

**SCHOOL DISTRICT OF THE
BOROUGH OF CLIFFSIDE PARK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

**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, 2018**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2018

Prepared by

**Louis Alfano
Business Administrator/Board Secretary**

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INTRODUCTORY SECTION

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*Louis Alfano
Business Administrator/Board Secretary
E-Mail: lalfano@cliffsidepark.edu*

January 30, 2019

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, 2018.

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, Wielkotz, 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, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Equal Opportunity/Affirmative Action Employer

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 2017/2018 fiscal year with 3,164 students, which is 90 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>
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
2013-2014	2,901	2.1
2014-2015	2,968	2.2
2015-2016	3,000	1.1
2016-2017	3,074	2.5
2017-2018	3,164	2.9

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: Will continue with full-day Pre K handicap programs as well as half-day programs for regular education students.

MATH CURRICULUM: The Cliffside Park School District uses the Envision Math Mathematics 2.0 series which parallels the Content Standards. This series emphasizes open-ended questions and critical thinking problems that are key components to state assessments. We are in the process of upgrading to the new Envision Math Series.

READING CURRICULUM: The Cliffside Park School District uses the Pearson Reading series which parallels the Content 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 utilize 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: PARCC Testing (grades three through eleven) is 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, including full service breakfast and lunch programs.

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, 2018 \$750,000 of the school bonds were outstanding.

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

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

OTHER INFORMATION: A. Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, 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 [Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(Uniform Guidance\)](#) and [New Jersey States Office of Management and Budget Circular 15-08](#). The 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,



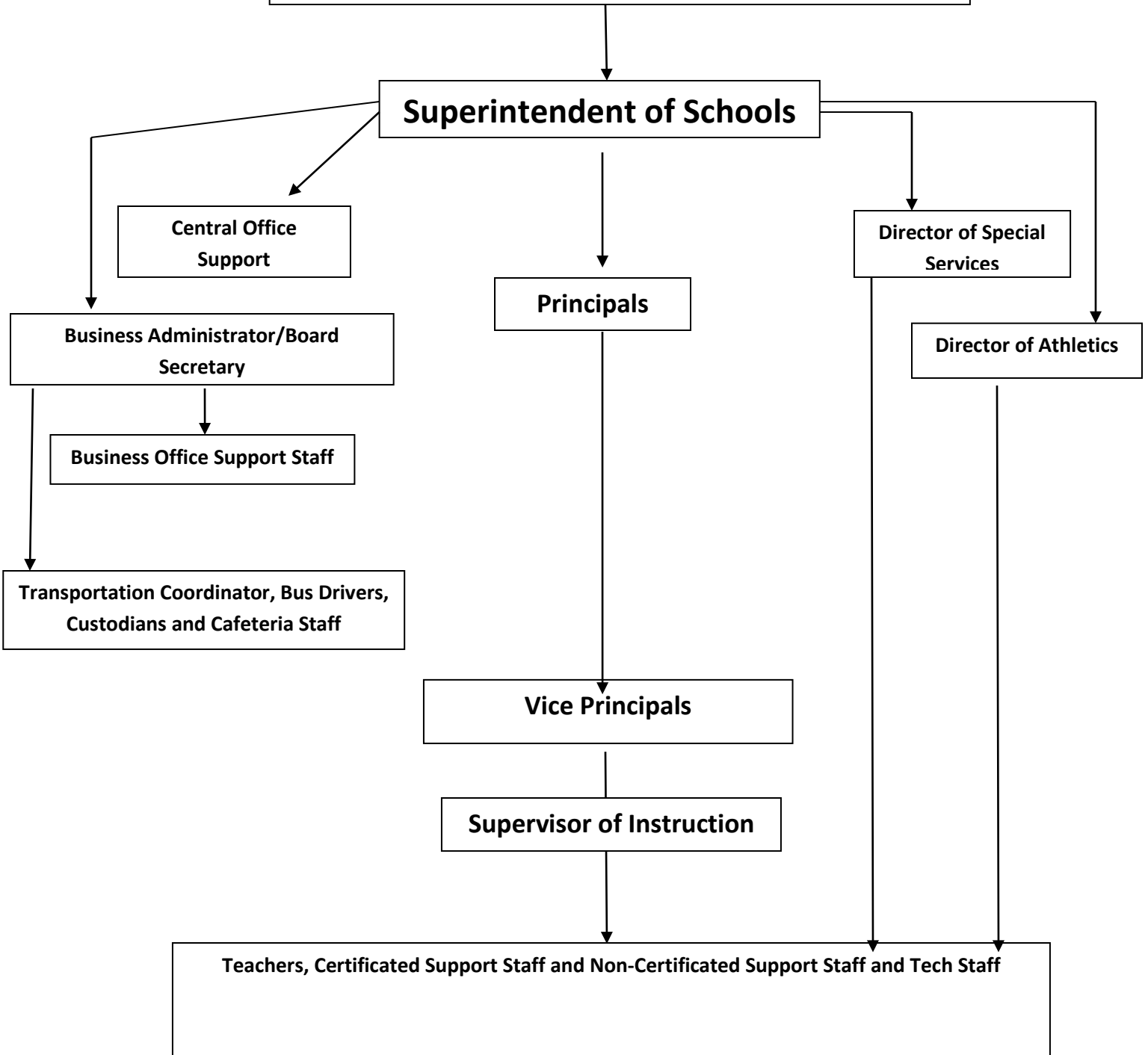
Michael J. Romagnino
Superintendent of Schools



Louis Alfano
Business Administrator
Board Secretary

ORGANIZATIONAL CHART

CLIFFSIDE PARK BOARD OF EDUCATION



CLIFFSIDE PARK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Russo, President	2021
Selvie Nikaj, Vice President	2021
Joseph J. Cota (7/1/17-4/25/18)	2018
Marco Garciga (4/26/18-6/30/18)	2021
Lisa Frato	2019
Paul Kelaher	2020
Neville C. Raincourt	2019
James Shelley	2020
Teddy F. Tarabokija	2020
Yakup Zoklu	2019

Other Officials

Michael J. Romagnino, Superintendent of Schools

Louis Alfano, Business Administrator/Board Secretary

Frank Berardo, Treasurer of School Monies

Nick Morin, Fairview Representative

Rubenstein, Meyerson, Fox, Mancineli, Conte & Bern, Board Attorney

CLIFFSIDE PARK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

June 30, 2018

Attorney

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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, 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, 2018, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in 2018, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an

appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2019 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 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. Wielkocz

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

Ferraioli, Wielkocz, Cerullo + Cuva, P.A.

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

January 30, 2019

**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, 2018**

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, 2018.

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 \$361,259. Net position of governmental activities increased \$311,227 while net position of business-type activity increased by \$50,032.
- General revenues accounted for \$62,401,444 in revenue or 94 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,011,510 or 6 percent of total revenues of \$66,412,954.
- The School District had \$63,910,612 in expenses related to governmental activities; only \$2,072,330 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$61,838,282 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, 2018
(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 improving 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, 2018
(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, 2018
(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, 2018
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net position was \$4,017,941 at June 30, 2018 and \$3,656,682 at June 30, 2017. 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 2018 compared to 2017 (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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and Other Assets	8,813,967	9,629,394	188,483	141,807	9,002,450	9,771,201
Capital Assets	<u>8,945,328</u>	<u>8,083,245</u>	<u>36,946</u>	<u>36,569</u>	<u>8,982,274</u>	<u>8,119,814</u>
Total Assets	<u>17,759,295</u>	<u>17,712,639</u>	<u>225,429</u>	<u>178,376</u>	<u>17,984,724</u>	<u>17,891,015</u>
Deferred Outflows						
Deferred Outflows of Resources						
Related to PERS	<u>3,148,346</u>	<u>4,526,852</u>	_____	_____	<u>3,148,346</u>	<u>4,526,852</u>
Total Deferred Outflows	<u>3,148,346</u>	<u>4,526,850</u>	_____	_____	<u>3,148,346</u>	<u>4,526,850</u>
Liabilities						
Current Liabilities	874,440	683,333	10,244	13,223	884,684	696,556
Noncurrent Liabilities	<u>13,002,811</u>	<u>17,472,578</u>	_____	_____	<u>13,002,811</u>	<u>17,472,578</u>
Total Liabilities	<u>13,877,251</u>	<u>18,155,911</u>	<u>10,244</u>	<u>13,223</u>	<u>13,887,495</u>	<u>18,169,134</u>
Deferred Inflow of Resources						
Unamortized Bond Premium	40,415	50,518			40,415	50,518
Deferred Inflows of Resources						
Related to PERS	<u>3,187,219</u>	<u>541,533</u>	_____	_____	<u>3,187,219</u>	<u>541,533</u>
Total Deferred Inflows of Resources	<u>3,227,634</u>	<u>592,051</u>	_____	_____	<u>3,227,634</u>	<u>592,051</u>
Net Position						
Invested in Capital Assets	8,009,191	6,838,827	36,946	36,569	8,046,137	6,875,396
Restricted	7,670,657	8,678,103			7,670,657	8,678,103
Unrestricted	<u>(11,877,092)</u>	<u>(12,025,401)</u>	<u>178,239</u>	<u>128,584</u>	<u>(11,698,853)</u>	<u>(11,896,817)</u>
Total Net Position	<u>3,802,756</u>	<u>3,491,529</u>	<u>215,185</u>	<u>165,153</u>	<u>4,017,941</u>	<u>3,656,682</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2018 compared to 2017.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			908,409	781,732	908,409	781,732
Operating Grants and						
Contributions	2,072,330	2,326,016	1,030,771	1,016,998	3,103,101	3,343,014
Capital Grants and						
Contributions	13,478	21,931			13,478	21,931
General Revenues:						
Taxes:						
Property Taxes	33,281,992	32,206,663			33,281,992	32,206,663
Federal and State Aid						
Not Restricted	19,950,875	18,332,258			19,950,875	18,332,258
Tuition Received	7,980,012	7,744,083			7,980,012	7,744,083
Miscellaneous Income	1,175,087	906,559			1,175,087	906,559
Transfers	<u>(251,935)</u>	<u>(476,095)</u>	<u>251,935</u>	<u>476,095</u>	<u>0</u>	<u>0</u>
Total Revenues and Transfers	<u>64,221,839</u>	<u>61,061,415</u>	<u>2,191,115</u>	<u>2,274,825</u>	<u>66,412,954</u>	<u>63,336,240</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Functions/Program Expenses						
Instruction:						
Regular	23,830,560	25,503,214			23,830,560	25,503,214
Special Education	6,405,279	6,199,552			6,405,279	6,199,552
Other Special Education	1,702,727	1,427,089			1,702,727	1,427,089
Other Instruction	1,019,296	1,088,113			1,019,296	1,088,113
Support Services:						
Tuition	2,885,875	2,762,927			2,885,875	2,762,927
Student & Instruction Related Services	7,656,658	6,757,408			7,656,658	6,757,408
School Administrative Services	2,140,242	2,166,455			2,140,242	2,166,455
General Administrative Services	1,283,939	1,371,211			1,283,939	1,371,211
Central Services and Admin. Info. Tech.	1,304,985	1,322,446			1,304,985	1,322,446
Plant Operations and Maintenance	3,219,844	3,252,771			3,219,844	3,252,771
Pupil Transportation	2,205,590	2,092,611			2,205,590	2,092,611
Unallocated Benefits	9,433,622	6,212,337			9,433,622	6,212,337
Food Service			1,798,808	1,815,217	1,798,808	1,815,217
After School Program			342,275	232,953	342,275	232,953
Charter Schools	18,992	41,985			18,992	41,985
Interest on Long-Term Debt	42,375	61,271			42,375	61,271
Unallocated Depreciation	263,594	263,594			263,594	263,594
Capital Outlay - Nondepreciable	<u>497,034</u>	<u>531,400</u>			<u>497,034</u>	<u>531,400</u>
Total Expenses and Transfers	<u>63,910,612</u>	<u>61,054,384</u>	<u>2,141,083</u>	<u>2,048,170</u>	<u>66,051,695</u>	<u>63,102,554</u>
Increase or (Decrease) in						
Net Position	<u>311,227</u>	<u>7,031</u>	<u>50,032</u>	<u>226,655</u>	<u>361,259</u>	<u>233,686</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 \$62,599,348. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$33,281,992 because some of the cost was paid by those who benefitted from the programs \$908,409, by other governments and organizations who subsidized certain programs with grants and contributions \$3,103,101, unrestricted federal and state aid \$16,498,528, local aid capital outlay \$13,478, tuition received \$7,980,012, and by miscellaneous sources \$1,175,087.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2018, 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 2017</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$42,450,569	77.1%	\$1,571,333	3.84%	\$40,879,236
State Source	10,808,487	19.6%	1,004,487	10.25%	9,804,000
Federal Source	<u>1,813,839</u>	<u>3.3%</u>	<u>(246,248)</u>	<u>(11.95%)</u>	<u>2,060,087</u>
Total	<u>\$55,072,895</u>	<u>100.0%</u>	<u>\$2,329,572</u>	4.42%	<u>\$52,743,323</u>
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$22,965,353	41.1%	\$434,703	1.93%	\$22,530,650
Undistributed	30,782,367	55.1%	2,903,842	10.42%	27,878,525
Debt Service	406,500	0.7%	(7,750)	(1.87%)	414,250
Capital Outlay	<u>1,759,101</u>	<u>3.1%</u>	<u>445,793</u>	33.94%	<u>1,313,308</u>
Total	<u>\$55,913,321</u>	<u>100.0%</u>	<u>\$3,776,588</u>	7.24%	<u>\$52,136,733</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, 2018
(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, 2018, the School District amended the special revenue fund by \$768,833 for increases in local and federal, and decreases in state grants.

General Fund

The general fund actual revenue was \$52,761,042 including capital leases and transfers. That amount is \$6,618,104 above the final amended budget of \$46,142,938. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$6,107,374 for TPAF pension and social security reimbursements, an excess in other state and federal aid of \$181,981, a \$225,749 excess in miscellaneous anticipated revenues, and \$103,000 of non-budgeted capital leases.

