

**SCHOOL DISTRICT OF THE  
BOROUGH OF CLIFFSIDE PARK  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**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, 2019**

# Comprehensive Annual Financial Report

of the

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

**Year Ended June 30, 2019**

**Prepared by**

**Louis Alfano  
Business Administrator/Board Secretary**

# OUTLINE OF CAFR

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## **INTRODUCTORY SECTION**



*CLIFFSIDE PARK PUBLIC SCHOOLS*  
*THE MUNICIPAL COMPLEX*  
*525 PALISADE AVENUE*  
*CLIFFSIDE PARK, NEW JERSEY 07010*

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*Louis Alfano*  
*Business Administrator/Board Secretary*

*TEL: 201-313-2300*  
*FAX: 201-943-7050*  
*E-MAIL: lalfano@cliffsidepark.edu*

November 4, 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, 2019.

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, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Cliffside Park Board of Education was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Cliffside Park Board of Education’s CAFR.

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

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

The District provides a full range of educational services appropriate to grade level PK through 12. These include regular, vocational as well as special education for disabled youngsters. The District completed the 2018/2019 fiscal year with 3,154 students, which is 10 students fewer 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
<b>2013-2014</b>	<b>2,901</b>	<b>2.1</b>
<b>2014-2015</b>	<b>2,968</b>	<b>2.2</b>
<b>2015-2016</b>	<b>3,000</b>	<b>1.1</b>
<b>2016-2017</b>	<b>3,074</b>	<b>2.5</b>
<b>2017-2018</b>	<b>3,164</b>	<b>2.9</b>
<b>2018-2019</b>	<b>3,154</b>	<b>(.03)</b>

**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.

**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:** NJSLA 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, 2019 \$385,303 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.

