$ 604,129	\$ 298,201	\$ (1,096,979)	\$ 2,530,915	\$ 1,478,568	\$ 3,589,909

Source: CAFR Schedule A-2

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 94,395	\$ 235,500	\$ 248,387	\$ 446,745	\$ 1,685,611	\$ 2,233,065	\$ 1,784,563			
Unreserved	409,890	389,718	629,745	1,022,176	632,072	399,782	399,306			
Restricted								2,803,366	4,056,497	5,820,621
Committed								346,210	245,783	
Assigned								2,735	370,245	2,568,077
Unassigned								1,012,722	720,148	742,339
Total general fund	\$ 504,285	\$ 625,218	\$ 878,132	\$ 1,468,921	\$ 2,317,683	\$ 2,632,847	\$ 2,183,869	\$ 4,165,033	\$ 5,392,673	\$ 9,131,037
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					54,101					
Unreserved	24,844	17,816	(1,395)	49,380						
Assigned, reported in:										
Special revenue fund									26,388	
Capital projects fund								118,691	102,363	102,363
Debt service fund									1	1
Permanent fund										
Total all other governmental funds	\$ 24,844	\$ 17,816	\$ (1,395)	\$ 49,380	\$ 105,825	\$ 84,587	\$ 47,351	\$ 118,691	\$ 128,752	\$ 102,364

Source: CAFR Schedule B-1

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	\$ 18,838,158	\$ 21,669,414	\$ 22,643,873	\$ 23,966,682	\$ 24,454,253	\$ 25,367,195	\$ 26,209,242	\$ 27,757,411	\$ 28,303,814	\$ 28,840,118
Tuition	4,585,543	4,683,184	4,862,283	4,993,919	5,539,912	6,329,138	5,743,912	6,922,484	5,914,129	6,714,158
Transportation	16,000	16,000	16,200	16,200	8,100	-	-	-	-	-
Miscellaneous	194,108	184,232	290,524	581,293	394,785	151,508	993,934	687,763	421,830	682,752
State sources	5,561,440	5,892,445	6,419,968	7,748,650	7,328,908	7,008,171	6,081,801	6,122,991	6,471,378	7,697,950
Federal sources	1,707,343	2,047,905	2,171,458	1,616,627	1,569,633	1,056,407	1,646,737	1,548,499	1,309,842	1,700,830
Total revenue	30,902,592	34,493,180	36,404,306	38,923,371	39,295,591	39,912,419	40,675,626	43,039,148	42,420,993	45,635,808
Expenditures										
Instruction										
Regular Instruction	14,536,723	16,375,914	17,184,794	18,391,821	13,920,802	13,978,849	14,106,514	13,623,401	13,848,957	14,750,608
Special education instruction	5,506,852	5,099,373	5,738,775	6,226,466	2,585,092	2,864,561	2,911,280	2,998,317	3,438,197	3,594,285
Other special instruction	1,140,935	1,108,152	1,051,850	825,254	469,649	473,370	715,984	553,109	592,390	630,857
Other instruction	860,725	854,652	897,023	843,037	695,121	784,632	566,130	577,589	445,548	590,264
Support Services:										
Tuition	3,695,352	3,737,385	4,047,225	4,462,377	2,054,178	1,958,454	1,891,441	1,662,115	1,940,155	1,660,412
Student & instruction related services	816,062	876,851	980,989	1,063,066	4,133,354	3,505,836	3,926,255	3,684,454	3,115,043	3,669,891
School Administrative services	1,374,784	1,473,942	1,603,206	1,844,181	1,297,613	1,452,067	1,593,890	1,501,419	1,488,071	1,411,946
General administrative services	538,182				785,851	856,452	762,244	1,230,755	1,192,744	1,126,401
Business and other support services										
Central services and administrative information technology		496,680	408,469	554,673	447,125	446,580	486,891	488,719	541,295	636,821
Plant operations and maintenance	2,090,827	2,115,420	2,624,258	2,809,298	2,553,836	2,895,927	2,676,161	2,498,369	2,113,758	2,382,366
Pupil transportation	516,804	680,991	796,110	764,446	690,463	758,501	918,529	920,778	870,874	928,143
Unallocated benefits					5,823,670	6,852,710	6,909,221	7,858,312	7,903,934	6,001,160
On-behalf contributions					2,337,780	2,356,734	2,545,763	2,521,679	3,077,562	3,889,672
Charter Schools								11,177	30,224	51,535
Capital outlay	80,616	1,059,889	354,871	187,398	165,011	186,607	741,073	934,358	159,105	174,708
Special Revenue Fund										
Debt service:										
Principal	249,027	255,795	275,791	312,066	260,000	280,000	280,000	290,000	300,000	310,000
Interest and other charges	253,544	244,231	228,500	164,397	170,839	157,514	145,738	135,763	125,437	114,763
Bond issuance costs				95,860						
Advance refunding excrow				165,688						
Total expenditures	31,660,433	34,379,275	36,191,861	38,710,028	38,390,384	39,808,794	41,177,114	41,490,314	41,183,294	41,923,832
Excess (Deficiency) of revenues over (under) expenditures	(757,841)	113,905	212,445	213,343	905,207	103,625	(501,488)	1,548,834	1,237,699	3,711,976