The actual expenditures of the general fund were \$53,672,948 including transfers which is \$2,434,826 above the final amended budget of \$51,238,122. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$6,107,374 for TPAF pension and social security reimbursements, and \$3,672,548 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$52,761,042 and total expenditures of \$53,672,948 and an ending fund balance of \$8,788,881 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$2,056,137. That amount is \$158,992 below the final amended budget of \$2,215,129. 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 \$2,056,137, which is \$158,992 below the final amended budget of \$2,215,129. 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, 2018
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2018 the School District had \$20,583,862 invested in sites, buildings, equipment and construction in progress. Of this amount \$11,601,588 in depreciation has been taken over the years. We currently have a net book value of \$8,982,274. Total additions for the year were \$1,290,287, 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 2018 balances compared to 2017.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Buildings and Improvements	7,547,378	6,689,300			7,547,378	6,689,300
Furniture, Equipment and Vehicles	457,762	444,648	\$36,946	\$36,569	494,708	481,217
Land Improvements	<u>751,520</u>	<u>760,629</u>	<u> </u>	<u> </u>	<u>751,520</u>	<u>760,629</u>
	<u>\$8,945,328</u>	<u>\$8,083,245</u>	<u>\$36,946</u>	<u>\$36,569</u>	<u>\$8,982,274</u>	<u>\$8,119,814</u>

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

Debt Administration

At June 30, 2018, the District had \$13,002,811 of outstanding debt. Of this amount, \$758,307 is for compensated absences; \$750,000 of serial bonds for school construction and related refunding costs; \$145,722 for obligations under capital lease; and \$11,348,782 for net pension liability.

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

	<u>2018</u>	<u>2017</u>
2001 School Improvement Bonds	<u>\$750,000</u>	<u>\$1,110,000</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 2018-2019 school year that is higher than the level of the 2017-2018 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2018-2019 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, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	1,852,449	108,452	1,960,901
Receivables, net	2,093,296	72,953	2,166,249
Inventory		7,078	7,078
Restricted assets:			
Capital reserve account - cash	4,868,222		4,868,222
Capital assets:			
Land and construction in progress	188,668		188,668
Other capital assets, net	8,756,660	36,946	8,793,606
Total Assets	<u>17,759,295</u>	<u>225,429</u>	<u>17,984,724</u>
Deferred Outflow of Resources:			
Deferred Outflows of Resources Related to PERS	3,148,346		3,148,346
Total Deferred Outflows	<u>3,148,346</u>	<u>-</u>	<u>3,148,346</u>
	<u>20,907,641</u>	<u>225,429</u>	<u>21,133,070</u>
LIABILITIES			
Accounts payable and accrued liabilities	867,124	10,244	877,368
Unearned revenue	7,316		7,316
Noncurrent liabilities:			
Due within one year	448,656		448,656
Due beyond one year	12,554,155		12,554,155
Total liabilities	<u>13,877,251</u>	<u>10,244</u>	<u>13,887,495</u>
Deferred Inflow of Resources:			
Unamortized Bond Premium	40,415		40,415
Deferred Inflows of Resources Related to PERS	3,187,219		3,187,219
Total Deferred Inflows	<u>3,227,634</u>	<u>-</u>	<u>3,227,634</u>
	<u>17,104,885</u>	<u>10,244</u>	<u>17,115,129</u>
NET POSITION			
Invested in capital assets	8,009,191	36,946	8,046,137
Restricted for:			
Capital projects	4,868,222		4,868,222
Debt service	1		1
Other purposes	2,802,434		2,802,434
Unrestricted (Deficit)	(11,877,092)	178,239	(11,698,853)
Total net position	<u>3,802,756</u>	<u>215,185</u>	<u>4,017,941</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, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	16,856,783	6,973,777		1,199,652	(22,630,908)		(22,630,908)
Special education	4,235,149	2,170,130			(6,405,279)		(6,405,279)
Other special instruction	1,125,992	576,735			(1,702,727)		(1,702,727)
Other instruction	738,544	280,752			(1,019,296)		(1,019,296)
Support services:							
Tuition	2,885,875				(2,885,875)		(2,885,875)
Health Services	703,739	190,086			(893,825)		(893,825)
Student & instruction related services	5,308,695	1,454,138		872,678	(5,890,155)		(5,890,155)
School administrative services	1,421,015	719,227			(2,140,242)		(2,140,242)
General administrative services	1,135,894	148,045			(1,283,939)		(1,283,939)
Central services and administrative information technology	962,898	342,087			(1,304,985)		(1,304,985)
Plant operations and maintenance	2,554,287	665,557			(3,219,844)		(3,219,844)
Pupil transportation	1,629,201	576,389			(2,205,590)		(2,205,590)
Unallocated benefits	9,433,622				(9,433,622)		(9,433,622)
Charter Schools	18,992				(18,992)		(18,992)
Capital outlay - non-depreciable	497,034				(497,034)		(497,034)
Interest on long-term debt	42,375				(42,375)		(42,375)
Unallocated depreciation/amortization	263,594				(263,594)		(263,594)
Total governmental activities	49,813,689	14,096,923	-	2,072,330	(61,838,282)	-	(61,838,282)
Business-type activities:							
Food Service	1,798,808		562,793	1,030,771		(205,244)	(205,244)
After School Program	342,275		345,616			3,341	3,341
Total business-type activities	2,141,083		908,409	1,030,771		(201,903)	(201,903)
Total primary government	51,954,772		908,409	3,103,101	(61,838,282)	(201,903)	(62,040,185)
General revenues:							
Taxes:							
Levied for general purposes					32,879,872		32,879,872
Taxes levied for debt service					402,120		402,120
Federal and State aid not restricted					19,950,875		19,950,875
Local aid - Capital Outlay					13,478		13,478
Tuition received					7,980,012		7,980,012
Miscellaneous Income					1,175,087		1,175,087
Transfers					(251,935)	251,935	-
Total general revenues, special items, extraordinary items and transfers					62,149,509	251,935	62,401,444
Change in Net Position					311,227	50,032	361,259
Net Position—beginning					3,491,529	165,153	3,656,682
Net Position—ending					3,802,756	215,185	4,017,941

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, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents				
Checking	1,852,448		1	1,852,449
Accounts Receivable -				
Interfunds	438,166			438,166
Intergovernmental - State	624,063	91,682		715,745
Intergovernmental - Federal		364,229		364,229
Intergovernmental - Other	969,968			969,968
Other Accounts Receivable	43,354			43,354
Restricted cash and cash equivalents				
Capital reserve	<u>4,868,222</u>			<u>4,868,222</u>
Total assets	<u>8,796,221</u>	<u>455,911</u>	<u>1</u>	<u>9,252,133</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	346,400	10,429		356,829
Interfund payables		438,166		438,166
Unearned revenue		<u>7,316</u>		<u>7,316</u>
Total liabilities	<u>346,400</u>	<u>455,911</u>	<u>-</u>	<u>802,311</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,029,797			1,029,797
Excess Surplus - prior year - designated for subsequent year's expenditures	1,233,712			1,233,712
Capital reserve account	4,868,222			4,868,222
Assigned to:				
Year-end Encumbrances	499,489			499,489
Designated by the BOE for subsequent year's expenditures	39,436			39,436
Debt service fund			1	1
Unassigned:				
General Fund	<u>779,165</u>			<u>779,165</u>
Total Fund balances	<u>8,449,821</u>	<u>-</u>	<u>1</u>	<u>8,449,822</u>
Total liabilities and fund balances	<u>8,796,221</u>	<u>455,911</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 \$20,336,579 and the accumulated depreciation is \$11,391,251	8,945,328
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	(8,594)
Accounts payable for subsequent Pension payment is not a payable in the funds	(501,701)
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 \$161,651.	(40,415)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	3,148,346
Deferred inflows of resources related to PERS Pension Liability	(3,187,219)
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)	<u>(13,002,811)</u>
Net position of governmental activities	<u>3,802,756</u>

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

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Municipal tax levy	32,879,872		402,120	33,281,992
Tuition charges	7,980,012			7,980,012
Miscellaneous	1,175,087	13,478		1,188,565
Total - Local Sources	42,034,971	13,478	402,120	42,450,569
State sources	10,418,314	385,793	4,380	10,808,487
Federal sources	127,302	1,686,537		1,813,839
Total revenues	52,580,587	2,085,808	406,500	55,072,895
EXPENDITURES				
Current:				
Regular instruction	15,666,016	1,199,652		16,865,668
Special education instruction	4,235,149			4,235,149
Other special instruction	1,125,992			1,125,992
School sponsored/other instructional	738,544			738,544
Support services and undistributed costs:				
Tuition	2,885,875			2,885,875
Health services	703,739			703,739
Student & instruction related services	4,402,595	872,678		5,275,273
School administrative services	1,418,238			1,418,238
General administrative services	1,135,894			1,135,894
Central services & administrative information technology	984,759			984,759
Plant operations and maintenance	2,543,742			2,543,742
Pupil transportation	1,560,090			1,560,090
Unallocated benefits	8,148,391			8,148,391
On-behalf contributions	6,107,374			6,107,374
Transfer to Charter Schools	18,992			18,992
Debt service:				
Principal			360,000	360,000
Interest and other charges			46,500	46,500
Capital outlay	1,745,623	13,478		1,759,101
Total expenditures	53,421,013	2,085,808	406,500	55,913,321
Excess (Deficiency) of revenues	(840,426)	-	-	(840,426)
OTHER FINANCING SOURCES (USES)				
Transfers out	(251,935)			(251,935)
Capital Leases (non-budgeted)	103,000			103,000
Total other financing sources and uses	(148,935)	-	-	(148,935)
Net change in fund balances	(989,361)	-	-	(989,361)
Fund balance—July 1	9,439,182	-	1	9,439,183
Fund balance—June 30	8,449,821	-	1	8,449,822

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, 2018

Total net change in fund balances - governmental funds (from B-2) (989,361)

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	(421,845)	
	Asset retired prior to full depreciation	(300)	
	Depreciable Capital outlays	<u>1,284,228</u>	862,083

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	360,000	
	Capital Lease Obligations	<u>41,178</u>	401,178

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Capital lease proceeds (103,000)

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	12,719	
	General Bond Obligations	<u>(8,594)</u>	4,125

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 267,270

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred

	District Pension Contributions	451,639	
	Less: Pension Expense	<u>(592,810)</u>	
	Increase in Pension Expense		(141,171)

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

	Increase in On-behalf State Aid TPAF Pension	5,948,532	
	Increase in On-behalf TPAF Pension Expense	<u>(5,948,532)</u>	

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

	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	3,452,347	
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(3,452,347)</u>	

Change in net position of governmental activities 311,227

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, 2018

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	83,039	25,413	108,452
Accounts receivable:			
State	902		902
Federal	51,420		51,420
Other		20,631	20,631
Inventories	7,078		7,078
Total current assets	142,439	46,044	188,483
Noncurrent assets:			
Capital assets:			
Equipment	247,283		247,283
Less accumulated depreciation	(210,337)		(210,337)
Total capital assets (net of accumulated depreciation)	36,946		36,946
Total assets	179,385	46,044	225,429
Current Liabilities:			
Interfunds Payable			
Accounts Payable	10,244		10,244
Total Liabilities	10,244		10,244
NET POSITION			
Invested in capital assets	36,946		36,946
Unrestricted	132,195	46,044	178,239
Total net position	169,141	46,044	215,185

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	557,068		557,068
Daily sales - non-reimbursable programs	5,725		5,725
Program Fees		345,616	345,616
Total operating revenues	<u>562,793</u>	<u>345,616</u>	<u>908,409</u>
Operating expenses:			
Cost of food - reimbursable programs	618,502		618,502
Cost of food - non-reimbursable programs	83,387		83,387
Salaries	715,496	311,477	1,026,973
Employee benefits	231,581	23,829	255,410
Supplies and materials	47,039	6,969	54,008
Purchased services	68,331		68,331
Depreciation expense	5,682		5,682
Repairs and other expenses	28,790		28,790
Total Operating Expenses	<u>1,798,808</u>	<u>342,275</u>	<u>2,141,083</u>
Operating income (loss)	<u>(1,236,015)</u>	<u>3,341</u>	<u>(1,232,674)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	16,411		16,411
Federal sources:			
National school lunch program	757,852		757,852
Snack program	43,520		43,520
Breakfast program	106,659		106,659
U.S.D.A. Commodities	106,181		106,181
Miscellaneous	148		148
Total nonoperating revenues (expenses)	<u>1,030,771</u>		<u>1,030,771</u>
Income (loss) before contributions & transfers	<u>(205,244)</u>	<u>3,341</u>	<u>(201,903)</u>
Other financing sources/(uses):			
Transfer In	251,935		251,935
Change in net assets	46,691	3,341	50,032
Total net position—beginning	<u>122,450</u>	<u>42,703</u>	<u>165,153</u>
Total net position—ending	<u><u>169,141</u></u>	<u><u>46,044</u></u>	<u><u>215,185</u></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, 2018

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	562,792	324,985	887,777
Payments to suppliers	<u>(1,690,870)</u>	<u>(342,275)</u>	<u>(2,033,145)</u>
Net cash provided by (used for) operating activities	<u>(1,128,078)</u>	<u>(17,290)</u>	<u>(1,145,368)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	16,391		16,391
Federal Sources	909,746		909,746
Miscellaneous	148		148
Board Contribution	251,935		251,935
Interfunds	<u>(105,584)</u>		<u>(105,584)</u>
Net cash provided by (used for) non-capital financing activities	<u>1,072,636</u>		<u>1,072,636</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	<u>(6,059)</u>		<u>(6,059)</u>
Net cash provided by (used for) capital and related financing activities	<u>(6,059)</u>		<u>(6,059)</u>
Net increase (decrease) in cash and cash equivalents	<u>(61,501)</u>	<u>(17,290)</u>	<u>(78,791)</u>
Balances—beginning of year	144,540	42,703	187,243
Balances—end of year	<u>83,039</u>	<u>25,413</u>	<u>108,452</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(1,236,015)	3,341	(1,232,674)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	5,682		5,682
Food Distribution Program	106,181		106,181
(Increase) decrease in accounts receivable		(20,631)	(20,631)
(Increase) decrease in inventories	(947)		(947)
Increase (decrease) in accounts payable	<u>(2,979)</u>		<u>(2,979)</u>
Total adjustments	<u>(1,128,078)</u>	<u>(17,290)</u>	<u>(1,145,368)</u>
Net cash provided by (used for) operating activities	<u>(1,128,078)</u>	<u>(17,290)</u>	<u>(1,145,368)</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, 2018

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	356,798	617,468
Total assets	<u>356,798</u>	<u>617,468</u>
LIABILITIES		
Payable to student groups		157,226
Due to State - Unemployment	4,595	
Payroll deductions and withholdings		460,242
Total liabilities	<u>4,595</u>	<u>617,468</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>352,203</u>	
	<u>352,203</u>	

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, 2018

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Payroll withholdings	47,306
Total Contributions	<u>47,306</u>
 DEDUCTIONS	
Unemployment Claims	<u>46,910</u>
Total deductions	<u>46,910</u>
Change in net position	396
Net position—beginning of the year	<u>351,807</u>
Net position—end of the year	<u><u>352,203</u></u>

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 1. 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. 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 Fairview 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.