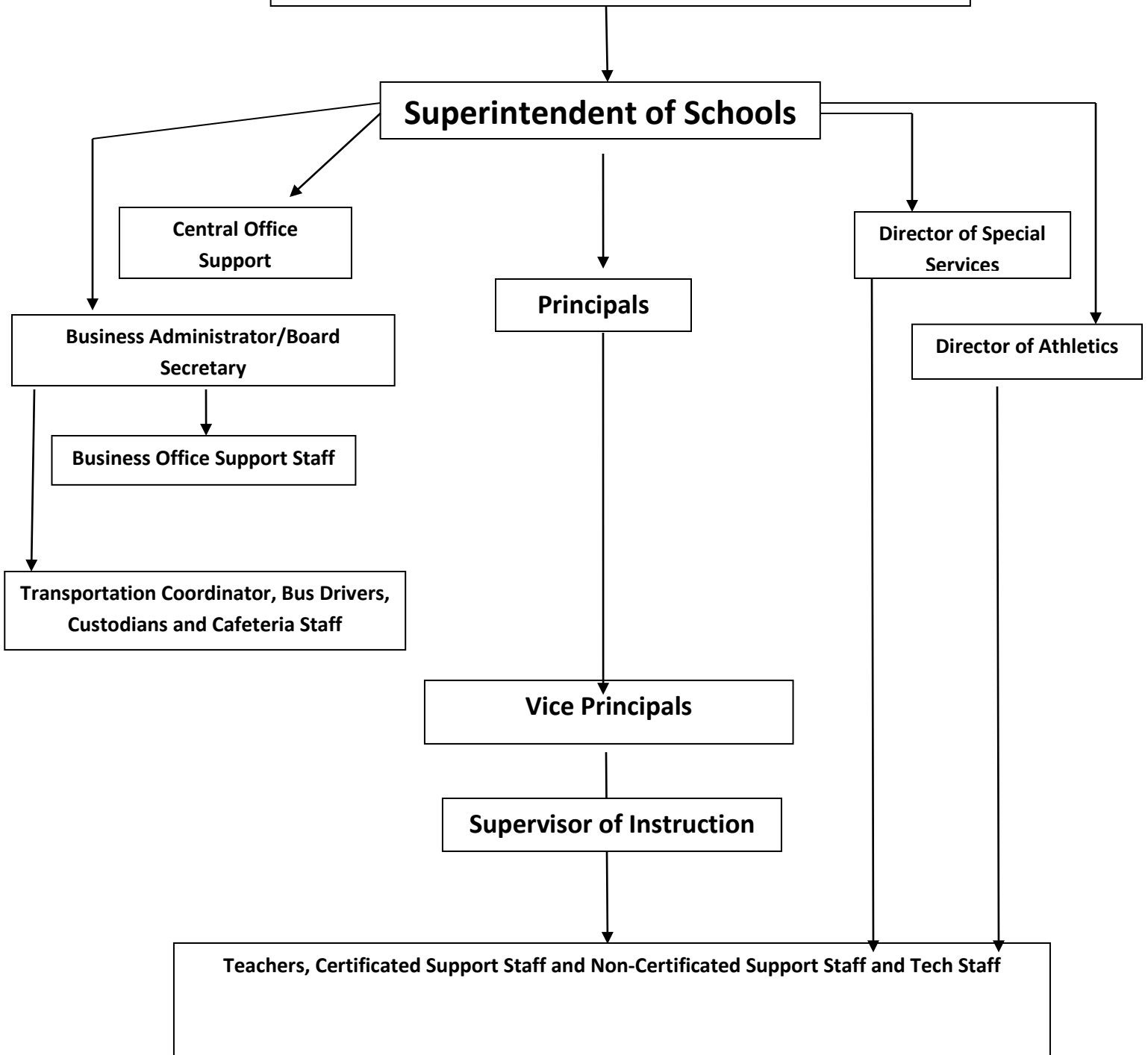
Respectfully submitted,

  
\_\_\_\_\_  
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, 2019**

**Members of the Board of Education**

**Term Expires**

Selvie Nikaj, President (7/1/18-1/2/19)	2021
Teddy F. Tarabokija - President (1/2/19-6/30/19)	2020
Teddy F. Tarabokija - Vice President (7/1/18-1/2/19)	2020
James Shelley - Vice President (1/2/19-6/30/19)	2020
James Shelley	2020
Michael Russo	2021
Marco Garciga	2021
Lisa Frato	2019
Paul Kelaher	2020
Neville C. Raincourt	2019
Joseph Capano (2/13/19-6/30/19)	2021
Yakup Zoklu	2019

**Other Officials**

Michael J. Romangnino, 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, 2019**

**Attorney**

RUBENSTEIN, MEYERSON, FOX,  
MANCINELLI, CONTE & BERN, PA  
1 Paragon Drive #240  
Montvale, NJ 07645

FOGARTY & HARA  
21-00 Route 208 South  
Fair Lawn, NJ 07410

**District Auditor**

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

**Official Depositories**

TD BANK NORTH  
354 Palisade Avenue  
Cliffside Park, NJ 07010



**FINANCIAL SECTION**

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
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100B Main Street  
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973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 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

Honorable President and  
Members of the Board of Education  
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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

November 4, 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, 2019**

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, 2019.

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 \$1,029,713. Net position of governmental activities increased \$951,338 while net position of business-type activity increased by \$78,375.
- General revenues accounted for \$61,199,464 in revenue or 93 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,230,054 or 7 percent of total revenues of \$65,429,518.
- The School District had \$62,331,848 in expenses related to governmental activities; only \$2,285,902 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$61,199,464 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, 2019  
(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 and the after school 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, 2019  
(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, 2019  
(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, 2019  
(CONTINUED)**

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

The School District's net position was \$5,047,654 at June 30, 2019 and \$4,017,941 at June 30, 2018. 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 2019 compared to 2018 (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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and Other Assets	8,295,629	8,813,967	192,645	188,483	8,488,274	9,002,450
Capital Assets	<u>10,301,037</u>	<u>8,945,328</u>	<u>107,659</u>	<u>36,946</u>	<u>10,408,696</u>	<u>8,982,274</u>
Total Assets	<u>18,596,666</u>	<u>17,759,295</u>	<u>300,304</u>	<u>225,429</u>	<u>18,896,970</u>	<u>17,984,724</u>
<b>Deferred Outflows</b>						
Deferred Outflows of Resources						
Related to PERS	<u>2,641,063</u>	<u>3,148,346</u>	_____	_____	<u>2,641,063</u>	<u>3,148,346</u>
Total Deferred Outflows	<u>2,641,063</u>	<u>3,148,346</u>	_____	_____	<u>2,641,063</u>	<u>3,148,346</u>
<b>Liabilities</b>						
Current Liabilities	1,151,657	874,440	6,744	10,244	1,158,401	884,684
Noncurrent Liabilities	<u>11,314,310</u>	<u>13,002,811</u>	_____	_____	<u>11,314,310</u>	<u>13,002,811</u>
Total Liabilities	<u>12,465,967</u>	<u>13,877,251</u>	<u>6,744</u>	<u>10,244</u>	<u>12,472,711</u>	<u>13,887,495</u>
<b>Deferred Inflow of Resources</b>						
Unamortized Bond Premium	20,208	40,415			20,208	40,415
Deferred Inflows of Resources						
Related to PERS	<u>3,997,460</u>	<u>3,187,219</u>	_____	_____	<u>3,997,460</u>	<u>3,187,219</u>
Total Deferred Inflows of Resources	<u>4,017,668</u>	<u>3,227,634</u>	_____	_____	<u>4,017,668</u>	<u>3,227,634</u>
<b>Net Position</b>						
Invested in Capital Assets	9,723,576	8,009,191	107,659	36,946	9,831,235	8,046,137
Restricted	6,915,160	7,670,657			6,915,160	7,670,657
Unrestricted	<u>(11,884,642)</u>	<u>(11,877,092)</u>	<u>185,901</u>	<u>178,239</u>	<u>(11,698,741)</u>	<u>(11,698,853)</u>
Total Net Position	<u>4,754,094</u>	<u>3,802,756</u>	<u>293,560</u>	<u>215,185</u>	<u>5,047,654</u>	<u>4,017,941</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