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing sources (uses)										
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	-	-	(50,000)	(2,214,710)	-	-	-	(408,072)	-	-
Total other financing sources (uses)	-	-	21,258	428,221	-	43,352	-	-	-	-
Net change in fund balances	\$ (757,841)	\$ 113,905	\$ 233,703	\$ 641,564	\$ 905,207	\$ 146,977	\$ (501,488)	\$ 1,548,834	\$ 1,237,699	\$ 3,711,976

Debt service as a percentage of noncapital expenditures	1.6%	1.5%	1.4%	1.2%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%
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Source: CAFR Schedule B-2

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						
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
2012	6,193	5,914,129	290,940	55,614	10,015			38,070	6,314,961
2013	6,815	6,714,158	275,639	136,305				236,932	7,369,849

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 ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Commercial	Industrial					
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	\$ 18,902,200	\$ 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	\$ -	\$ 2,457,922,400	1.012	\$ 3,597,734,318	68.42%
2009	\$ 7,248,200	\$ 2,124,563,400	\$ 135,464,800	\$ 5,502,700	\$ -	\$ 2,474,863,400	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%
2011	\$ 7,345,100	\$ 2,287,332,400	\$ 180,014,700	\$ 6,158,500	\$ -	\$ 2,745,653,071	1.020	\$ 3,267,134,590	84.04%
2012	\$ 5,230,800	\$ 2,286,922,400	\$ 177,462,000	\$ 6,158,500	\$ -	\$ 2,732,396,600	1.064	\$ 3,069,279,243	89.45%

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 General		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Debt Service ^b	Borough of Cliffside Park	Bergen County	
2004 *	0.83	0.83	0.72	0.19	1.74
2005	0.74	0.74	0.91	0.21	1.86
2006	0.96	0.96	0.8	0.22	1.98
2007	0.99	0.99	0.81	0.24	2.04
2008	1.01	1.01	0.83	0.27	2.114
2009	1.04	1.04	0.28	0.88	2.203
2010	1.08	1.09	0.91	0.28	2.28
2011	1.00	1.02	0.85	0.23	2.093
2012	1.02	1.04	0.86	0.24	2.138
2013	1.06	1.06	0.87	0.25	2.181

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

Source: District Records and Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the 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 Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Briarcliff Corp.	\$ 72,500,000		2.65%	\$ 32,500,000	1	1.35%
Palisadium Mgmt. Corp.	\$ 12,550,500		0.46%	\$ 5,232,700	3	0.22%
Verizon - New Jersey	\$ 2,852,000		0.10%	\$ 5,492,085	2	0.23%
T&F Realty	\$ 6,250,000		0.23%	\$ 3,510,000	4	0.15%
Savoy Plaza	\$ 5,664,800		0.21%	\$ 3,412,600	5	0.14%
Carlton Corp.	\$ 4,700,500		0.17%	\$ 2,375,000	7	0.10%
TD Banknorth	\$ 2,369,100		0.09%	\$ 3,250,000	6	0.14%
Timmes Realty Assoc.	\$ 3,690,500		0.13%	\$ 1,985,600	8	0.08%
G&N Realty	\$ 3,300,000		0.12%	\$ 1,956,200	9	0.08%
A.K. Macagna Development Corp.	\$ 2,540,200		0.09%	\$ 1,715,000	10	0.07%
Total	\$ 116,417,600		4.25%	\$ 61,429,185		2.56%
			Net Assessed Valuation:			\$ 2,399,250,200