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

B. 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.

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 - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

B. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

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

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

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

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

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

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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

B. Basis of Presentation: (continued)

PROPRIETARY FUNDS

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

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

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

C. Measurement Focus:

District-wide Financial Statements

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

C. Measurement Focus: (continued)

Fund Financial Statements

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

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

D. Basis of Accounting:

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

D. Basis of Accounting: (continued)

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.

E. 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. During the year, the Board of Education appropriated \$244,259 of additional state aid for instructional expenses.

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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

E. Budgets/Budgetary Control: (continued)

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.

F. 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.

G. 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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

G. Cash, Cash Equivalents and Investments: (continued)

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.

H. 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.

I. 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.

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2018, 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.

K. Short-Term Interfund Receivables/Payables:

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

L. 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

M. 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, 2018**

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

M. 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.

N. Unearned Revenue:

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

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

O. 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.

P. Accounting and Financial Reporting for Pensions:

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

P. Accounting and Financial Reporting for Pensions: (continued)

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

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

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

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

Q. Deferred Outflows/Inflows of Resources

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

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

R. Fund Balances:

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

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

R. Fund Balances: (continued)

- **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.

S. 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.

T. 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.

U. 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.

V. 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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

W. 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.

X. Recent Accounting Pronouncements:

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017 and was implemented by the District for the year ended June 30, 2018.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The District does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The District implemented this Statement for the year ended June 30, 2018.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

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

X. Recent Accounting Pronouncements: (continued)

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District had no transactions of this type for the year ended June 30, 2018.

In June 2017, the Government Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District is currently reviewing what effect, if any, this Statement may have on future financial statements.

In March 2018, Government Accounting Standards Board issued GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018. The District believes this may impact the disclosures relating to debt in the notes to the financial statements.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2018, \$-0- of the District's bank balance of \$9,013,596 was exposed to custodial credit risk.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. RECEIVABLES:

Receivables at June 30, 2018, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
Interfunds	\$438,166		
State Aid	715,745	\$902	\$716,647
Federal Aid	364,229	51,420	415,649
Other	<u>1,013,322</u>	<u>20,631</u>	<u>1,033,953</u>
Gross Receivables	2,531,462	72,953	2,166,249
Less: Allowance for Uncollectibles	_____	_____	_____
Total Receivables, Net	<u>\$2,531,462</u>	<u>\$72,953</u>	<u>\$2,166,249</u>

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 4. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2018 consist of the following:

\$438,166 Due to the General Fund from the Special Revenue Fund for short term loans.

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

Interfund transfers for the year ended June 30, 2018 consisted of the following:

\$251,935 Due to the General Fund from the Food Service Fund for expense reimbursement.

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	\$188,668	\$	\$	\$188,668
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets not being depreciated	<u>188,668</u>	<u> </u>	<u> </u>	<u>188,668</u>
Building and building improvements	14,484,692	1,122,666		15,607,358
Machinery and equipment	2,296,306	161,562	(33,507)	2,424,361
Land Improvements	<u>2,116,192</u>	<u> </u>	<u> </u>	<u>2,116,192</u>
Totals at historical cost	<u>18,897,190</u>	<u>1,284,228</u>	<u>(33,507)</u>	<u>20,147,911</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,795,392)	(264,588)		(8,059,980)
Machinery and Equipment	(1,851,658)	(148,148)	33,207	(1,966,599)
Land Improvements	<u>(1,355,563)</u>	<u>(9,109)</u>	<u> </u>	<u>(1,364,672)</u>
Total accumulated depreciation	<u>(11,002,613)</u>	<u>(421,845)</u>	<u>33,207</u>	<u>(11,391,251)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>7,894,577</u>	<u>862,383</u>	<u>(300)</u>	<u>8,756,660</u>
Governmental activities capital assets, net	<u>8,083,245</u>	<u>862,383</u>	<u>(300)</u>	<u>8,945,328</u>

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 5. CAPITAL ASSETS: (continued)

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>
Business-type activities:				
Equipment	\$241,224	\$6,059		247,283
Less accumulated depreciation for:				
Equipment	<u>(204,655)</u>	<u>(5,682)</u>		<u>(210,337)</u>
Business-type activities capital assets, net	<u>\$36,569</u>	<u>\$377</u>	<u>\$</u>	<u>\$36,946</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$32,293
Support Service:		
Student & Instruction Related Services		33,422
School Administration		2,777
Operations and Maintenance		10,545
Student Transportation		69,111
Unallocated Depreciation		264,588
Land Improvements		<u>9,109</u>
Total Depreciation Expense		<u>\$421,845</u>

NOTE 6. 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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

Changes in long-term obligations for the fiscal year ended June 30, 2018 were as follows:

	<u>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	\$1,110,000	\$	\$(360,000)	\$750,000	\$370,000
Total Bonds Payable	<u>1,110,000</u>	<u> </u>	<u>(360,000)</u>	<u>750,000</u>	<u>370,000</u>
Other Liabilities:					
Net Pension Liability PERS	15,253,101		(3,904,319)	11,348,782	
Obligations Under Capital Lease	83,900	103,000	(41,178)	145,722	78,656
Compensated Absences Payable	<u>1,025,577</u>	<u>147,888</u>	<u>(415,158)</u>	<u>758,307</u>	
Total Other Liabilities	<u>16,362,578</u>	<u>250,888</u>	<u>(4,360,655)</u>	<u>12,252,811</u>	<u>78,656</u>
	<u>\$17,472,578</u>	<u>\$250,888</u>	<u>(\$4,720,655)</u>	<u>\$13,002,811</u>	<u>\$448,656</u>

A. Bonds Payable:

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

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

Outstanding bonds payable at June 30, 2018, 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, 2018</u>
School Refunding Bonds 2006	\$3,680,000	08/15/2006	3.50%-5.00%	07/15/2019	<u>\$750,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$398,250	\$370,000	\$28,250
2020	<u>389,500</u>	<u>380,000</u>	<u>9,500</u>
	<u>\$787,750</u>	<u>\$750,000</u>	<u>\$37,750</u>

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2018, the Board has no authorized but not issued bonds.

C. Capital Leases:

The District has entered into two lease purchase agreements for Chromebooks expiring on June 30, 2019 and July 29, 2020. The following is a schedule of future minimum lease payments for these capital leases, and the present value of the net minimum lease payments at June 30, 2018:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$79,830	\$78,656	\$1,174
2020	39,079	32,757	6,322
2021	<u>37,536</u>	<u>34,309</u>	<u>3,227</u>
	<u>\$156,445</u>	<u>\$145,722</u>	<u>\$10,723</u>
	Total minimum lease payments		\$156,445
	Less: Amount representing interest		<u>(10,723)</u>
	Present value of lease payments		<u>\$145,722</u>

NOTE 7. OPERATING LEASES:

The District has commitments to lease certain office equipment and structures for classroom use under operating leases that expire in 2021. Total operating lease payments made during the year ended June 30, 2018 were \$321,428. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$313,768
2020	162,768
2021	162,768
2022	158,693
2023	<u>89,243</u>
	<u>\$887,240</u>

NOTE 8. 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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

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.

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. 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.

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

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

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

Contributions Requirements Fund Based Statements

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

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/18	\$451,639	\$ -0-
6/30/17	457,527	-0-
6/30/16	468,617	-0-

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

Year	Pension	Post-Retirement Medical	NCGI Premium	Long-Term Disability Liability
<u>Ending</u> 6/30/18	<u>Contributions</u> \$2,709,564	<u>Contributions</u> \$1,792,520	<u>Premium</u> \$65,754	<u>Liability</u> \$5,585
6/30/17	2,027,400	1,750,492	73,457	5,428
6/30/16	1,405,775	1,757,273	70,027	

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,533,951 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2018, the District had a liability of \$11,348,782 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the District's proportion was 0.0487524088 percent, which was a decrease of (0.0000274853) percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$592,810. At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$267,225	\$
Changes of assumptions	2,286,388	2,278,006
Net difference between projected and actual earnings on pension plan investments	77,278	
Changes in proportion and differences between District contributions and proportionate share of contributions	15,754	909,213
District contributions subsequent to the measurement date	<u>501,701</u>	<u> </u>
Total	<u>\$3,148,346</u>	<u>\$3,187,219</u>

The \$501,701 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

Year ended June 30:	
2018	\$267,161
2019	403,153
2020	244,290
2021	(324,906)
2022	(236,813)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$6,424,455,842	\$8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
District's Proportion	0.048752088%	0.0515009406%

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2017, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2017</u>		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
District's proportionate share of the pension liability	\$14,078,934	\$11,348,782	\$9,074,226

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2018 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>125,930,827</u>
	<u>\$125,930,827</u>

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the proportion of the TPAF net pension liability associated with the District was 0.1867755745%.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue of \$8,723,850 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation)

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 8. PENSION PLANS: (continued)

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

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

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

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. 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 employer paid 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.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Employees covered by benefits terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State Contributed \$1.39 billion on their behalf.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2018 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>80,580,769</u>
	<u><u>\$80,580,769</u></u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases: Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF and PFRS, respectively.

(a) Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

(b) Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

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

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

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

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

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

For the year ended June 30, 2018, the board of education/board of trustees recognized on-behalf OPEB expense of \$5,244,867 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

NOTE 10. 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	

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 11. 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>
2017-2018	\$ -0-	\$47,306	\$46,910	\$352,203
2016-2017	-0-	44,954	119,398	351,807
2015-2016	-0-	43,872	48,064	426,251

NOTE 12. 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 \$4,868,222 in the capital reserve account at June 30, 2018.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 12. CAPITAL RESERVE ACCOUNT: (continued)

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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$4,269,904
Increased by:	
Interest Earnings	5,113
Capital Outlay Unexpended Appropriations	518,205
Board Resolution - June 20, 2018	2,000,000
Decreased by:	
Budget Appropriations	<u>(1,925,000)</u>
Ending balance, June 30, 2018	<u><u>\$4,868,222</u></u>

NOTE 13. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$8,449,821 General Fund fund balance at June 30, 2018, \$499,489 is reserved for encumbrances; \$2,263,509 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$1,233,712 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019); \$4,868,222 has been reserved in the Capital Reserve Account; \$39,436 has been reserved for subsequent year's expenditures and \$779,165 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund balance at June 30, 2018 of \$1 is unreserved and undesignated.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2018**

NOTE 14. 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, 2018 is \$2,263,509 of which \$1,029,797 is the result of current year operations.

NOTE 15. INVENTORY:

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$4,680
Supplies	<u>2,398</u>
	<u>\$7,078</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 16. 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 17. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through January 30, 2019, 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, 2018