Table 2 below shows the changes in net position for fiscal year 2019 compared to 2018.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			890,291	908,409	890,291	908,409
Operating Grants and						
Contributions	2,285,902	2,072,330	1,053,861	1,030,771	3,339,763	3,103,101
Capital Grants and						
Contributions	20,584	13,478			20,584	13,478
General Revenues:						
Taxes:						
Property Taxes	34,574,213	33,281,992			34,574,213	33,281,992
Federal and State Aid						
Not Restricted	17,092,170	19,950,875			17,092,170	19,950,875
Tuition Received	8,482,342	7,980,012			8,482,342	7,980,012
Miscellaneous Income	1,030,155	1,175,087			1,030,155	1,175,087
Transfers	<u>(202,180)</u>	<u>(251,935)</u>	<u>202,180</u>	<u>251,935</u>	<u>0</u>	<u>0</u>
Total Revenues and Transfers	<u>63,283,186</u>	<u>64,221,839</u>	<u>2,146,332</u>	<u>2,191,115</u>	<u>65,429,518</u>	<u>66,412,954</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	21,032,634	23,830,560			21,032,634	23,830,560
Special Education	8,649,824	6,405,279			8,649,824	6,405,279
Other Special Education	1,666,513	1,702,727			1,666,513	1,702,727
Other Instruction	992,732	1,019,296			992,732	1,019,296
Support Services:						
Tuition	3,278,780	2,885,875			3,278,780	2,885,875
Student & Instruction Related Services	6,582,249	7,656,658			6,582,249	7,656,658
School Administrative Services	2,236,374	2,140,242			2,236,374	2,140,242
General Administrative Services	1,314,026	1,283,939			1,314,026	1,283,939
Central Services and Admin. Info. Tech.	1,299,763	1,304,985			1,299,763	1,304,985
Plant Operations and Maintenance	3,253,497	3,219,844			3,253,497	3,219,844
Pupil Transportation	2,279,702	2,205,590			2,279,702	2,205,590
Unallocated Benefits	8,599,819	9,433,622			8,599,819	9,433,622
Food Service			1,784,140	1,798,808	1,784,140	1,798,808
After School Program			283,817	342,275	283,817	342,275
Charter Schools	23,013	18,992			23,013	18,992
Interest on Long-Term Debt	24,010	42,375			24,010	42,375
Unallocated Depreciation	394,086	263,594			394,086	263,594
Capital Outlay - Nondepreciable	<u>704,826</u>	<u>497,034</u>			<u>704,826</u>	<u>497,034</u>
Total Expenses and Transfers	<u>62,331,848</u>	<u>63,910,612</u>	<u>2,067,957</u>	<u>2,141,083</u>	<u>64,399,805</u>	<u>66,051,695</u>
Increase or (Decrease) in						
Net Position	<u>951,338</u>	<u>311,227</u>	<u>78,375</u>	<u>50,032</u>	<u>1,029,713</u>	<u>361,259</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$64,399,805. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$34,574,213 because some of the cost was paid by those who benefitted from the programs \$890,291, by other governments and organizations who subsidized certain programs with grants and contributions \$3,339,763, unrestricted federal and state aid \$17,092,170, local aid capital outlay \$20,584, tuition received \$8,482,342, and by miscellaneous sources \$1,030,155.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2019, 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 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$44,107,294	74.5%	\$1,656,725	3.90%	\$42,450,569
State Source	13,136,750	22.2%	2,328,263	21.54%	10,808,487
Federal Source	<u>1,998,131</u>	<u>3.3%</u>	<u>184,292</u>	10.16%	<u>1,813,839</u>
Total	<u>\$59,242,175</u>	<u>100.0%</u>	<u>\$4,169,280</u>	7.57%%	<u>\$55,072,895</u>
			<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>			
Current Expenditures:					
Instruction	\$24,237,155	40.4%	\$1,271,802	5.54%	\$22,965,353
Undistributed	32,759,068	54.6%	1,976,701	6.42%	30,782,367
Debt Service	398,250	0.7%	(8,250)	(2.03)%	406,500
Capital Outlay	<u>2,597,492</u>	<u>4.3%</u>	<u>838,391</u>	47.66%%	<u>1,759,101</u>
Total	<u>\$59,991,965</u>	<u>100.0%</u>	<u>\$4,078,644</u>	7.29%	<u>\$55,913,321</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, 2019  
(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, 2019, the School District amended the general fund by \$836,541 and the special revenue fund by \$1,083,411 for increases in local and federal, and decreases in state grants.

**General Fund**

The general fund actual revenue was \$56,745,408 including capital leases and transfers. That amount is \$7,358,609 above the final amended budget of \$49,386,799. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$7,296,800 for TPAF pension and social security reimbursements, an excess in other state and federal aid of \$148,874, a \$(230,009) deficit in miscellaneous anticipated revenues, and \$142,944 of non-budgeted capital leases.

The actual expenditures of the general fund were \$57,489,409 including transfers which is \$4,130,973 above the final amended budget of \$53,358,436. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$7,296,800 for TPAF pension and social security reimbursements, and \$3,165,827 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$56,745,408 and total expenditures of \$57,489,409 and an ending fund balance of \$8,044,880 on the budgetary basis of accounting.

**Special Revenue Fund**

The special revenue fund actual revenue was \$2,322,788. That amount is \$232,403 below the final amended budget of \$2,555,191. 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 \$2,322,788, which is \$232,403 below the final amended budget of \$2,555,191. 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, 2019  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2019 the School District had \$22,484,991 invested in sites, buildings, equipment and construction in progress. Of this amount \$12,076,295 in depreciation has been taken over the years. We currently have a net book value of \$10,408,696. Total additions for the year were \$1,982,736, 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 2019 balances compared to 2018.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Buildings and Improvements	8,831,529	7,547,378			8,831,529	7,547,378
Furniture, Equipment and Vehicles	538,429	457,762	\$107,659	\$36,946	646,088	494,708
Land Improvements	<u>742,411</u>	<u>751,520</u>	<u>          </u>	<u>          </u>	<u>742,411</u>	<u>751,520</u>
	<u>\$10,301,037</u>	<u>\$8,945,328</u>	<u>\$107,659</u>	<u>\$36,946</u>	<u>\$10,408,696</u>	<u>\$8,982,274</u>

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

**Debt Administration**

At June 30, 2019, the District had \$11,314,310 of outstanding debt. Of this amount, \$825,950 is for compensated absences; \$380,000 of serial bonds for school construction and related refunding costs; \$177,253 for obligations under capital lease; and \$9,931,107 for net pension liability.