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	
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%	\$ -
2012	\$28,303,814	\$28,049,175	99.10%	\$ 254,639
2013	\$28,840,118	\$28,840,118	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 ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2004						-	0.00%	\$ 54,462
2005	4,535,000	67,689	-	-	-	4,602,689	1.23%	\$ 56,706
2006	4,305,000	93,156	-	-	-	4,398,156	1.43%	\$ 62,714
2007	4,180,000	182,763	-	-	-	4,362,763	1.54%	\$ 67,394
2008	3,920,000	147,301	-	-	-	4,067,301	1.68%	\$ 68,227
2009	3,640,000	143,987	-	-	-	3,783,987	1.67%	\$ 63,198
2010	3,360,000	212,214	-	-	-	3,572,214	1.83%	\$ 65,486
2011	3,070,000	136,962	-	-	-	3,206,962	2.06%	\$ 66,096
2012	2,770,000	73,192	-	-	-	2,843,192	Not Available	Not Available
2013	2,460,000	37,734	-	-	-	2,497,734	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

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 ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2004	\$ -	-	-	0.00%	\$ 54,462
2005	\$ -	-	-	0.00%	\$ 56,706
2006	\$ 4,535,000	-	4,535,000	0.19%	\$ 62,714
2007	\$ 4,305,000	-	4,305,000	0.18%	\$ 67,394
2008	\$ 4,180,000	-	4,180,000	0.17%	\$ 68,227
2009	\$ 3,640,000	-	3,640,000	0.15%	\$ 63,198
2010	\$ 3,360,000	-	3,360,000	0.14%	\$ 65,486
2011	\$ 3,070,000	-	3,070,000	0.11%	\$ 66,096
2012	\$ 2,770,000	-	2,770,000	Not Available	Not Available
2013	\$ 2,460,000	-	2,460,000	Not Available	Not Available

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

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

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

CLIFFSIDE PARK BOARD OF EDUCATION
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2013

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2013			\$ 2,460,000
Net overlapping debt of School District:			
Borough of Cliffside Park	100.000%	\$ 42,870,019	
County of Bergen - City's Share	1.819%	\$ 14,310,593	
Bergen County Utility Authority-City's Share	3.057%	\$ 7,297,936	
Subtotal, overlapping debt			<u>\$ 64,478,548</u>
Total direct and overlapping debt			<u>\$ 66,938,548</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
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2004	22,704	\$ 1,236,505,248	54,462	5.30%
2005	22,665	\$ 1,285,241,490	56,706	4.10%
2006	22,499	\$ 1,411,002,286	62,714	4.50%
2007	22,599	\$ 1,523,037,006	67,394	4.00%
2008	22,772	\$ 1,553,665,244	68,227	5.20%
2009	22,994	\$ 1,453,174,812	63,198	9.20%
2010	23,623	\$ 1,546,975,778	65,486	9.40%
2011	23,750	\$ 1,569,780,000	66,096	9.60%
2012	23,872	Not Available	Not Available	Not Available
2013	Not Available	Not Available	Not Available	Not Available

Source:

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

	2013		2004	
	Employees	Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment
Employer	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

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>	<u>2012</u>	<u>2013</u>
Instruction								
Regular	220	220	220	209	194	183	183	204
Special education	15	15	15	33	31	30	30	33
Support Services:								
Student & instruction related services	70	70	70	65	64	62	62	71
General administrative services	1	1	1	1	1	1	1	1
School administrative services	7	7	7	7	7	7	7	7
Central services	6	6	6	6	6	6	6	6
Plant operations and maintenance	5	5	5	5	5	5	5	5
Pupil transportation	32	32	32	46	46	48	48	52
Food Service	21	21	21	22	22	22	22	23
Total	377	377	377	394	376	364	364	402