	<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	32,879,872		32,879,872	32,879,872	
Tuition	7,932,525		7,932,525	7,980,012	47,487
Transportation Fees from Other LEAs	793,825		793,825	861,737	67,912
Interest Earned on Capital Reserve Funds	700		700	5,113	4,413
Unrestricted Miscellaneous Revenues	202,300		202,300	308,237	105,937
Total - Local Sources	<u>41,809,222</u>		<u>41,809,222</u>	<u>42,034,971</u>	<u>225,749</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,378,925		1,378,925	1,378,925	
Equalization Aid	1,524,741	244,259	1,769,000	1,769,000	
Categorical Security Aid	377,200		377,200	377,200	
Categorical Transportation Aid	41,923		41,923	41,923	
Extraordinary Aid	300,000		300,000	474,013	174,013
Under Adequacy Aid	268,344		268,344	268,344	
PARCC Readiness Aid	24,560		24,560	24,560	
Per Pupil Growth Aid	24,560		24,560	24,560	
Professional Learning Community Aid	25,350		25,350	25,350	
State Reimbursement for Lead Testing of Drinking Water	10,000		10,000	4,520	(5,480)
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,792,520	1,792,520
On-behalf TPAF Pension (non-budgeted)				2,709,564	2,709,564
On-behalf TPAF NCGI Premium (non-budgeted)				65,754	65,754
On-behalf TPAF LTDI				5,585	5,585
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,533,951	1,533,951
Total - State Sources	<u>3,975,603</u>	<u>244,259</u>	<u>4,219,862</u>	<u>10,495,769</u>	<u>6,275,907</u>
Medicaid Administrative Claiming (MAC)				12,192	12,192
Special Education Medicaid Initiative	113,854		113,854	115,110	1,256
Total - Federal Sources	<u>113,854</u>		<u>113,854</u>	<u>127,302</u>	<u>13,448</u>
TOTAL REVENUES	<u>45,898,679</u>	<u>244,259</u>	<u>46,142,938</u>	<u>52,658,042</u>	<u>6,515,104</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	705,041	(89,676)	615,365	615,364	1
Grades 1-5 - Salaries of Teachers	3,976,406	11,226	3,987,632	3,976,347	11,285
Grades 6-8 - Salaries of Teachers	2,534,155	42,152	2,576,307	2,576,307	
Grades 9-12 - Salaries of Teachers	6,411,445	(366,134)	6,045,311	6,045,311	
Regular Programs - Home Instruction:					
Salaries of Teachers	67,000	(27,800)	39,200	39,200	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	479,883	(122,634)	357,249	357,249	
Other Purchased Services (400-500 series)	592,754	11,698	604,452	598,356	6,096
General Supplies	474,453	(26,677)	447,776	387,389	60,387
Textbooks	653,892	204,770	858,662	798,671	59,991
Other Objects	313,994	(39,420)	274,574	271,822	2,752
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>16,209,023</u>	<u>(402,495)</u>	<u>15,806,528</u>	<u>15,666,016</u>	<u>140,512</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	586,800	182,467	769,267	769,267	
Other Salaries for Instruction	216,205	78,150	294,355	293,342	1,013
Total Learning and/or Language Disabilities	<u>803,005</u>	<u>260,617</u>	<u>1,063,622</u>	<u>1,062,609</u>	<u>1,013</u>
Behavioral Disabilities					
Salaries of Teachers	158,880	(36,550)	122,330	122,330	
Other Salaries for Instruction	112,004	(76,840)	35,164	34,739	425
Total Behavioral Disabilities	<u>270,884</u>	<u>(113,390)</u>	<u>157,494</u>	<u>157,069</u>	<u>425</u>
Multiple Disabilities					
Salaries of Teachers	412,500	(173,620)	238,880	238,880	
Other Salaries for Instruction	174,303	(88,773)	85,530	85,530	
Total Multiple Disabilities	<u>586,803</u>	<u>(262,393)</u>	<u>324,410</u>	<u>324,410</u>	
Resource Room/Resource Center:					
Salaries of Teachers	1,213,028	(54,872)	1,158,156	1,158,156	
Other Salaries for Instruction	160,642	190,249	350,891	350,891	
General Supplies	250		250	250	250
Total Resource Room/Resource Center	<u>1,373,920</u>	<u>135,377</u>	<u>1,509,297</u>	<u>1,509,047</u>	<u>250</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Autism					
Salaries of Teachers	306,570	640	307,210	290,027	17,183
Other Salaries for Instruction	224,237	75,113	299,350	299,309	41
Total Autism	<u>530,807</u>	<u>75,753</u>	<u>606,560</u>	<u>589,336</u>	<u>17,224</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	280,200	62,317	342,517	342,417	100
Other Salaries for Instruction	215,276	42,195	257,471	250,261	7,210
Total Preschool Disabilities - Full-Time	<u>495,476</u>	<u>104,512</u>	<u>599,988</u>	<u>592,678</u>	<u>7,310</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>4,060,895</u>	<u>200,476</u>	<u>4,261,371</u>	<u>4,235,149</u>	<u>26,222</u>
Bilingual Education - Instruction					
Salaries of Teachers	986,533	143,908	1,130,441	1,125,535	4,906
General Supplies		461	461	457	4
Total Bilingual Education - Instruction	<u>986,533</u>	<u>144,369</u>	<u>1,130,902</u>	<u>1,125,992</u>	<u>4,910</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	194,425	(29,170)	165,255	165,255	
Total School-Sponsored Cocurricular Activities - Instruction	<u>194,425</u>	<u>(29,170)</u>	<u>165,255</u>	<u>165,255</u>	
School-Sponsored Athletics - Instruction					
Salaries	335,300	49,820	385,120	382,650	2,470
Purchased Services (300-500 series)	15,000		15,000		15,000
Supplies and Materials	153,100		153,100	140,639	12,461
Transfers to Cover Deficit (Agency Funds)	125,000		125,000	50,000	75,000
Total School-Sponsored Athletics - Instruction	<u>628,400</u>	<u>49,820</u>	<u>678,220</u>	<u>573,289</u>	<u>104,931</u>
TOTAL INSTRUCTION	<u>22,079,276</u>	<u>(37,000)</u>	<u>22,042,276</u>	<u>21,765,701</u>	<u>276,575</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	628,492	(12,226)	616,266	356,308	259,958
Tuition to County Voc. School Dist. - Regular	778,366	(92,963)	685,403	434,109	251,294
Tuition to County Voc. School Dist. - Special	266,760		266,760	142,536	124,224
Tuition to CSSD & Regional Day Schools	1,318,115	(332,141)	985,974	940,549	45,425
Tuition to Private Schools for the Handicapped - Within State	613,394	470,269	1,083,663	1,012,373	71,290
Tuition - State Facilities	40,973	(40,973)			
Total Undistributed Expenditures - Instruction:	<u>3,646,100</u>	<u>(8,034)</u>	<u>3,638,066</u>	<u>2,885,875</u>	<u>752,191</u>
Undist. Expend. - Health Services					
Salaries	371,875	(910)	370,965	370,965	
Other Purchased Services (400-500 series)	423,507	(62,861)	360,646	318,006	42,640
Supplies and Materials	18,930		18,930	14,768	4,162
Total Undistributed Expenditures - Health Services	<u>814,312</u>	<u>(63,771)</u>	<u>750,541</u>	<u>703,739</u>	<u>46,802</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	385,780	16,090	401,870	401,870	
Purchased Prof. Services-Educational Services	966,830	(600)	966,230	785,345	180,885
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>1,352,610</u>	<u>15,490</u>	<u>1,368,100</u>	<u>1,187,215</u>	<u>180,885</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,051,370	134,067	1,185,437	1,115,664	69,773
Salaries of Secretarial and Clerical Assistants	79,270		79,270	79,270	
Total Undist. Expend. - Guidance	<u>1,130,640</u>	<u>134,067</u>	<u>1,264,707</u>	<u>1,194,934</u>	<u>69,773</u>
Undist. Expend. - Other Supp. Child Study Teams					
Salaries of Other Professional Staff	929,060	4,654	933,714	933,714	
Salaries of Secretarial and Clerical Assistants	100,912		100,912	100,912	
Other Purchased Professional and Technical Services	723,985	3,970	727,955	677,217	50,738
Total Undist. Expend. - Other Supp. Serv. Child Study Teams	<u>1,753,957</u>	<u>8,624</u>	<u>1,762,581</u>	<u>1,711,843</u>	<u>50,738</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	206,415		206,415	206,415	
Supplies and Materials	45,500	1,492	46,992	46,196	796
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>251,915</u>	<u>1,492</u>	<u>253,407</u>	<u>252,611</u>	<u>796</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	52,249	9,840	62,089	19,168	42,921
Other Purchased Services (400-500 series)	26,839	15,509	42,348	36,824	5,524
Total Undist. Expend. - Instructional Staff Training Serv.	<u>79,088</u>	<u>25,349</u>	<u>104,437</u>	<u>55,992</u>	<u>48,445</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	297,962	(6,237)	291,725	288,921	2,804
Legal Services	132,828	44,259	177,087	87,080	90,007
Audit Fees	95,000		95,000	43,440	51,560
Other Purchased Professional Services	58,500	528	59,028	56,418	2,610
Purchased Technical Services	52,800		52,800	11,250	41,550
Communications/Telephone	100,405		100,405	80,594	19,811
Other Purch Services (400-500 Series)	545,597	1,288	546,885	455,239	91,646
General Supplies	11,700	(1,816)	9,884	4,626	5,258
Judgements against the School District	33,380	13,930	47,310	47,310	
Misc. Expenditures	71,433	(690)	70,743	60,026	10,717
BOE Membership Dues and Fees	300	690	990	990	
Total Undist. Expend. - Supp. Serv. - General Administration	<u>1,399,905</u>	<u>51,952</u>	<u>1,451,857</u>	<u>1,135,894</u>	<u>315,963</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,012,845	(35,845)	977,000	977,000	
Salaries of Secretarial and Clerical Assistants	399,321	27,298	426,619	426,619	
Other Objects	16,100		16,100	14,619	1,481
Total Undist. Expend. - Support Serv. - School Administration	1,428,266	(8,547)	1,419,719	1,418,238	1,481
Undist. Expend. - Support Serv. - Central Services					
Salaries	377,882	(2,948)	374,934	374,679	255
Purchased Professional Services	36,500	11,756	48,256	48,256	
Supplies and Materials	15,600	5,779	21,379	21,379	
Other Objects	5,900	1,462	7,362	7,362	
Total Undist. Expend. - Support Serv. - Central Services	435,882	16,049	451,931	451,676	255
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	288,626	4,300	292,926	292,926	
Supplies and Materials	97,224	77,045	174,269	140,341	33,928
Other Objects	89,548	10,268	99,816	99,816	
Information Technology	475,398	91,613	567,011	533,083	33,928
Undist. Expend. - Required Maint. for School Facilities (261)					
Lead Testing of Drinking Water	10,000	2,715	12,715	1,945	10,770
Cleaning, Repair and Maintenance Services	367,989	(5,835)	362,154	196,494	165,660
General Supplies	89,850	(30,712)	59,138	3,759	55,379
Undist. Expend. - Required Maint. for School Facilities	467,839	(33,832)	434,007	202,198	231,809
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,141,226	156,271	1,297,497	1,296,933	564
Cleaning, Repair and Maintenance Services	147,619	(9,328)	138,291	83,258	55,033
Insurance	65,373	28,227	93,600	91,911	1,689
General Supplies	247,436	33,734	281,170	275,384	5,786
Energy (Energy and Electricity)	315,659	(14,114)	301,545	159,833	141,712
Energy (Natural Gas)	365,760	(14,113)	351,647	258,039	93,608
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,283,073	180,677	2,463,750	2,165,358	298,392
Undist. Expend. - Care & Upkeep of Grounds (263)					
Cleaning, Repair and Maintenance Services	97,445		97,445	84,594	12,851
Total Undist. Expend. - Care & Upkeep of Grounds	97,445		97,445	84,594	12,851
Undist. Expend. - Security					
Purchased Professional and Technical Services	80,000		80,000	76,500	3,500
Cleaning, Repair and Maintenance Services	19,000		19,000	2,902	16,098
General Supplies	21,000		21,000	12,190	8,810
Total Undist. Expend. - Security	120,000		120,000	91,592	28,408
Undist. Expend. - Student Transportation Services (270)					
Salaries of Non-Instructional Aides	357,381	116,571	473,952	473,952	
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	553,291	68,927	622,218	622,218	
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	123,000	(94,308)	28,692	28,692	
Cleaning, Repair and Maintenance Services	241,977	33,039	275,016	263,395	11,621
Contract Services (Sp. Ed. Students)-Vendors	2,000		2,000		2,000
Contract Services (Sp. Ed. Students)-Joint Agreements	14,218	17,392	31,610	31,320	290
Misc. Purchased Services - Transportation	66,787		66,787	57,080	9,707
General Supplies	124,633	(57)	124,576	83,433	41,143
Total Undist. Expend. - Student Transportation Services	1,483,287	141,564	1,624,851	1,560,090	64,761
UNALLOCATED BENEFITS					
Social Security Contributions	500,000	43,010	543,010	543,010	
T.P.A.F. Contributions - ERIP	146,000	22,190	168,190	168,190	
Other Retirement Contributions-PERS	522,800	(13,334)	509,466	455,460	54,006
Unemployment Compensation	10,000		10,000		10,000
Workmen's Compensation	434,690		434,690	412,318	22,372
Health Benefits	7,227,330	(304,254)	6,923,076	6,387,299	535,777
Tuition Reimbursements	60,000	(9,255)	50,745	48,564	2,181
Other Employee Benefits	195,000	(165,000)	30,000		30,000
Unused Vacation Payment to Term/Retired Staff		133,550	133,550	133,550	
TOTAL UNALLOCATED BENEFITS	9,095,820	(293,093)	8,802,727	8,148,391	654,336
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,792,520	(1,792,520)
On-behalf TPAF Pension (non-budgeted)				2,709,564	(2,709,564)
On-behalf TPAF NCGI Premium (non-budgeted)				65,754	(65,754)
On-behalf TPAD LTDI				5,585	(5,585)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,533,951	(1,533,951)
TOTAL ON-BEHALF CONTRIBUTIONS				6,107,374	(6,107,374)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	9,095,820	(293,093)	8,802,727	14,255,765	(5,453,038)
TOTAL UNDISTRIBUTED EXPENDITURES	26,315,537	259,600	26,575,137	29,890,697	(3,315,560)
TOTAL GENERAL CURRENT EXPENSE	48,394,813	222,600	48,617,413	51,656,398	(3,038,985)

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Undist. Expenditures:					
Instruction	75,000	4,200	79,200	78,677	523
Required Maint for School Fac.	25,000	(4,712)	20,288	18,982	1,306
Custodial Services		9,083	9,083	9,083	
Care and Upkeep of Grounds		3,119	3,119	3,119	
School Buses-Special	150,000		150,000	138,779	11,221
Total Undist. Expend.	<u>250,000</u>	<u>11,690</u>	<u>261,690</u>	<u>248,640</u>	<u>13,050</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	164,805		164,805	131,474	33,331
Construction Services	1,893,409		1,893,409	1,255,708	637,701
Assessment for Debt Service on SDA Funding	6,801		6,801	6,801	
Total Facilities Acquisition and Construction Services	<u>2,065,015</u>		<u>2,065,015</u>	<u>1,393,983</u>	<u>671,032</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Various Equipment				103,000	(103,000)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>103,000</u>	<u>(103,000)</u>
TOTAL CAPITAL OUTLAY	<u>2,315,015</u>	<u>11,690</u>	<u>2,326,705</u>	<u>1,745,623</u>	<u>581,082</u>
Transfer of Funds to Charter Schools	<u>34,035</u>	<u>8,034</u>	<u>42,069</u>	<u>18,992</u>	<u>23,077</u>
TOTAL EXPENDITURES	<u>50,743,863</u>	<u>242,324</u>	<u>50,986,187</u>	<u>53,421,013</u>	<u>(2,434,826)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(4,845,184)</u>	<u>1,935</u>	<u>(4,843,249)</u>	<u>(762,971)</u>	<u>4,080,278</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				103,000	(103,000)
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(250,000)	(1,935)	(251,935)	(251,935)	
Total Other Financing Sources/(Uses):	<u>(250,000)</u>	<u>(1,935)</u>	<u>(251,935)</u>	<u>(148,935)</u>	<u>(103,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(5,095,184)		(5,095,184)	(911,906)	3,977,278
Fund Balance, July 1	9,700,787		9,700,787	9,700,787	
Fund Balance, June 30	<u>4,605,603</u>		<u>4,605,603</u>	<u>8,788,881</u>	<u>3,977,278</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,646,249)		(1,646,249)	(1,646,249)	
Increase in Capital Reserve:					
Principal				2,518,205	2,518,205
Interest Deposit to Capital Reserve	700		700	5,113	4,413
Withdrawal from Capital Reserve	(1,925,000)		(1,925,000)	(1,925,000)	
Budgeted Fund Balance	<u>(1,524,635)</u>		<u>(1,524,635)</u>	<u>136,025</u>	<u>1,660,660</u>
	<u>(5,095,184)</u>		<u>(5,095,184)</u>	<u>(911,906)</u>	<u>4,183,278</u>
Recapitulation:					
Restricted Fund Balance:					
Legally Restricted - Excess Surplus				1,029,797	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				1,233,712	
Capital Reserve				4,868,222	
Assigned Fund Balance:					
Year-end Encumbrances				499,489	
Designated for Subsequent Year's Expenditures				39,436	
Unassigned Fund Balance				<u>1,118,225</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>8,788,881</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				339,060	
Total Fund Balance per Governmental Funds (GAAP)				<u>8,449,821</u>	