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

	<u>2019</u>	<u>2018</u>
2001 School Improvement Bonds	<u>\$380,000</u>	<u>\$750,000</u>



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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 2019-2020 school year that is higher than the level of the 2018-2019 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2019-2020 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, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	1,760,178	139,463	1,899,641
Receivables, net	2,272,600	89,352	2,361,952
Internal balances	43,968	(43,968)	-
Inventory		7,798	7,798
Restricted assets:			
Capital reserve account - cash	4,218,883		4,218,883
Capital assets:			
Land and construction in progress	188,668		188,668
Other capital assets, net	10,112,369	107,659	10,220,028
Total Assets	<u>18,596,666</u>	<u>300,304</u>	<u>18,896,970</u>
Deferred Outflow of Resources:			
Deferred Outflows of Resources Related to PERS	<u>2,641,063</u>		<u>2,641,063</u>
Total Deferred Outflows	<u>2,641,063</u>	-	<u>2,641,063</u>
	<u>21,237,729</u>	<u>300,304</u>	<u>21,538,033</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,066,923	6,744	1,073,667
Unearned revenue	84,734		84,734
Noncurrent liabilities:			
Due within one year	429,817		429,817
Due beyond one year	10,884,493		10,884,493
Total liabilities	<u>12,465,967</u>	<u>6,744</u>	<u>12,472,711</u>
Deferred Inflow of Resources:			
Unamortized Bond Premium	20,208		20,208
Deferred Inflows of Resources Related to PERS	<u>3,997,460</u>		<u>3,997,460</u>
Total Deferred Inflows	<u>4,017,668</u>	-	<u>4,017,668</u>
	<u>16,483,635</u>	<u>6,744</u>	<u>16,490,379</u>
<b>NET POSITION</b>			
Invested in capital assets	9,723,576	107,659	9,831,235
Restricted for:			
Capital projects	4,218,883		4,218,883
Debt service	1		1
Other purposes	2,696,276		2,696,276
Unrestricted (Deficit)	<u>(11,884,642)</u>	<u>185,901</u>	<u>(11,698,741)</u>
Total net position	<u>4,754,094</u>	<u>293,560</u>	<u>5,047,654</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, 2019**

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	15,440,063	5,592,571			(21,032,634)		(21,032,634)
Special education	6,761,879	1,887,945		2,061,344	(6,588,480)		(6,588,480)
Other special instruction	1,189,686	476,827			(1,666,513)		(1,666,513)
Other instruction	772,946	219,786			(992,732)		(992,732)
Support services:							
Tuition	3,278,780				(3,278,780)		(3,278,780)
Health Services	398,726	154,400			(553,126)		(553,126)
Student & instruction related services	4,948,947	1,080,176		224,558	(5,804,565)		(5,804,565)
School administrative services	1,601,511	634,863			(2,236,374)		(2,236,374)
General administrative services	1,191,972	122,054			(1,314,026)		(1,314,026)
Central services and administrative information technology	1,011,384	288,379			(1,299,763)		(1,299,763)
Plant operations and maintenance	2,724,116	529,381			(3,253,497)		(3,253,497)
Pupil transportation	1,763,500	516,202			(2,279,702)		(2,279,702)
Unallocated benefits	8,599,819				(8,599,819)		(8,599,819)
Charter Schools	23,013				(23,013)		(23,013)
Capital outlay - non-depreciable	704,826				(704,826)		(704,826)
Interest on long-term debt	24,010				(24,010)		(24,010)
Unallocated depreciation/amortization	394,086				(394,086)		(394,086)
Total governmental activities	50,829,264	11,502,584	-	2,285,902	(60,045,946)	-	(60,045,946)
Business-type activities:							
Food Service	1,784,140		604,414	1,053,861		(125,865)	(125,865)
After School Program	283,817		285,877			2,060	2,060
Total business-type activities	2,067,957		890,291	1,053,861		(123,805)	(123,805)
Total primary government	52,897,221		890,291	3,339,763	(60,045,946)	(123,805)	(60,169,751)
General revenues:							
Taxes:							
Levied for general purposes					34,180,255		34,180,255
Taxes levied for debt service					393,958		393,958
Federal and State aid not restricted					17,092,170		17,092,170
Local aid - Capital Outlay					20,584		20,584
Tuition received					8,482,342		8,482,342
Miscellaneous Income					1,030,155		1,030,155
Transfers					(202,180)	202,180	-
Total general revenues, special items, extraordinary items and transfers					60,997,284	202,180	61,199,464
Change in Net Position					951,338	78,375	1,029,713
Net Position—beginning					3,802,756	215,185	4,017,941
Net Position—ending					4,754,094	293,560	5,047,654