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 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
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	2,590.0	31,113,495	12,013	#DIV/0!	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%
2012	2,810.0	40,598,752	14,448	0.02%	209	1:23	1:25	1:24	2,760	2,611	1.92%	94.60%
2013	2,839.0	41,324,361	14,556	0.80%	225	1:24	1:25	1:24	2,850	2,674	3.47%	93.80%

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
District Buildings										
Elementary										
School #3	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Square Feet	500	500	500	500	500	500	500	500	500	500
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	275	275	275	275	224	224	266	263	328	319
School #4	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574
Square Feet	600	600	600	600	600	600	600	600	600	600
Capacity (students)	600	600	300	300	273	273	299	296	496	478
Enrollment	600	600	300	300	273	273	299	296	496	478
School #5	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080
Square Feet	180	180	180	180	180	180	180	180	180	180
Capacity (students)	180	180	125	125	138	138	156	156	203	211
Enrollment	180	180	125	125	138	138	156	156	203	211
School #6	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250
Square Feet	500	500	371	371	286	286	289	283	346	381
Capacity (students)	500	500	371	371	286	286	289	283	346	381
Enrollment	500	500	371	371	286	286	289	283	346	381
Middle School										
Middle School	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Square Feet	375	375	375	375	375	375	375	375	375	375
Capacity (students)	375	375	350	350	296	296	360	354	352	359
Enrollment	375	375	350	350	296	296	360	354	352	359
High School										
High School	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Capacity (students)	1,400	1,400	1,125	1,125	1,052	1,052	1,104	1,103	1,035	1,091
Enrollment	1,400	1,400	1,125	1,125	1,052	1,052	1,104	1,103	1,035	1,091
Other										
ELC	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Square Feet	375	375	375	375	375	375	375	375	375	375
Capacity (students)	375	375	298	298	298	298	298	298	323	323
Enrollment	375	375	298	298	298	298	298	298	323	323

Number of Schools at June 30, 2013
 Elementary = 4
 Middle School = 1
 High School = 1
 Other School = 0

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)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
ELC	N/A			77,763	74,339	37,828	22,700	12,145	16,197	-	-
School #3	N/A	18,716	18,458	22,000	21,031	10,702	19,563	12,355	20,446	32,232	29,895
School #4	N/A	39,825	21,050	25,250	24,138	12,282	28,542	10,499	26,764	50,494	35,929
School #5	N/A	17,150	11,315	22,500	21,509	10,945	27,190	22,897	19,497	5,940	53,704
School #6	N/A	62,325	61,100	81,000	77,434	39,403	47,885	44,939	50,709	53,910	47,292
High School	N/A	96,125	104,250	110,500	105,625	39,012	32,105	42,168	25,770	45,256	47,966
Grand Total		\$ 234,141	\$ 216,173	\$ 339,013	\$ 324,086	\$ 150,172	\$ 177,985	\$ 145,003	\$ 159,383	\$ 187,832	\$ 214,786

*-Note: Child Study Team in School #5 start of fiscal year, moved to school #3 during fiscal year (all expenditures allocated to #5)

CLIFFSIDE PARK BOARD OF EDUCATION
Insurance Schedule
For the Fiscal Year Ended June 30, 2013
Unaudited

Company	Type of Coverage	Coverage	Deductible
	School package policy:		
	New Jersey School Boards Association Insurance Group		
	Property - Blanket Building and Contents	\$ 400,000,000	\$ 5,000
	Comprehensive General Liability	11,000,000	
	Comprehensive Automobile Liability	11,000,000	
	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	275,000	1,000
	Position Bond - Board Secretary	50,000	500
	Public Employee Dishonesty with Faithful Performance	100,000	1,000
	Flood Zones, Earthquake	50,000,000	500,000
	Terrorism	1,000,000	
	Pollution	250,000	

Source: District Records

SINGLE AUDIT SECTION

Ferraioli, 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-1
Page 1 of 2

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

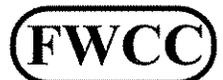
Honorable President and
Members of the Board of Education
Borough of Cliffside Park School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 3, 2013.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

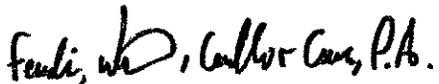
As part of obtaining reasonable assurance about whether the Borough of Cliffside Park Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which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

We noted certain matters that were required to be reported to the Board of Education of the Borough of Cliffside Park School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated September 3, 2013.