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	13,478	-	13,478	13,478	-
State Sources	287,408	250,000	537,408	385,793	(151,615)
Federal Sources	1,145,410	518,833	1,664,243	1,656,866	(7,377)
Total Revenues	1,446,296	768,833	2,215,129	2,056,137	(158,992)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	635,400	546,467	1,181,867	1,032,959	148,908
Other Salaries for Instruction	64,148	(37,970)	26,178	26,178	-
Purchased Professional and Technical Services	534,600	20,000	20,000	19,450	550
Other Purchased Services (400-500 series)	39,722	120,709	655,309	655,309	-
General Supplies		65,689	105,411	105,411	-
Total instruction	1,273,870	714,895	1,988,765	1,839,307	149,458
Support services:					
Salaries of Supervisors of Instruction	56,660	10,703	67,363	65,145	2,218
Salaries of Program Directors		77,430	77,430	77,430	-
Personal Services - Employee Benefits		4,452	4,452	4,452	-
Other Purchased Professional Services		56,876	56,876	49,560	7,316
Other Purchased Services (400-500 series)		3,765	3,765	3,765	-
Supplies & Materials		(99,288)	3,000	3,000	-
Total support services	158,948	53,938	212,886	203,352	9,534
Facilities acquisition and const. serv.:					
Noninstructional Equipment	13,478	-	13,478	13,478	-
Total facilities acquisition and const. serv.	13,478	-	13,478	13,478	-
Total Expenditures	1,446,296	768,833	2,215,129	2,056,137	158,992
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 - Part II
Fiscal Year Ended June 30, 2018

**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]	52,658,042	2,056,137
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			33,071
Current Year			(3,400)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		261,605	
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).		(339,060)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	52,580,587	2,085,808
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	53,421,013	2,056,137
Differences - budget to GAAP			
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.			
Prior Year			33,071
Current Year			(3,400)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	53,421,013	2,085,808

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of the Total Pension Liability	Net Position as a Percentage of the Total Pension Liability
2015	0.0543352543%	\$ 10,173,046	\$ 4,000,517	254.29%	52.08%	
2016	0.0545073473%	12,235,807	3,424,541	357.30%	94.63%	
2017	0.0515009406%	15,253,101	3,433,088	444.30%	100.77%	
2018	0.0487524088%	11,348,782	3,568,969	317.98%	90.77%	

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contributions in Relations to the Contractually Required Contributions	Contribution Deficiency (Excess)			
2015	\$ 447,932	\$ 447,932	(447,932)	\$ -	\$ 4,000,517	11.20%	
2016	468,617	468,617	(468,617)	-	3,424,541	13.68%	
2017	457,527	457,527	(457,527)	-	3,433,088	13.33%	
2018	451,639	451,639	(451,639)	-	3,568,969	12.65%	

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

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

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's		District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
			Proportionate Share of the Net Pension Liability Associated with the District (Asset)	\$			
2015	0.1806634861%	\$ -	\$ 96,558,753	\$	18,509,605	0.00%	33.64%
2016	0.1784512921%	-	112,788,837		18,203,062	0.00%	28.71%
2017	0.1843280061%	-	145,004,146		20,189,243	0.00%	22.33%
2018	0.1867755745%	-	125,930,827		20,466,136	0.00%	25.41%

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

CLIFFSIDE PARK BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2018

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (2.85%) to the current measurement date (3.58%), resulting in a change in the discount rate from 3.98% to 5.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (2.85%) to the current measurement date (3.58%), resulting in a change in the discount rate from 3.22% to 4.25%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

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

	2018
Total OPEB Liability	
Service Costs	\$ 3,786,116
Interest on Total OPEB Liability	2,551,818
Changes in Assumptions	(10,603,354)
Gross Benefit Payments	(1,866,422)
Contribution from the Member	68,726
Net Changes in total Share of OPEB Liability	(6,063,116)
Total OPEB Liability - Beginning	86,643,885
Total OPEB Liability - Ending	\$ 80,580,769
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	80,580,769
Total OPEB Liability - Ending	\$ 80,580,769
District's Covered Employee Payroll	\$ 24,035,105
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%

Notes to Schedule:

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

Change in benefit terms None

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

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

Supplementary Schedules

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, 2018

	Total Brought Forward (Ex. E-1a)	ESEA Title I	IDEA Part - B Basic	IDEA Part - B Preschool	ESEA Title II, Part A Training & Recruiting	ESEA Title III	Totals 2018
REVENUES							
Local Sources	13,478						13,478
State Sources	385,793						385,793
Federal Sources	178,757	647,349	655,309	15,868	95,106	64,477	1,656,866
Total Revenues	578,028	647,349	655,309	15,868	95,106	64,477	2,056,137
EXPENDITURES:							
Instruction:							
Salaries of Teachers	365,853	535,000			90,106	42,000	1,032,959
Other Salaries for Instruction	26,178						26,178
Purchased Professional and Technical Services	19,450						19,450
Other Purchased Services (400-500 series)	-		655,309				655,309
General Supplies	20,028	54,803		15,868		14,712	105,411
Total instruction	431,509	589,803	655,309	15,868	90,106	56,712	1,839,307
Support services:							
Salaries of Supervisors of Instruction	47,532	13,613				4,000	65,145
Salaries of Program Directors	77,430						77,430
Personal Services - Employee Benefits	4,452						4,452
Other Purchased Professional Services	3,627	40,933			5,000		49,560
Other Purchased Services (400-500 series)	-					3,765	3,765
Supplies & Materials	-	3,000					3,000
Total support services	133,041	57,546	-	-	5,000	7,765	203,352
Facilities acquisition and const. serv.:							
Noninstructional Equipment	13,478						13,478
Total facilities acquisition and const. serv.	13,478	-	-	-	-	-	13,478
Total Expenditures	578,028	647,349	655,309	15,868	95,106	64,477	2,056,137
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, 2018

	ESEA Title III Immigrant	21st Century Community Learning	NJSBAIG Safety Grant	Afterschool - Summer Grant	Preschool Education Aid	Total Carried Forward
REVENUES						
Local Sources			13,478			13,478
State Sources	20,627	158,130		98,385	287,408	385,793
Federal Sources						178,757
Total Revenues	20,627	158,130	13,478	98,385	287,408	578,028
EXPENDITURES:						
Instruction:						
Salaries of Teachers		158,130		23,923	183,800	365,853
Other Salaries for Instruction				19,450	26,178	26,178
Purchased Professional and Technical Services	17,000			3,028		19,450
General Supplies						20,028
Total instruction	17,000	158,130	-	46,401	209,978	431,509
Support services:						
Salaries of Supervisors of Instruction				47,532		47,532
Salaries of Program Directors					77,430	77,430
Personal Services - Employee Benefits				4,452		4,452
Other Purchased Professional Services	3,627					3,627
Other Purchased Services (400-500 series)						-
Supplies & Materials						-
Total support services	3,627	-	-	51,984	77,430	133,041
Facilities acquisition and const. serv.:						
Noninstructional Equipment			13,478			13,478
Total facilities acquisition and const. serv.	-	-	13,478	-	-	13,478
Total Expenditures	20,627	158,130	13,478	98,385	287,408	578,028
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, 2018**

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	183,800	183,800	
Other salaries for instruction	26,178	26,178	
Total instruction	209,978	209,978	
Support services:			
Salaries of Program Directors	77,430	77,430	
Total support services	77,430	77,430	
Total expenditures	287,408	287,408	

Summary of Location Totals

Total revised 2017-18 Preschool Education Aid	287,408
Add: Actual Preschool Education Aid Carryover (June 30, 2017)	
Add: Budgeted Transfer from the General Fund 2017-18	
Total Preschool Education Aid Funds Available for 2017-18 Budget	287,408
Less: 2016-17 Budgeted Preschool Education Aid (prior year budgeted carryover)	287,408
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2018	
Add: June 30, 2018 Unexpended Preschool Education Aid 2017-18 Carryover - Preschool Education Aid/Preschool	

PROPRIETARY FUNDS

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	83,039	25,413	108,452
Accounts receivable:			
State	902		902
Federal	51,420		51,420
Other		20,631	20,631
Inventories	7,078		7,078
Total current assets	142,439	46,044	188,483
Noncurrent assets:			
Capital assets:			
Equipment	247,283		247,283
Less accumulated depreciation	(210,337)		(210,337)
Total capital assets (net of accumulated depreciation)	36,946	-	36,946
Total assets	179,385	46,044	225,429
Current Liabilities:			
Accounts Payable	10,244		10,244
Total Liabilities	10,244	-	10,244
NET POSITION			
Invested in capital assets	36,946	-	36,946
Unrestricted	132,195	46,044	178,239
Total net position	169,141	46,044	215,185

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Fund		Totals
	Food Service Program	After School Program	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	557,068		557,068
Daily sales - non-reimbursable programs	5,725		5,725
Program fees		345,616	345,616
Total operating revenues	<u>562,793</u>	<u>345,616</u>	<u>908,409</u>
Operating expenses:			
Cost of food - reimbursable programs	618,502		618,502
Cost of food - non-reimbursable programs	83,387		83,387
Salaries	715,496	311,477	1,026,973
Employee benefits	231,581	23,829	255,410
Supplies and materials	47,039	6,969	54,008
Purchased services	68,331		68,331
Depreciation expense	5,682		5,682
Repairs and other expenses	28,790		28,790
Total Operating Expenses	<u>1,798,808</u>	<u>342,275</u>	<u>2,141,083</u>
Operating income (loss)	<u>(1,236,015)</u>	<u>3,341</u>	<u>(1,232,674)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	16,411		16,411
Federal sources:			
National school lunch program	757,852		757,852
Snack program	43,520		43,520
Breakfast program	106,659		106,659
U.S.D.A. Commodities	106,181		106,181
Miscellaneous	148		148
Total nonoperating revenues (expenses)	<u>1,030,771</u>	<u>-</u>	<u>1,030,771</u>
Income (loss) before contributions & transfers	<u>(205,244)</u>	<u>3,341</u>	<u>(201,903)</u>
Other financing sources/(uses):			
Transfer In	251,935		251,935
Change in net assets	46,691	3,341	50,032
Total net position—beginning	<u>122,450</u>	<u>42,703</u>	<u>165,153</u>
Total net position—ending	<u><u>169,141</u></u>	<u><u>46,044</u></u>	<u><u>215,185</u></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, 2018

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	562,792	324,985	887,777
Payments to suppliers	<u>(1,690,870)</u>	<u>(342,275)</u>	<u>(2,033,145)</u>
Net cash provided by (used for) operating activities	<u>(1,128,078)</u>	<u>(17,290)</u>	<u>(1,145,368)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	16,391		16,391
Federal Sources	909,746		909,746
Miscellaneous	148		148
Board Contribution	251,935		251,935
Interfunds	<u>(105,584)</u>		<u>(105,584)</u>
Net cash provided by (used for) non-capital financing activities	<u>1,072,636</u>	<u>-</u>	<u>1,072,636</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	<u>(6,059)</u>		<u>(6,059)</u>
Net cash provided by (used for) capital and related financing activities	<u>(6,059)</u>	<u>-</u>	<u>(6,059)</u>
Net increase (decrease) in cash and cash equivalents	<u>(61,501)</u>	<u>(17,290)</u>	<u>(78,791)</u>
Balances—beginning of year	<u>144,540</u>	<u>42,703</u>	<u>187,243</u>
Balances—end of year	<u><u>83,039</u></u>	<u><u>25,413</u></u>	<u><u>108,452</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(1,236,015)	3,341	(1,232,674)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	5,682		5,682
Food Distribution Program	106,181		106,181
(Increase) decrease in accounts receivable, net		(20,631)	(20,631)
(Increase) decrease in inventories	(947)		(947)
Increase (decrease) in accounts payable	<u>(2,979)</u>		<u>(2,979)</u>
Total adjustments	<u>(1,128,078)</u>	<u>(17,290)</u>	<u>(1,145,368)</u>
Net cash provided by (used for) operating activities	<u><u>(1,128,078)</u></u>	<u><u>(17,290)</u></u>	<u><u>(1,145,368)</u></u>

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

FIDUCIARY FUND

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	356,798	617,468
Total assets	<u>356,798</u>	<u>617,468</u>
LIABILITIES		
Payable to student groups		157,226
Due to State - Unemployment	4,595	
Payroll deductions and withholdings		460,242
Total liabilities	<u>4,595</u>	<u>617,468</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>352,203</u>	
	<u>352,203</u>	

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2018

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Payroll withholdings	47,306
Total Contributions	<u>47,306</u>
 DEDUCTIONS	
Unemployment Claims	46,910
Total deductions	<u>46,910</u>
Change in net position	396
Net position—beginning of the year	<u>351,807</u>
Net position—end of the year	<u><u>352,203</u></u>