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, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents				
Checking	1,755,980		4,198	1,760,178
Accounts Receivable -				
Interfunds	195,865	33,995		229,860
Intergovernmental - State	716,227	27,990		744,217
Intergovernmental - Federal		138,992		138,992
Intergovernmental - Other	1,389,391			1,389,391
Restricted cash and cash equivalents				
Capital reserve	<u>4,218,883</u>			<u>4,218,883</u>
Total assets	<u>8,276,346</u>	<u>200,977</u>	<u>4,198</u>	<u>8,481,521</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	555,014	15,085		570,099
Interfund payables		185,892		185,892
Unearned revenue	<u>80,537</u>		<u>4,197</u>	<u>84,734</u>
Total liabilities	<u>635,551</u>	<u>200,977</u>	<u>4,197</u>	<u>840,725</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,032,920			1,032,920
Excess Surplus - prior year - designated for subsequent year's expenditures	1,029,797			1,029,797
Capital reserve account	4,218,883			4,218,883
Assigned to:				
Year-end Encumbrances	567,532			567,532
Designated by the BOE for subsequent year's expenditures	66,027			66,027
Debt service fund			1	1
Unassigned:				
General Fund	<u>725,636</u>			<u>725,636</u>
Total Fund balances	<u>7,640,795</u>	<u>-</u>	<u>1</u>	<u>7,640,796</u>
Total liabilities and fund balances	<u>8,276,346</u>	<u>200,977</u>	<u>4,198</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 \$22,202,275 and the accumulated depreciation is \$11,901,238	10,301,037
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	(4,354)
Accounts payable for subsequent Pension payment is not a payable in the funds	(492,470)
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 \$181,858.	(20,208)
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	2,641,063
Deferred inflows of resources related to PERS Pension Liability	(3,997,460)
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>(11,314,310)</u>
Net position of governmental activities	<u>4,754,094</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, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Municipal tax levy	34,180,255		393,958	34,574,213
Tuition charges	8,482,342			8,482,342
Miscellaneous	1,030,155	20,584		1,050,739
Total - Local Sources	43,692,752	20,584	393,958	44,107,294
State sources	12,706,443	426,015	4,292	13,136,750
Federal sources	138,244	1,859,887		1,998,131
Total revenues	56,537,439	2,306,486	398,250	59,242,175
<b>EXPENDITURES</b>				
Current:				
Regular instruction	15,512,644			15,512,644
Special education instruction	4,700,535	2,061,344		6,761,879
Other special instruction	1,189,686			1,189,686
School sponsored/other instructional	772,946			772,946
Support services and undistributed costs:				
Tuition	3,278,780			3,278,780
Health services	398,726			398,726
Student & instruction related services	4,703,016	224,558		4,927,574
School administrative services	1,595,082			1,595,082
General administrative services	1,191,972			1,191,972
Central services & administrative information technology	1,011,384			1,011,384
Plant operations and maintenance	2,713,087			2,713,087
Pupil transportation	1,718,499			1,718,499
Unallocated benefits	8,604,151			8,604,151
On-behalf contributions	7,296,800			7,296,800
Transfer to Charter Schools	23,013			23,013
Debt service:				
Principal			370,000	370,000
Interest and other charges			28,250	28,250
Capital outlay	2,576,908	20,584		2,597,492
Total expenditures	57,287,229	2,306,486	398,250	59,991,965
Excess (Deficiency) of revenues	(749,790)	-	-	(749,790)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(202,180)			(202,180)
Capital Leases (non-budgeted)	142,944			142,944
Total other financing sources and uses	(59,236)	-	-	(59,236)
Net change in fund balances	(809,026)	-	-	(809,026)
Fund balance—July 1	8,449,821	-	1	8,449,822
Fund balance—June 30	7,640,795	-	1	7,640,796

**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, 2019**

**Total net change in fund balances - governmental funds (from B-2)** (809,026)

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	(536,957)	
	Asset retired prior to full depreciation	(300)	
	Depreciable Capital outlays	<u>1,892,966</u>	1,355,709

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	370,000	
	Capital Lease Obligations	<u>111,413</u>	481,413

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 (142,944)

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	8,594	
	General Bond Obligations	<u>(4,354)</u>	4,240

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

Increase in compensated absences payable (67,643)

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	501,701	
	Less: Pension Expense	<u>(392,319)</u>	109,382

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	2,898,433	
	Increase in On-behalf TPAF Pension Expense	<u>(2,898,433)</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		20,207
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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	1,344,758	
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(1,344,758)</u>	

**Change in net position of governmental activities** 951,338

**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, 2019**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	81,386	58,077	139,463
Accounts receivable:			
State	921		921
Federal	88,431		88,431
Inventories	7,798		7,798
Total current assets	178,536	58,077	236,613
Noncurrent assets:			
Capital assets:			
Equipment	282,716		282,716
Less accumulated depreciation	(175,057)		(175,057)
Total capital assets (net of accumulated depreciation)	107,659		107,659
Total assets	286,195	58,077	344,272
Current Liabilities:			
Interfunds Payable	33,995	9,973	43,968
Accounts Payable	6,744		6,744
Total Liabilities	40,739	9,973	50,712
<b>NET POSITION</b>			
Invested in capital assets	107,659		107,659
Unrestricted	137,797	48,104	185,901
Total net position	245,456	48,104	293,560