Purpose of this Report

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


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


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 3, 2013



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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR 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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Cliffside Park School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Cliffside Park Board of Education's major federal and state programs for the year ended June 30, 2013. The Borough of Cliffside Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Cliffside Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, 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 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Cliffside Park Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Cliffside Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Borough of Cliffside Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Cliffside Park Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, 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 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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

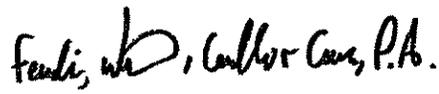
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Borough of Cliffside Park Board of Education as of and for the year ended June 30, 2013, and have issued our report there dated September 3, 2013 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.


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


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 3, 2013



CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards
Year ended June 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013			MEMO Cumulative Total Expenditures
											(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:														
USDA Commodities	10.565		7/1/12 - 6/30/13	\$ 59,572			59,572	59,572						59,572
National Breakfast Program	10.553		7/1/12 - 6/30/13	111,513			104,309	111,513				(7,204)		111,513
National Breakfast Program	10.553		7/1/11 - 6/30/12	106,101	(4,897)		4,897							106,101
National School Lunch Program	10.555		7/1/12 - 6/30/13	678,745			645,701	678,745				(33,044)		678,745
National School Lunch Program	10.555		7/1/11 - 6/30/12	643,216	(20,289)		20,289							643,216
Total Enterprise Fund				\$ (25,186)			834,768	849,830				(40,248)		1,599,147
Total Federal Financial Assistance				\$ (460,957)			2,768,072	2,640,831	22,045			(311,671)		4,874,130

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

CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of State and Local Awards

Year ended June 30, 2013

State/Local Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue/ Incurment Payable	Due to Grantor at	Budgetary Receivable	MEMO	Cumulative Total Expenditures
State Department of Education:																
General Fund:																
Equalization Aid	495-034-5120-078	7/1/12-6/30/13	1,561,163				1,561,163	1,561,163								1,561,163
Transportation Aid	495-034-5120-014	7/1/12-6/30/13	31,909				31,909	31,909								31,909
Special Education Aid	495-034-5120-089	7/1/12-6/30/13	1,238,760				1,238,760	1,238,760								1,238,760
Security Aid	495-034-5120-084	7/1/12-6/30/13	348,290				348,290	348,290								348,290
Extraordinary Aid	495-034-5120-473	7/1/12-6/30/13	286,845				286,845	286,845			(286,845)					286,845
Extraordinary Aid	100-034-5120-473	7/1/11-6/30/12	230,755	(230,755)			230,755	230,755			(135,583)					230,755
Reimburse TPAP Social Security	495-034-5095-002	7/1/12-6/30/13	1,369,843				1,369,843	1,369,843								1,369,843
On-behalf TPAP Postretirement Medical Cont.	495-034-5095-006	7/1/12-6/30/13	1,182,603				1,182,603	1,182,603								1,182,603
On-behalf TPAP Pension and																
Non-contributory Insurance Contributions	495-034-5095-007	7/1/12-6/30/13	1,337,226	(230,755)			1,337,226	1,337,226			(422,428)					1,337,226
Total General Fund							7,164,966	7,356,639						(198,153)		7,587,394
Special Revenue Fund:																
Preschool Education Aid	495-034-5120-086	7/1/12-6/30/13	305,500		37,207	37,207	279,111	279,172				37,146				279,172
Preschool Education Aid	100-034-5120-086	7/1/11-6/30/12	335,035	37,207	(37,207)		845	225		19			620	(59,891)		311,902
N.J. Nonpublic Textbook Aid	100-034-5120-064	7/1/12-6/30/13	845				845	225								225
N.J. Nonpublic Textbook Aid	100-034-5120-064	7/1/11-6/30/12	196	19			312	247					65			177
N.J. Nonpublic Technology Aid	100-034-5120-064	7/1/12-6/30/13	312				1,173	308		32			866			247
N.J. Nonpublic Nursing Services	100-034-5120-070	7/1/12-6/30/13	1,173				281,441	279,532		32						247
N.J. Nonpublic Nursing Services	100-034-5120-070	7/1/11-6/30/12	279	37,258						31			1,351	(59,891)		592,278
Total Special Revenue Fund																
Capital Projects Fund:																
Boiler Replacement	SF# 0890-030-09-1001		272,048	(224,488)												224,488
Total Capital Projects Fund																224,488
Debt Service Fund:																
Debt Service Aid Type II	100-034-5120-067	7/1/12-6/30/13	4,411				4,411	4,411								4,411
Total Debt Service Fund																4,411
Enterprise Fund:																
National School Lunch Program (State Share)	100-010-3350-023	7/1/12-6/30/13	15,778	(493)			15,009	15,778								15,778
National School Lunch Program (State Share)	100-010-3350-025	7/1/11-6/30/12	13,823	(493)			493	493			(769)					14,634
National School Snack Program (State Share)	100-010-3350-021	7/1/12-6/30/13	36,672				34,431	36,672			(2,221)					36,672
National School Snack Program (State Share)	100-010-3350-024	7/1/11-6/30/12	25,094	(1,514)			1,514	52,450			(2,990)					19,941
Total Enterprise Fund																91,463
Total State Financial Assistance																
				(419,992)			7,502,285	7,693,452		1			37,146	(238,044)		8,695,714

CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of State and Local Awards

Year ended June 30, 2013

Grant or State Project Number	State/Local Grantor/Program Title	Grant Period	Award Amount	Balance at June 30, 2012				Balance at June 30, 2013				MEMO				
				Deferred Revenue (Accrs Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)		Deferred Revenue/Unfunded Payable	Due to Grantor #	Budgetary Receivable	Cumulative Total Expenditures
	Local Awards:															
	Special Revenue Fund															
	NSBAIG Safety Grant Program 2012	7/1/11-6/30/12	23,153				23,153	23,153								23,153
	NSBAIG Safety Grant Program 2011	7/1/11-6/30/12	21,283	283										283		21,000
	Laura Bush Foundation	7/1/11-6/30/12	5,000	5,000				3,908						1,092		3,908
	Total Local Awards			5,283			23,153	27,061						1,375		48,061
	Total State/Local Financial Assistance			\$ (414,709)			7,525,438	7,720,513	1	51		(649,906)	38,521	1,551	(258,044)	8,547,775

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 \$36,733 for the general fund and \$(116,559) 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	\$75,357	\$7,439,809	\$7,515,166
Special Revenue Fund	1,625,473	253,564	1,879,037
Debt Service Fund		4,577	4,577
Food Service Fund	<u>849,830</u>	<u>52,450</u>	<u>902,280</u>
Total Financial Awards	<u>\$2,550,660</u>	<u>\$7,750,400</u>	<u>\$10,301,060</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, 2013. 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, 2013.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X 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>10.555/10.533</u>	(A)	<u>National School Lunch Program/ National School Breakfast Program</u>
<u>84.010</u>	(A)	<u>Title I, Part A</u>
<u>84.027/84.173</u>		<u>IDEA, Part B-Basic/IDEA, Part B-Preschool</u>
<u>84.287C</u>		<u>21st Century Community Learning Centers</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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)**

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

State Awards

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

Auditee qualified as low-risk auditee? _____ yes _____ X no

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

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? _____ yes _____ X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-084/ 495-034-5120-089/ <u>495-034-5120-078</u> (A)	Security Aid Special Education Categorical <u>Aid/Equalization Aid</u>
<u>495-034-5095-002</u> (A)	<u>Reimbursed TPAF Social Security Contribution</u>

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

Section II - Financial Statement Findings

None

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

None

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Status of Prior Year Findings

None