CLIFFSIDE PARK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2018</u>
Elementary Schools:				
School #3	23,511	24,845	20,152	28,204
School #4	2,026	25,293	23,317	4,002
School #5	14,260	27,984	26,884	15,360
School #6	8,210	4,094	2,279	10,025
	<u>48,007</u>	<u>82,216</u>	<u>72,632</u>	<u>57,591</u>
Total Elementary Schools				
Middle School:				
School #6 - Middle	4,454	24,663	23,896	5,221
Student Council	6,592	9,310	15,271	631
	<u>11,046</u>	<u>33,973</u>	<u>39,167</u>	<u>5,852</u>
Total Middle Schools				
High School:				
High School	67,740	172,419	180,391	59,768
Athletic	19,697	55,310	61,027	13,980
Project Graduation	13,646	35,531	29,142	20,035
	<u>101,083</u>	<u>263,260</u>	<u>270,560</u>	<u>93,783</u>
Total High Schools				
Total All Schools	<u><u>160,136</u></u>	<u><u>379,449</u></u>	<u><u>382,359</u></u>	<u><u>157,226</u></u>

CLIFFSIDE PARK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2018</u>
Net Payroll	-	18,335,402	18,335,402	-
Payroll Deductions and Withholdings	<u>394,607</u>	<u>14,144,824</u>	<u>14,079,189</u>	<u>460,242</u>
	<u><u>394,607</u></u>	<u><u>32,480,226</u></u>	<u><u>32,414,591</u></u>	<u><u>460,242</u></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, 2018

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2017</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>2017</u>	<u>2018</u>		
School District Bonds Refunding - 2006	July 15, 2006	3,680,000	7/15/2018 7/15/2019	5.00 5.00	\$ 1,110,000	360,000	750,000
					<u>1,110,000</u>	<u>360,000</u>	<u>750,000</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	402,120	-	402,120	402,120	-
State Sources:					
Debt Service Aid Type II	4,380	-	4,380	4,380	-
Total - State Sources	4,380	-	4,380	4,380	-
Total Revenues	406,500	-	406,500	406,500	-
EXPENDITURES:					
Regular Debt Service:					
Interest	46,500	-	46,500	46,500	-
Redemption of Principal	360,000	-	360,000	360,000	-
Total Regular Debt Service	406,500	-	406,500	406,500	-
Total expenditures	406,500	-	406,500	406,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	1	-	1	1	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-	-	-	-	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

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CLIFFSIDE PARK BOARD OF EDUCATION
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 3,505,327	\$ 3,568,379	\$ 4,199,337	\$ 4,179,066	\$ 4,275,454	\$ 4,723,841	\$ 5,979,075	\$ 6,199,408	\$ 6,838,827	\$ 8,009,191
Restricted	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062	7,909,736	7,204,960	8,571,130	8,678,103	7,670,657
Unrestricted	(323,165)	(1,069,576)	(332,676)	(516,963)	(636,513)	(722,861)	(10,050,627)	(11,286,040)	(12,025,401)	(11,877,092)
Total governmental activities net position	\$ 5,500,137	\$ 4,792,376	\$ 7,137,663	\$ 8,463,380	\$ 12,130,003	\$ 11,910,716	\$ 3,133,408	\$ 3,484,498	\$ 3,491,529	\$ 3,802,756
Business-type activities										
Invested in capital assets, net of related debt	\$ 5,234	\$ 48,946	\$ 38,318	\$ 27,689	\$ 20,128	\$ 13,566	\$ 3,257	\$ 30,958	\$ 36,569	\$ 36,946
Restricted	68,999	77,074	273,330	436,810	367,657	296,366	161,956	(92,460)	128,584	178,239
Unrestricted	74,233	126,020	311,648	464,499	387,785	309,932	165,213	(61,502)	165,153	215,185
Total business-type activities net position	\$ 145,466	\$ 252,040	\$ 723,316	\$ 938,199	\$ 775,570	\$ 620,864	\$ 329,426	\$ 68,956	\$ 300,306	\$ 510,369
District-wide										
Invested in capital assets, net of related debt	\$ 3,510,561	\$ 3,617,325	\$ 4,237,655	\$ 4,206,755	\$ 4,295,582	\$ 4,737,407	\$ 5,982,332	\$ 6,230,366	\$ 6,875,396	\$ 8,046,137
Restricted	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062	7,909,736	7,204,960	8,571,130	8,678,103	7,670,657
Unrestricted	(254,166)	(992,502)	(59,346)	(80,153)	(268,856)	(426,495)	(9,888,671)	(11,378,500)	(11,896,817)	(11,698,853)
Total district net position	\$ 5,574,370	\$ 4,918,396	\$ 7,449,311	\$ 8,927,879	\$ 12,517,788	\$ 12,220,648	\$ 3,298,621	\$ 3,422,996	\$ 3,656,682	\$ 4,017,941

Source: CAFR Schedule A-1

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 17,500,839	\$ 17,621,066	\$ 17,744,712	\$ 17,971,833	\$ 17,888,947	\$ 17,227,778	\$ 20,167,606	\$ 20,959,736	\$ 25,503,214	\$ 23,830,560
Special education	3,787,841	3,800,012	4,075,643	4,667,377	4,523,963	6,063,910	7,225,713	7,677,281	6,199,552	6,405,279
Other special education	625,896	887,456	751,847	804,050	793,949	973,023	975,861	1,132,610	1,427,089	1,702,727
Other instruction	965,266	734,748	730,640	562,083	704,952	787,487	877,419	874,743	1,088,113	1,019,296
Support Services:										
Tuition	1,958,454	1,891,441	1,662,115	1,552,981	1,660,412	2,412,564	2,342,048	2,632,974	2,762,927	2,885,875
Health services									831,315	893,825
Student & instruction related services	4,286,179	4,761,630	4,600,551	4,368,088	4,373,317	5,056,961	5,569,956	5,751,694	5,926,093	6,762,833
General administrative services	945,280	1,683,523	1,336,229	1,301,866	1,206,620	1,200,572	1,021,223	1,320,318	1,371,211	1,283,939
School administrative services	1,924,975	1,251,075	2,037,280	2,016,562	1,774,397	1,741,387	1,903,573	2,071,241	2,166,455	2,140,242
Central services and administrative information technology	589,144	628,335	658,999	727,758	774,908	901,454	822,333	1,330,507	1,322,446	1,304,985
Plant operations and maintenance	3,333,162	3,104,869	2,934,424	2,510,835	2,674,999	2,424,064	2,779,899	2,885,143	3,252,771	3,219,844
Pupil transportation	932,372	1,038,296	1,103,550	1,047,315	1,090,420	1,217,939	1,375,200	1,678,321	2,092,611	2,205,590
Unallocated Benefits	2,362,021	3,432,153	2,364,279	2,974,168	4,036,579	3,387,615	3,884,814	4,756,207	6,212,337	9,433,622
Charter Schools			11,177	30,224	51,535	48,351	76,578	81,329	41,985	18,992
Interest on long-term debt	151,407	139,132	127,668	120,544	109,596	98,004	85,877	58,601	61,271	42,375
Unallocated depreciation	254,233	337,078	294,713	295,163	299,391	177,519	328,040	230,694	263,594	263,594
Capital Outlay - nondepreciable	-	513,578	260,034	144,431	5,200	1,408,966	11,275	1,363,294	531,400	497,034
Total governmental activities expenses	39,617,069	41,824,392	40,693,861	41,095,278	41,969,185	45,127,594	49,447,415	54,804,693	61,054,384	63,910,612
Business-type activities:										
Food service	1,257,122	1,457,507	1,383,115	1,436,373	1,823,487	1,904,767	1,712,554	1,703,223	1,815,217	1,798,808
After School Program	-	-	177,538	280,725	173,750	178,120	198,828	265,421	232,953	342,275
Total business-type activities expense	1,257,122	1,457,507	1,560,653	1,717,098	1,997,237	2,082,887	1,911,382	1,968,644	2,048,170	2,141,083
Total district expenses	\$ 40,874,191	\$ 43,281,899	\$ 42,254,514	\$ 42,812,376	\$ 43,966,422	\$ 47,210,481	\$ 51,358,797	\$ 56,773,337	\$ 63,102,554	\$ 66,051,695
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 6,329,138	\$ 5,743,912	\$ 6,922,484	\$ 5,914,129	\$ 6,714,158	\$ 5,626,526	\$ 5,969,338	\$ 6,727,108	\$ 7,744,083	\$ 7,980,012
Business and other support services	-	-	-	1,426,555	1,890,253	2,042,296	2,263,066	2,276,459	2,326,016	2,072,330
Operating grants and contributions	1,849,270	2,304,165	360,862	49,863	42,233	-	-	16,526	21,931	13,478
Capital grants and contributions	-	-	-	7,390,547	8,646,644	7,668,822	8,232,404	9,020,093	10,092,030	10,065,820
Total governmental activities program revenues	8,178,408	8,048,077	9,003,915	13,750,092	15,293,288	15,337,648	16,264,808	18,029,186	20,184,060	20,132,640

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services										
Food service	703,926	756,143	771,777	769,016	836,286	868,831	548,487	554,327	555,377	562,793
After School Program			181,625	279,213	181,957	200,381	240,211	240,296	226,355	345,616
Operating grants and contributions	556,047	753,151	792,879	821,720	902,280	935,822	977,965	947,306	1,016,998	1,030,771
Total business-type activities program revenues	1,259,973	1,509,294	1,746,281	1,869,949	1,920,523	2,005,034	1,766,663	1,741,929	1,798,730	1,939,180
Total district program revenues	\$ 9,438,381	\$ 9,557,371	\$ 10,750,196	\$ 9,260,496	\$ 10,567,167	\$ 9,673,856	\$ 9,999,067	\$ 10,762,022	\$ 11,890,760	\$ 12,005,000
Net (Expense)/Revenue										
Governmental activities	\$ (31,438,661)	\$ (33,776,315)	\$ (31,689,946)	\$ (33,704,731)	\$ (33,322,541)	\$ (37,458,772)	\$ (41,215,011)	\$ (45,784,600)	\$ (50,962,354)	\$ (53,844,792)
Business-type activities	2,851	51,787	185,628	152,851	(76,714)	(77,853)	(144,719)	(226,715)	(249,440)	(201,903)
Total district-wide net expense	\$ (31,435,810)	\$ (33,724,528)	\$ (31,504,318)	\$ (33,551,880)	\$ (33,399,255)	\$ (37,536,625)	\$ (41,359,730)	\$ (46,011,315)	\$ (51,211,794)	\$ (54,046,695)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 24,989,328	\$ 25,788,901	\$ 27,336,235	\$ 27,882,960	\$ 28,419,932	\$ 28,988,330	\$ 29,753,765	\$ 30,907,252	\$ 31,827,901	\$ 32,879,872
Taxes levied for debt service	377,867	420,341	421,176	420,854	420,186	423,870	421,929	414,688	378,762	402,120
Federal and State Aid - Not Restricted	6,215,308	5,424,373	5,590,059	6,325,802	7,466,294	7,355,462	12,149,173	14,041,339	18,332,258	19,950,875
Federal and State Aid - Capital Outlay							24,102	-	-	-
Investment earnings	17,920	993,934	687,763	400,832	682,752	471,823	569,869	772,411	906,559	1,175,087
Miscellaneous income	133,588								(476,095)	(251,935)
Transfers									50,969,385	54,156,019
Total governmental activities	31,734,011	32,627,549	34,035,233	35,030,448	36,989,164	37,239,485	42,918,838	46,135,690	50,969,385	54,156,019
Business-type activities:										
Transfers									476,095	251,935
Total business-type activities									476,095	251,935
Total district-wide	\$ 31,734,011	\$ 32,627,549	\$ 34,035,233	\$ 35,030,448	\$ 36,989,164	\$ 37,239,485	\$ 42,918,838	\$ 46,135,690	\$ 51,445,480	\$ 54,407,954
Change in Net Position										
Governmental activities	\$ 295,350	\$ (1,148,766)	\$ 2,345,287	\$ 1,325,717	\$ 3,666,623	\$ (219,287)	\$ 1,703,827	\$ 351,090	\$ 7,031	\$ 311,227
Business-type activities	2,851	51,787	185,628	152,851	(76,714)	(77,853)	(144,719)	(226,715)	226,655	50,032
Total district	\$ 298,201	\$ (1,096,979)	\$ 2,530,915	\$ 1,478,568	\$ 3,589,909	\$ (297,140)	\$ 1,559,108	\$ 124,375	\$ 233,686	\$ 361,259

Source: CAFR Schedule A-2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,233,065	\$ 1,784,563								
Unreserved	399,782	399,306								
Restricted			2,803,366	4,056,497	5,820,621	7,173,451	7,173,935	7,482,218	7,028,251	7,131,731
Committed			346,210	245,783						
Assigned			2,735	370,245	2,568,077	633,921	1,186,625	1,057,887	1,649,851	538,925
Unassigned			1,012,722	720,148	742,339	616,387	577,134	610,508	761,080	779,165
Total general fund	\$ 2,632,847	\$ 2,183,869	\$ 4,165,033	\$ 5,392,673	\$ 9,131,037	\$ 8,423,759	\$ 8,937,694	\$ 9,150,613	\$ 9,439,182	\$ 8,449,821
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund		47,351								
Capital projects fund	84,587									
Debt service fund										
Assigned, reported in:										
Special revenue fund				26,388						
Capital projects fund			118,691	102,363	102,363	111,698				
Debt service fund				1	1	1				
Total all other governmental funds	\$ 84,587	\$ 47,351	\$ 118,691	\$ 128,752	\$ 102,364	\$ 111,699	\$ 31,025	\$ 31,025	\$ 31,025	\$ 31,025