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	597,915		597,915
Daily sales - non-reimbursable programs	6,499		6,499
Program Fees		285,877	285,877
Total operating revenues	<u>604,414</u>	<u>285,877</u>	<u>890,291</u>
Operating expenses:			
Cost of food - reimbursable programs	556,025		556,025
Cost of food - non-reimbursable programs	115,251		115,251
Salaries	713,784	251,509	965,293
Employee benefits	221,127	19,241	240,368
Supplies and materials	46,577	13,067	59,644
Purchased services	96,735		96,735
Depreciation expense	13,909		13,909
Repairs and other expenses	20,732		20,732
Total Operating Expenses	<u>1,784,140</u>	<u>283,817</u>	<u>2,067,957</u>
Operating income (loss)	<u>(1,179,726)</u>	<u>2,060</u>	<u>(1,177,666)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	15,804		15,804
Federal sources:			
National school lunch program	729,448		729,448
Snack program	53,142		53,142
Breakfast program	115,710		115,710
U.S.D.A. Equipment Grant	40,894		40,894
U.S.D.A. Commodities	98,583		98,583
Miscellaneous	280		280
Total nonoperating revenues (expenses)	<u>1,053,861</u>		<u>1,053,861</u>
Income (loss) before contributions & transfers	<u>(125,865)</u>	<u>2,060</u>	<u>(123,805)</u>
Other financing sources/(uses):			
Transfer In	202,180		202,180
Change in net assets	76,315	2,060	78,375
Total net position—beginning	<u>169,141</u>	<u>46,044</u>	<u>215,185</u>
Total net position—ending	<u>245,456</u>	<u>48,104</u>	<u>293,560</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, 2019**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	604,414	306,508	910,922
Payments to suppliers	<u>(1,629,825)</u>	<u>(283,817)</u>	<u>(1,913,642)</u>
Net cash provided by (used for) operating activities	<u>(1,025,411)</u>	<u>22,691</u>	<u>(1,002,720)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	15,785		15,785
Federal Sources	895,283		895,283
Miscellaneous	280		280
Board Contribution	202,180		202,180
Interfunds		9,973	9,973
Net cash provided by (used for) non-capital financing activities	<u>1,113,528</u>	<u>9,973</u>	<u>1,123,501</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	<u>(89,770)</u>		<u>(89,770)</u>
Net cash provided by (used for) capital and related financing activities	<u>(89,770)</u>		<u>(89,770)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,653)</u>	<u>32,664</u>	<u>31,011</u>
Balances—beginning of year	<u>83,039</u>	<u>25,413</u>	<u>108,452</u>
Balances—end of year	<u>81,386</u>	<u>58,077</u>	<u>139,463</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(1,179,726)	2,060	(1,177,666)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	13,909		13,909
Assets retired prior to full depreciation	5,148		5,148
Food Distribution Program	98,583		98,583
USDA Equipment Grant	40,895		40,895
(Increase) decrease in accounts receivable		20,631	20,631
(Increase) decrease in inventories	(720)		(720)
Increase (decrease) in accounts payable	(3,500)		(3,500)
Total adjustments	<u>(1,025,411)</u>	<u>22,691</u>	<u>(1,002,720)</u>
Net cash provided by (used for) operating activities	<u>(1,025,411)</u>	<u>22,691</u>	<u>(1,002,720)</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, 2019**

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	365,596	645,459
Total assets	<u>365,596</u>	<u>645,459</u>
<b>LIABILITIES</b>		
Payable to student groups		158,332
Due to State - Unemployment	965	
Payroll deductions and withholdings		487,127
Total liabilities	<u>965</u>	<u>645,459</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>364,631</u>	
	<u>364,631</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, 2019**

	<u><b>Unemployment Compensation Trust Fund</b></u>
<b>ADDITIONS</b>	
Contributions:	
Payroll withholdings	49,630
Total Contributions	<u>49,630</u>
 <b>DEDUCTIONS</b>	
Unemployment Claims	<u>37,202</u>
Total deductions	<u>37,202</u>
Change in net position	12,428
Net position—beginning of the year	<u>352,203</u>
Net position—end of the year	<u><u>364,631</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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 Pre-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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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 \$836,541 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, 2019**

**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, 2019**

**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, 2019, 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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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 two items that qualify in this category, deferred amounts related to pension and unamortized bond premiums.

**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, 2019**

**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, 2019**

**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. New Accounting Standards:**

During fiscal year 2019, the District adopted the following GASB Statements:

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.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

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.

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.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction.* The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

**X. New Accounting Standards: (continued)**

GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

**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, 2019, \$-0- of the District’s bank balance of \$8,802,843 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**NOTE 3. RECEIVABLES:**

Receivables at June 30, 2019, 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	\$229,860	\$	\$
State Aid	744,217	921	745,138
Federal Aid	138,992	88,431	227,423
Other	<u>1,389,391</u>	<u>          </u>	<u>1,389,391</u>
Gross Receivables	2,502,460	89,352	2,361,952
Less: Allowance for Uncollectibles	<u>          </u>	<u>          </u>	<u>          </u>
Total Receivables, Net	<u>\$2,502,460</u>	<u>\$89,352</u>	<u>\$2,361,952</u>

**NOTE 4. INTERFUND BALANCE AND ACTIVITY:**

Balances due to/from other funds at June 30, 2019 consist of the following:

\$185,892	Due to the General Fund from the Special Revenue Fund for short term loans.
33,995	Due to the Special Revenue Fund from the Food Service Program for USDA Equipment Grant activity.
<u>9,973</u>	Due to the General Fund from the After School Program for expense reimbursement.
<u>\$229,860</u>	

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 4. INTERFUND BALANCE AND ACTIVITY: (continued)**

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

Interfund transfers for the year ended June 30, 2019 consisted of the following:

\$202,180      Transfer from the General Fund to the Food Service Fund for expense reimbursement.