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 25,367,195	\$ 26,209,242	\$ 27,757,411	\$ 28,303,814	\$ 28,840,118	\$ 29,412,200	\$ 30,175,694	\$ 31,321,940	\$ 32,206,663	\$ 33,281,992
Tuition	6,329,138	5,743,912	6,922,484	5,914,129	6,714,158	5,626,526	5,969,338	6,727,108	7,744,083	7,980,012
Transportation										
Miscellaneous	151,508	993,934	687,763	421,830	682,752	471,823	569,869	788,937	928,490	1,188,565
State sources	7,008,171	6,081,801	6,122,991	6,471,378	7,697,950	7,630,004	8,096,934	8,871,888	9,804,000	10,808,487
Federal sources	1,056,407	1,646,737	1,548,499	1,309,842	1,700,830	1,767,754	2,108,413	2,034,938	2,060,087	1,813,839
Total revenue	39,912,419	40,675,626	43,039,148	42,420,993	45,635,808	44,908,307	46,920,248	49,744,811	52,743,323	55,072,895
Expenditures										
Instruction										
Regular Instruction	13,978,849	14,106,514	13,623,401	13,848,957	14,750,608	13,827,871	14,409,852	14,397,046	17,082,571	16,865,668
Special education instruction	2,864,561	2,911,280	2,998,317	3,438,197	3,594,285	5,145,616	5,597,551	5,783,504	3,814,943	4,235,149
Other special instruction	473,370	715,984	553,109	592,390	630,857	770,854	680,349	755,752	878,170	1,125,992
Other instruction	784,632	566,130	577,589	445,548	590,264	662,276	681,014	646,617	754,966	738,544
Support Services:										
Tuition	1,958,454	1,891,441	1,662,115	1,940,155	1,660,412	2,412,564	2,342,048	2,632,974	2,762,927	2,885,875
Health services									606,540	703,739
Student & instruction related services	3,505,836	3,926,255	3,684,454	3,115,043	3,669,891	4,276,931	4,406,946	4,391,655	4,350,264	5,275,273
School Administrative services	1,452,067	1,593,890	1,501,419	1,488,071	1,411,946	1,379,738	1,328,365	1,385,951	1,343,804	1,418,238
General administrative services	856,452	762,244	1,230,755	1,192,744	1,126,401	1,120,682	912,089	1,166,019	1,186,700	1,135,894
Central services and administrative information technology	446,580	486,891	488,719	541,295	636,821	760,258	683,263	1,033,321	920,022	984,759
Plant operations and maintenance	2,895,927	2,676,161	2,498,369	2,113,758	2,382,366	2,141,377	2,225,314	2,297,145	2,484,992	2,543,742
Pupil transportation	758,501	918,529	920,778	870,874	928,143	1,012,812	1,044,891	1,181,913	1,399,418	1,560,090
Unallocated benefits	6,852,710	6,909,221	7,858,312	7,903,934	6,001,160	6,356,332	6,528,231	7,098,894	7,462,448	8,148,591
On-behalf contributions	2,356,734	2,545,763	2,521,679	3,077,562	3,889,672	3,412,401	3,894,499	4,653,441	5,319,425	6,107,374
Charter Schools			11,177	30,224	51,535	48,351	76,578	81,329	41,985	18,992
Capital outlay	186,607	741,073	934,358	159,105	174,708	1,849,700	1,249,473	1,607,126	1,313,308	1,759,101
Debt service:										
Principal	280,000	280,000	290,000	300,000	310,000	325,000	335,000	340,000	350,000	360,000
Interest and other charges	157,514	145,738	135,763	125,437	114,763	103,487	91,524	79,205	64,250	46,500
Bond issuance costs										
Advance refunding excrow										
Total expenditures	39,808,794	41,177,114	41,490,314	41,183,294	41,923,832	45,606,250	46,486,987	49,531,892	52,136,733	55,913,321
Excess (Deficiency) of revenues over (under) expenditures	103,625	(501,488)	1,548,834	1,237,699	3,711,976	(697,943)	433,261	212,919	606,590	(840,426)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	127,050	103,000
Proceeds of refunding debt	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Transfers in	43,352	-	408,072	-	-	-	111,698	-	-	-
Transfers out	-	-	(408,072)	-	-	-	(111,698)	-	(476,095)	(251,935)
Total other financing sources (uses)	43,352	(501,488)	1,548,834	1,237,699	3,711,976	(697,943)	433,261	212,919	257,545	(989,361)
Net change in fund balances	\$ 146,977	\$ (501,488)	\$ 1,548,834	\$ 1,237,699	\$ 3,711,976	\$ (697,943)	\$ 433,261	\$ 212,919	\$ 257,545	\$ (989,361)
Debt service as a percentage of noncapital expenditures	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.8%	0.8%

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		Transportation		Refunds	Rent	Misc.	Total
		Revenue	Fees	Fees					
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		3,946			136,305	7,136,863
2014	4,921	5,626,526	290,586		4,049	9,787		162,480	6,098,349
2015	2,088	5,969,338	388,833		28,223			150,725	6,539,207
2016	18,780	6,727,108	482,184		62,294			209,153	7,499,519
2017	8,872	7,744,083	695,390		39,495			162,802	8,650,642
2018	15,962	7,980,012	861,737		23,932			273,456	9,155,099

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	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Commercial	Industrial						
2008	\$ 7,707,000	\$ 2,105,334,300	\$ 135,715,000	\$ 5,502,700	\$ -	\$ 3,547,308	\$ 2,461,469,708	1.012	\$ 3,597,734,318	68.42%
2009	\$ 7,248,200	\$ 2,124,563,400	\$ 135,464,800	\$ 5,502,700	\$ -	\$ 4,378,933	\$ 2,479,242,333	1.091	\$ 3,543,171,541	69.97%
2010	\$ 7,226,900	\$ 2,118,923,500	\$ 135,279,300	\$ 4,602,900	\$ -	\$ 4,378,933	\$ 2,473,841,933	1.091	\$ 3,507,065,519	70.54%
2011	\$ 7,345,100	\$ 2,287,332,400	\$ 180,014,700	\$ 6,158,500	\$ -	\$ 7,374,071	\$ 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	\$ -	\$ 6,810,121	\$ 2,739,206,721	1.064	\$ 3,069,279,243	89.45%
2013	\$ 4,926,700	\$ 2,290,400,200	\$ 175,128,600	\$ 6,158,500	\$ -	\$ 5,714,465	\$ 2,736,419,565	1.085	\$ 2,909,085,995	94.10%
2014	\$ 4,896,700	\$ 2,297,734,100	\$ 185,198,500	\$ 4,562,900	\$ -	\$ 5,457,917	\$ 2,748,092,917	1.120	\$ 2,901,874,485	94.70%
2015	\$ 10,614,200	\$ 2,307,857,200	\$ 177,888,800	\$ 3,952,700	\$ -	\$ 5,828,349	\$ 2,761,817,249	1.151	\$ 2,987,769,028	92.44%
2016	\$ 27,852,700	\$ 2,316,723,800	\$ 177,598,700	\$ 3,927,500	\$ -	\$ 5,817,465	\$ 2,789,097,465	1.174	\$ 3,096,731,675	90.07%
2017	\$ 36,739,700	\$ 2,333,225,200	\$ 176,711,900	\$ 3,927,500	\$ -	\$ 5,796,670	\$ 2,820,346,370	1.203	\$ 3,279,821,874	85.99%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

CLIFFSIDE PARK BOARD OF EDUCATION
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Cliffside Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation		Borough of Cliffside Park	Bergen County	
		Debt Service ^b	Total Direct			
2009	1.04		1.04	0.28	0.88	2.203
2010	1.08	0.01	1.09	0.91	0.28	2.28
2011	1.00	0.02	1.02	0.85	0.23	2.093
2012	1.02	0.02	1.04	0.86	0.24	2.138
2013	1.06	0.02	1.06	0.87	0.25	2.181
2014	1.065	0.02	1.085	0.88	0.247	2.212
2015	1.1	0.02	1.12	0.867	0.253	2.275
2016	1.1	0.02	1.151	0.929	0.265	2.345
2017	1.15	0.02	1.174	0.94	0.278	2.392
2018	1.15	0.02	1.203	0.95	0.285	2.438

Source: District Records and Municipal Tax Collector

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

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	2018			2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Briarcliff Corp.	\$ 71,500,000	1	2.54%	\$ 69,950,000		2.82%
Palisadium Mgmt. Corp.	\$ 12,550,500	2	0.44%	\$ 8,990,000		0.36%
Cliff Lane/Palisade Ave, LLC	\$ 14,238,200	3	0.50%	\$ 7,413,000		0.30%
T&F Realty	\$ 6,250,000	4	0.22%	\$ 5,500,000		0.22%
Savoy Plaza	\$ 5,664,800	5	0.20%	\$ 4,650,000		0.19%
Carlton Corp.	\$ 4,700,500	6	0.17%	\$ 3,576,100		0.14%
TD Banknorth	\$ 1,350,000	7	0.05%	\$ 1,274,000		0.05%
Timmes Realty Assoc.	\$ 3,690,500	8	0.13%	\$ 2,999,500		0.12%
G&N Realty	\$ 3,300,000	9	0.12%	\$ 2,790,000		0.11%
Verizon - New Jersey	\$ 7,546,670	10	0.27%	\$ 5,736,808		0.23%
Total	\$ 130,791,170		4.64%	\$ 112,879,408		4.55%

Net Assessed Valuation: \$ 2,820,346,370 \$ 2,479,242,333

Source: Municipal Tax Assessor.

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

<u>Fiscal Year Ended</u>	<u>District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
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%	\$ -
2014	\$29,412,200	\$29,412,200	100.00%	\$ -
2015	\$30,175,694	\$30,175,694	100.00%	\$ -
2016	\$31,321,940	\$31,321,940	100.00%	\$ -
2017	\$32,206,663	\$32,206,663	100.00%	\$ -
2018	\$33,281,992	\$33,281,992	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			
2009	3,640,000	143,987	-	-	3,783,987	1.72%	\$ 65,097
2010	3,360,000	212,214	-	-	3,572,214	1.85%	\$ 66,080
2011	3,070,000	136,962	-	-	3,206,962	2.15%	\$ 69,044
2012	2,770,000	73,192	-	-	2,843,192	2.53%	\$ 71,953
2013	2,460,000	37,734	-	-	2,497,734	2.86%	\$ 71,449
2014	2,135,000	10,076	-	-	2,145,076	3.42%	\$ 73,293
2015	1,800,000	-	-	-	1,800,000	4.24%	\$ 76,388
2016	1,460,000	-	-	-	1,460,000	5.29%	\$ 77,187
2017	1,110,000	83,900	-	-	1,193,900	Not Available	Not Available
2018	750,000	145,722	-	-	895,722	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			
2009	\$ 3,640,000	-	3,640,000	0.15%	\$	56
2010	\$ 3,360,000	-	3,360,000	0.14%	\$	51
2011	\$ 3,070,000	-	3,070,000	0.11%	\$	44
2012	\$ 2,770,000	-	2,770,000	0.10%	\$	38
2013	\$ 2,460,000	-	2,460,000	0.09%	\$	34
2014	\$ 2,135,000	-	2,135,000	0.08%	\$	29
2015	\$ 1,800,000	-	1,800,000	0.07%	\$	24
2016	\$ 1,460,000	-	1,460,000	0.05%	\$	19
2017	\$ 1,110,000	-	1,110,000	0.04%	Not Available	Not Available
2018	\$ 750,000	-	750,000	Not Available	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, 2018

<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, 2018			\$ 750,000
Net overlapping debt of School District:			
Borough of Cliffside Park	100.000%	\$ 30,128,891	
County of Bergen - City's Share	1.776%	\$ 15,560,918	
Bergen County Utility Authority-City's Share	3.255%	\$ 5,222,522	
Subtotal, overlapping debt			<u>\$ 50,912,332</u>
Total direct and overlapping debt			<u><u>\$ 51,662,332</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	139,070,215	141,777,632	137,376,426	136,555,831	129,402,916	124,625,084	116,825,618	116,165,585	119,818,336	124,857,634
Total net debt applicable to limit	<u>3,640,000</u>	<u>3,360,000</u>	<u>3,070,000</u>	<u>2,770,000</u>	<u>2,460,000</u>	<u>2,135,000</u>	<u>1,800,000</u>	<u>1,460,000</u>	<u>1,110,000</u>	<u>750,000</u>
Legal debt margin	<u>\$ 135,430,215</u>	<u>\$ 138,417,632</u>	<u>\$ 134,306,426</u>	<u>\$ 133,785,831</u>	<u>\$ 126,942,916</u>	<u>\$ 122,490,084</u>	<u>\$ 115,025,618</u>	<u>\$ 114,705,585</u>	<u>\$ 118,708,336</u>	<u>\$ 124,107,634</u>
Total net debt applicable to the limit as a percentage of debt limit	2.62%	2.37%	2.23%	2.03%	1.90%	1.71%	1.54%	1.26%	0.93%	0.60%

	2017	2016	2015	2014
Equalized valuation basis	\$ 3,279,821,874	\$ 3,096,731,675	\$ 2,987,769,028	\$ 9,364,322,577
[A]	\$ 3,121,440,859			
[B]	124,857,634			
[C]	750,000			
[B-C]	<u>\$ 124,107,634</u>			

Source: Abstract of Rates and District Records CAFR Schedule J-6

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

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
2008	22,772	\$ 1,551,319,728	68,124	4.00%
2009	22,994	\$ 1,496,840,418	65,097	5.20%
2010	23,678	\$ 1,564,642,240	66,080	9.20%
2011	23,859	\$ 1,647,320,796	69,044	9.40%
2012	24,494	\$ 1,762,416,782	71,953	9.60%
2013	24,631	\$ 1,759,860,319	71,449	8.30%
2014	24,727	\$ 1,812,316,011	73,293	5.10%
2015	24,866	\$ 1,899,464,008	76,388	4.00%
2016	24,973	\$ 1,927,590,951	77,187	4.00%
2017	25,142	Not Available	Not Available	3.70%
2018	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**

<u>Employer</u>	<u>2018</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

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

This schedule should include the ten largest employers, unless fewer are required to reach 50 percent of total employment.

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction										
Regular	209	194	183	183	204	207	212	210	189	219
Special education	33	31	30	30	33	27	26	47	44	37
Support Services:										
Student & instruction related services	65	64	62	62	71	82	87	91	72	76
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	7	7	7	7	7	7	7	12	7	8
Central services	6	6	6	6	6	6	6	6	11	11
Plant operations and maintenance	5	5	5	5	5	5	5	5	5	5
Pupil transportation	46	46	48	48	52	52	62	67	63	54
Food Service	22	22	22	22	23	23	24	32	41	53
Total	394	376	364	364	402	410	430	471	433	464

Source: District Personnel Records

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
2009	2,661.0	39,184,350	14,725	0.79%	242	1:22	1:24	1:22	2,622	2,468	-27.09%	94.13%
2010	2,772.0	40,040,303	14,445	-1.91%	225	1:22	1:24	1:22	2,708	2,558	3.28%	94.46%
2011	2,779.0	40,130,193	14,441	-0.03%	213	1:22	1:25	1:23	2,755	2,589	1.74%	93.97%
2012	2,810.0	40,598,752	14,448	0.05%	209	1:23	1:25	1:24	2,760	2,611	0.18%	94.60%
2013	2,839.0	41,324,361	14,556	0.75%	225	1:24	1:25	1:24	2,850	2,674	3.28%	93.80%
2014	2,901.0	43,328,063	14,936	2.61%	234	1:23	1:24	1:23	2,910	2,771	2.09%	95.22%
2015	2,968.0	44,810,990	15,098	1.09%	238	1:23	1:24	1:23	2,957	2,815	1.62%	95.20%
2016	3,000.0	47,505,561	15,835	4.88%	257	1:23	1:24	1:23	2,938	2,793	-0.64%	95.06%
2017	3,074.0	50,409,175	16,399	3.56%	233	1:23	1:24	1:23	3,054	2,888	3.95%	94.56%
2018	3,164.0	53,747,720	16,987	3.59%	256	1:23	1:24	1:23	3,113	2,974	1.02%	95.53%

Sources: District records, ASSA and Schedules J-4

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

a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4, DOE Budget Report (Disb/Paid Column)

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).

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Buildings</u>										
<u>Elementary</u>										
School #3										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	224	266	263	328	319	333	346	308	285	291
School #4										
Square Feet	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574	57,574
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	273	299	296	496	478	493	502	569	598	575
School #5										
Square Feet	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080	22,080
Capacity (students)	180	180	180	180	180	180	180	180	180	180
Enrollment	138	156	156	203	211	229	246	281	316	327
School #6										
Square Feet	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250	44,250
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	286	289	283	346	381	364	380	355	326	346
<u>Middle School</u>										
Middle School										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	296	360	354	352	359	378	376	361	393	408
<u>High School</u>										
High School										
Square Feet	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563
Capacity (students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,052	1,104	1,103	1,035	1,091	1,104	1,118	1,126	1,156	1,217
<u>Other</u>										
ELC										
Square Feet	36,000	36,000	36,000							
Capacity (students)	375	375	375							
Enrollment	298	298	323							
Number of Schools at June 30, 2018										
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

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-XXXX

School Facilities	Project# (s)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ELC	N/A	22,700	12,145	16,197	-	-	-	-	-	-	-
School #3	N/A	19,563	12,355	20,446	32,232	29,895	41,217	63,045	44,380	51,967	34,207
School #4	N/A	28,542	10,499	26,764	50,494	35,929	37,615	47,463	45,689	44,357	26,462
School #5	N/A	27,190	22,897	19,497	5,940	53,704	38,822	26,834	34,038	37,151	22,445
School #6	N/A	47,885	44,939	50,709	53,910	47,292	42,563	97,501	88,473	97,488	58,480
High School	N/A	32,105	42,168	25,770	45,256	54,095	56,236	57,364	57,286	76,356	60,604
Grand Total		\$ 177,985	\$ 145,003	\$ 159,383	\$ 187,832	\$ 220,915	\$ 216,453	\$ 292,207	\$ 269,866	\$ 307,319	\$ 202,198

*-Note: 2013 - 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, 2018
Unaudited

Company	Type of Coverage	Coverage	Deductible
	School package policy:		
	New Jersey School Boards Association Insurance Group		
	Property - Blanket Building and Contents	\$ 500,000,000	\$ 5,000
	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
	Earthquake	50,000,000	500,000
	Flood	75,000,000	750,000
	Terrorism	1,000,000	

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and
Members of the Board of Education
Borough of 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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 30, 2019.

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 January 30, 2019.

Purpose of this Report

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

Steven D. Wielkotz

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

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

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

January 30, 2019

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

Honorable President and
Members of the Board of Education
Borough of 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 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, 2018. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 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, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal and state program is not modified with respects to these matters.

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

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 the Uniform Guidance and N.J. OMB Circular 15-08, 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, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be significant deficiencies.

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

Steven D. Wielkotz

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Pompton Lakes, New Jersey

January 30, 2019

CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
U.S. Department of Education Passed-through State Department of Education: General Fund: Medical Administrative Claiming (MAC) Medical Assistance Program (SEMI) Total General Fund	93.778 93.778	1805N15MAP 1805N15MAP	N/A N/A	7/1/17-6/30/18 7/1/17-6/30/18	\$ 12,192 115,110			12,192 115,110 127,302	12,192 115,110 127,302				
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: Title I Part A, Improving Basic Programs Title I Part A, Improving Basic Programs	84.010 84.010	S010A170030 S010A160030	ESEA-0890-18 ESEA-0890-17	7/1/17-6/30/18 7/1/16-6/30/17	646,243 631,860	(67,462) (67,462)	(67,462) 67,462	487,887 487,887	647,349 647,349			(226,924) (226,924)	
I.D.E.A. Part B I.D.E.A. Part B I.D.E.A. Part B Preschool	84.027 84.027 84.173	H027A170100 H027A160100 H173A170114	IDEA-0890-18 IDEA-0890-17 IDEA-0890-18	7/1/17-6/30/18 7/1/16-6/30/17 7/1/17-6/30/18	655,309 652,376 15,868	(20,320) 20,320	(20,320) 20,320	604,973 604,973	655,309 671,177			(70,656) (15,868) (86,524)	
Title II Part A Title II Part A	84.367A 84.367A	S367A170029 S367A160029	ESEA-0890-18 ESEA-0890-17	7/1/17-6/30/18 7/1/16-6/30/17	102,422 55,274	(14,029) (14,029)	14,029 14,029	99,476 99,476	95,106 95,106			(16,975) (16,975)	7,316 7,316
Title III Title III Title III, Immigrant Title III, Immigrant	84.365A 84.365A 84.365A 84.365A	S365A170030 S365A160030 S365A170030 S365A160030	ESEA-0890-18 ESEA-0890-17 ESEA-0890-18 ESEA-0890-17	7/1/17-6/30/18 7/1/16-6/30/17 7/1/17-6/30/18 7/1/16-6/30/17	64,477 76,379 20,627 23,032	(16,012) 16,012 (5,032) 5,032	(16,012) 16,012 (5,032) 5,032	49,488 19,454 68,942	64,477 20,627 85,104			(31,001) (6,205) (37,200)	
21st Century Community Learning Centers	84.287C	S287C160030	CCLC-0890-17	9/1/16-8/31/17	500,000	(85,834) (85,834)		243,964 243,964	158,130 158,130				
Total Special Revenue Fund					1,505,242	(208,689)		1,505,242	1,656,866			(367,629)	7,316

CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
USDA Commodities	10.555	181N1304N1096	N/A	7/1/17-6/30/18	\$ 106,181			106,181	106,181				
National Breakfast Program	10.555	181N1304N1099	N/A	7/1/17-6/30/18	106,659			99,969	106,659			(6,690)	
National Breakfast Program	10.555	171N1304N1099	N/A	7/1/16-6/30/17	105,639	(6,714)		6,714					
National School Lunch Program	10.555	181N1304N1099	N/A	7/1/17-6/30/18	757,852			716,025	757,852			(41,827)	
National School Lunch Program	10.555	171N1304N1099	N/A	7/1/16-6/30/17	739,175	(42,579)		42,579					
National School Snack Program	10.555	181N1304N1099	N/A	7/1/17-6/30/18	43,520			40,617	43,520			(2,903)	
National School Snack Program	10.555	171N1304N1099	N/A	7/1/16-6/30/17	54,737	(3,842)		3,842					
Total Enterprise Fund						(53,135)		1,015,927	1,014,212			(51,420)	
Total Federal Financial Assistance					\$ (261,824)			2,648,471	2,798,380			(419,049)	7,316

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, 2018

State/Local Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor all	Budgetary Receivable	Cumulative Total Expenditures	MEMO
State Department of Education:																	
General Fund:																	
Equalization Aid	495-034-5120-078	7/1/17-6/30/18	1,769,000				1,628,597	1,769,000								1,769,000	
Transportation Aid	495-034-5120-014	7/1/17-6/30/18	41,923				38,596	41,923								41,923	
Special Education Aid	495-034-5120-089	7/1/17-6/30/18	1,378,925				1,269,482	1,378,925								1,378,925	
Security Aid	495-034-5120-084	7/1/17-6/30/18	377,200				347,262	377,200								377,200	
Under Adequacy Aid	495-034-5120-086	7/1/17-6/30/18	268,344				247,046	268,344								268,344	
PAYCC Readiness Aid	495-034-5120-098	7/1/17-6/30/18	24,500				22,611	24,500								24,500	
Per Pupil Growth Aid	495-034-5120-097	7/1/17-6/30/18	25,585				23,138	25,585								25,585	
Professional Learning Community Aid	495-034-5120-101	7/1/17-6/30/18	4,520				4,520	4,520								4,520	
Field Testing of Schools Aid	100-034-5170-104	7/1/17-6/30/18	474,013					474,013				(474,013)				474,013	
Extracurricular Aid	100-034-5170-473	7/1/16-6/30/17	444,124	(444,124)			444,124									444,124	
Reimbursed TPAF Social Security	495-034-5094-003	7/1/17-6/30/18	1,533,951				1,383,901	1,533,951				(150,050)				1,533,951	
Reimbursed TPAF Social Security	495-034-5094-003	7/1/16-6/30/17	1,462,648	(143,881)			143,881									1,462,648	
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	7/1/17-6/30/18	1,792,520				1,792,520	1,792,520								1,792,520	
On Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/17-6/30/18	2,709,564				2,709,564	2,709,564								2,709,564	
On Behalf TPAF - NCGI Premium	495-034-5094-004	7/1/17-6/30/18	65,754				65,754	65,754								65,754	
On Behalf TPAF - LTDI	495-034-5094-004	7/1/17-6/30/18	5,585				5,585	5,585								5,585	
Total General Fund				(588,005)			10,149,392	10,495,769				(624,063)			(310,319)	12,402,541	
Special Revenue Fund:																	
Preschool Education Aid	495-034-5120-086	7/1/17-6/30/18	287,408				258,667	287,408				(28,741)			(28,741)	287,408	
Preschool Education Aid	495-034-5120-086	7/1/16-6/30/17	291,240	(29,124)			29,124									291,240	
N.J. Afterschool-Summer	18E00101	11/1/17-10/31/18	250,000				35,444	98,385				(62,941)				98,385	
Total Special Revenue Fund				(29,124)			323,235	385,793				(91,682)			(28,741)	677,033	
Debt Service Fund:																	
Debt Service Aid Type II	100-034-5120-067	7/1/17-6/30/18	4,380				4,380	4,380								4,380	
Total Debt Service Fund							4,380	4,380								4,380	
Enterprise Fund:																	
National School Lunch Program (State Share)	100-010-3350-023	7/1/17-6/30/18	16,411	(882)			15,509	16,411				(902)				16,411	
National School Lunch Program (State Share)	100-010-3350-023	7/1/16-6/30/17	15,562	(882)			882					(902)				15,562	
Total Enterprise Fund				(1,764)			16,391	16,411				(1,804)				36,091	
Total State Financial Assistance				(618,011)			10,493,398	10,902,553				(716,647)			(339,060)	13,120,645	
Less: On-Behalf TPAF Pension System Contributions								4,573,423									
Total State Financial Assistance								6,328,930									
Local Awards:																	
Special Revenue Fund																	
NJSBAIG Safety Grant Program 2011		7/1/11-6/30/12	21,283	283						(283)						21,000	
NJSBAIG Safety Grant Program 2018		7/1/17-6/30/18	13,478				13,478	13,478								13,478	
Laura Bush Foundation		7/1/11-6/30/12	5,000	1,092						(1,092)						3,908	
Total Local Awards				1,375			13,478	13,478		(1,375)						38,386	
Total State/Local Financial Assistance				(616,636)			10,506,876	10,915,831		(1,375)		(716,647)			(339,060)	13,159,031	

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(D) and 2(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(77,455) for the general fund and \$29,671 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>Local</u>	<u>Total</u>
General Fund	\$127,302	\$10,418,314	\$	\$10,545,616
Special Revenue Fund	1,686,537	385,793	13,478	2,085,808
Debt Service Fund		4,380		4,380
Food Service Fund	<u>1,014,212</u>	<u>16,411</u>		<u>1,030,623</u>
Total Financial Awards	<u>\$2,828,051</u>	<u>\$10,824,898</u>	<u>\$13,478</u>	<u>\$13,666,427</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$4,573,423 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$647,349
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	95,106
Title III: <i>English Language Acquisition State Grants</i>	<u>85,104</u>
Total	<u>\$827,559</u>

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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: unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	(B) <u>H027A170100</u>	<u>IDEA, Part B-Basic/IDEA,Part B-Preschool</u>

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

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

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, 2018**

Section II – Financial Statement Findings

NONE

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

STATE AWARDS

Finding 2018-001

Information on the state program:

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(078/083/084/089/097/098) Grant Period 7/1/17-6/30/18.

Criteria or specific requirement:

N.J.S.A. 18A:11-12 requires that prior approval for travel is required for employees and board members. The approval must be itemized by event, event travel cost, and number of employees and school board members attending the event.

Condition:

There were instances in which payment for travel by employees was approved after completion of the travel event.

Questioned Costs:

None

Context:

There were instances in which payment for travel by employees was approved after completion of the travel event.

Effect:

By not authorizing travel through adoption of a resolution prior to travel occurrence, the district is not in compliance with N.J.S.A. 18A:11-12.

Cause:

There were instances in which the board of education did not approve employee travel in advance of a travel event.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs (Cont.)

Recommendation:

The board of education should revise its' travel policy to ensure that payments will not be ratified after completion of the travel event unless the policy excludes regular business travel from the pre-approval requirement *N.J.A.C. 6A:23A-7.2(d)*.

Management's response:

Employees have been instructed to submit travel requests in advance of a travel event to allow for prior board approval in accordance with N.J.S.A. 18A:11-12.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Status of Prior Year Findings

NONE