**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
<b>Governmental Activities</b>				
Capital assets that are not being depreciated:				
Land	\$188,668	\$	\$	\$188,668
Construction in progress	_____	_____	_____	_____
Total capital assets not being depreciated	<u>188,668</u>	_____	_____	<u>188,668</u>
Building and building improvements	15,607,358	1,689,335		17,296,693
Machinery and equipment	2,424,361	203,631	(27,270)	2,600,722
Land Improvements	<u>2,116,192</u>	_____	_____	<u>2,116,192</u>
Totals at historical cost	<u>20,147,911</u>	<u>1,892,966</u>	<u>(27,270)</u>	<u>22,013,607</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,059,980)	(405,184)		(8,465,164)
Machinery and Equipment	(1,966,599)	(122,664)	26,970	(2,062,293)
Land Improvements	<u>(1,364,672)</u>	<u>(9,109)</u>	_____	<u>(1,373,781)</u>
Total accumulated depreciation	<u>(11,391,251)</u>	<u>(536,957)</u>	<u>26,970</u>	<u>(11,901,238)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>8,756,660</u>	<u>1,356,009</u>	<u>(300)</u>	<u>10,112,369</u>
Governmental activities capital assets, net	<u>\$8,945,328</u>	<u>\$1,356,009</u>	<u>(\$300)</u>	<u>\$10,301,037</u>



**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**NOTE 5. CAPITAL ASSETS: (continued)**

	<u>Balance</u> <u>6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>
Business-type activities:				
Equipment	\$247,283	\$89,770	(\$54,337)	\$282,716
Less accumulated depreciation for:				
Equipment	<u>(210,337)</u>	<u>(13,909)</u>	<u>49,189</u>	<u>(175,057)</u>
Business-type activities capital assets, net	<u>\$36,946</u>	<u>\$75,861</u>	<u>(\$5,148)</u>	<u>\$107,659</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$38,832
Support Service:	
Student & Instruction Related Services	21,373
School Administration	6,429
Operations and Maintenance	11,029
Student Transportation	45,001
Unallocated Depreciation	405,184
Land Improvements	<u>9,109</u>
Total Depreciation Expense	<u>\$536,957</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, 2019**

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

Changes in long-term obligations for the fiscal year ended June 30, 2019 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	\$750,000	\$	\$(370,000)	\$380,000	\$380,000
Total Bonds Payable	<u>750,000</u>	<u>          </u>	<u>(370,000)</u>	<u>380,000</u>	<u>380,000</u>
Other Liabilities:					
Net Pension Liability PERS	11,348,782		(1,417,675)	9,931,107	
Obligations Under Capital Lease	145,722	142,944	(111,413)	177,253	49,817
Compensated Absences Payable	<u>758,307</u>	<u>174,619</u>	<u>(106,976)</u>	<u>825,950</u>	<u>          </u>
Total Other Liabilities	<u>12,252,811</u>	<u>317,563</u>	<u>(1,636,064)</u>	<u>10,934,310</u>	<u>49,817</u>
	<u>\$13,002,811</u>	<u>\$317,563</u>	<u>(\$2,006,064)</u>	<u>\$11,314,310</u>	<u>\$429,817</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, 2019, 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, 2019</u>
School Refunding Bonds 2006	\$3,680,000	08/15/2006	3.50%-5.00%	07/15/2019	<u>\$380,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	<u>\$389,500</u>	<u>\$380,000</u>	<u>\$9,500</u>
	<u>\$389,500</u>	<u>\$380,000</u>	<u>\$9,500</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)**

**B. Bonds Authorized But Not Issued:**

As of June 30, 2019, the Board has no authorized but not issued bonds.

**C. Capital Leases:**

The District has entered into three lease purchase agreements for Chromebooks expiring on June 30, 2019, July 29, 2020 and August 31, 2021. There is also a lease for Desktop Computers which will expire August 21, 2021. 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, 2019:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$52,963	\$49,817	\$3,146
2021	87,352	79,820	7,532
2022	<u>49,817</u>	<u>47,616</u>	<u>2,201</u>
	<u>\$190,132</u>	<u>\$177,253</u>	<u>\$12,879</u>

Total minimum lease payments	\$190,132
Less: Amount representing interest	<u>(12,879)</u>
Present value of lease payments	<u>\$177,253</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 2025. Total operating lease payments made during the year ended June 30, 2019 were \$326,363. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$702,168
2021	772,624
2022	623,724
2023	559,979
2024	470,736
2025	<u>78,456</u>
	<u>\$3,207,687</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**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 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](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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS: (continued)**

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

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

**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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS: (continued)**

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

**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.

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>		
6/30/19	\$501,701	\$ -0-
6/30/18	451,639	-0-
6/30/17	457,527	-0-

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS: (continued)**

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:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Liability</u>
6/30/19	\$3,844,821	\$1,780,511	\$80,482	\$5,678
6/30/18	2,709,564	1,792,520	65,754	5,585
6/30/17	2,027,400	1,750,492	73,457	5,428

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 \$1,585,308 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

**Public Employees Retirement System (PERS)**

At June 30, 2019, the District had a liability of \$9,931,107 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the District's proportion was 0.0504385900 percent, which was a decrease of 0.00168618 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$392,319. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS: (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$189,388	\$51,208
Changes of assumptions	1,636,482	3,175,440
Net difference between projected and actual earnings on pension plan investments		93,154
Changes in proportion and differences between District contributions and proportionate share of contributions	322,723	677,658
District contributions subsequent to the measurement date	<u>492,470</u>	<u>                    </u>
Total	<u>\$2,641,063</u>	<u>\$3,997,460</u>

The \$492,470 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$68,027
2020	(95,430)
2021	(684,313)
2022	(593,174)
2023	(189,942)

**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 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.



**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS: (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's Proportion	0.0504385900%	0.048752088%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. 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

The actuarial assumptions used in the June 30, 2017 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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS: (continued)**

**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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2018) 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, 2018 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, 2019**

**NOTE 8. PENSION PLANS: (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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  
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**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, 2018, 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, 2018</u>		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$12,487,223	\$9,931,107	\$7,786,689

**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](http://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, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>117,052,228</u>
	<u>\$117,052,228</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS: (continued)**

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2018, the proportion of the TPAF net pension liability associated with the District was 0.1839927387%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$6,823,736 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases:	
2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS: (continued)**

**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, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
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 4.86% and 4.25% as of June 30, 2018 and 2017, 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 3.87% and 3.58% as of June 30, 2018 and 2017, 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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS: (continued)**

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 50% 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 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.

**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**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS: (continued)**

payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

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, 2019 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>67,464,271</u>
	<u>\$67,464,271</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2018 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:



**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS: (continued)**

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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:

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

Preretirement mortality rates were based on the RP-2006 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-2006 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-2006 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, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**(a) Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS: (continued)**

**(b) *Discount Rate***

The discount rate for June 30, 2018 was 3.87%. 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.

***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, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of \$3,125,269 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, 2019**

**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>
2018-2019	\$ -0-	\$49,630	\$37,202	\$364,631
2017-2018	-0-	47,306	46,910	352,203
2016-2017	-0-	44,954	119,398	351,807

**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 \$4,218,883 in the capital reserve account at June 30, 2019.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$4,868,222
Increased by:	
Interest Earnings	13,606
Capital Outlay Unexpended Appropriations	37,055
Board Resolution - June 19, 2019	<u>1,500,000</u>
Decreased by:	
Budget Appropriations	<u>(2,200,000)</u>
Ending balance, June 30, 2019	<u><u>\$4,218,883</u></u>

**NOTE 13. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$7,640,795 General Fund fund balance at June 30, 2019, \$567,532 is reserved for encumbrances; \$2,062,717 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$1,029,797 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$4,218,883 has been reserved in the Capital Reserve Account; \$66,027 has been reserved for subsequent year's expenditures and \$725,636 is unreserved and undesignated.

**Debt Service Fund** - The Debt Service Fund balance at June 30, 2019 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, 2019**

**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, 2019 is \$2,062,717 of which \$1,032,920 is the result of current year operations.

**NOTE 15. INVENTORY:**

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$5,331
Supplies	<u>2,467</u>
	<u>\$7,798</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 November 4, 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, 2019**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	34,180,255		34,180,255	34,180,255	
Tuition	8,496,271		8,496,271	8,482,342	(13,929)
Transportation Fees from Other LEAs	933,215		933,215	770,363	(162,852)
Interest Earned on Capital Reserve Funds	1,000		1,000	13,606	12,606
Unrestricted Miscellaneous Revenues	<u>312,020</u>		<u>312,020</u>	<u>246,186</u>	<u>(65,834)</u>
<b>Total - Local Sources</b>	<u>43,922,761</u>		<u>43,922,761</u>	<u>43,692,752</u>	<u>(230,009)</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,378,925	544,166	1,923,091	1,923,091	
Equalization Aid	1,769,000		1,769,000	1,769,000	
Categorical Security Aid	633,832	292,376	926,208	926,208	
Categorical Transportation Aid	323,598		323,598	323,598	
Extraordinary Aid	400,000		400,000	532,771	132,771
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,780,511	1,780,511
On-behalf TPAF Pension (non-budgeted)				3,844,821	3,844,821
On-behalf TPAF NCGI Premium (non-budgeted)				80,482	80,482
On-behalf TPAF LTDI				5,678	5,678
Reimbursed TPAF Social Security Contributions (non-budgeted)				<u>1,585,308</u>	<u>1,585,308</u>
<b>Total - State Sources</b>	<u>4,505,355</u>	<u>836,542</u>	<u>5,341,897</u>	<u>12,771,468</u>	<u>7,429,571</u>
Medicaid Administrative Claiming (MAC)				23,686	23,686
Special Education Medicaid Initiative	<u>122,142</u>	<u>(1)</u>	<u>122,141</u>	<u>114,558</u>	<u>(7,583)</u>
<b>Total - Federal Sources</b>	<u>122,142</u>	<u>(1)</u>	<u>122,141</u>	<u>138,244</u>	<u>16,103</u>
<b>TOTAL REVENUES</b>	<u>48,550,258</u>	<u>836,541</u>	<u>49,386,799</u>	<u>56,602,464</u>	<u>7,215,665</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	750,931	(87,246)	663,685	663,685	
Grades 1-5 - Salaries of Teachers	4,156,597	(62,995)	4,093,602	4,093,602	
Grades 6-8 - Salaries of Teachers	2,693,315	(197,480)	2,495,835	2,495,835	
Grades 9-12 - Salaries of Teachers	6,140,977	164,475	6,305,452	6,305,452	
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	91,700	(54,245)	37,455	37,455	
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	238,732	89,409	328,141	328,141	
Other Purchased Services (400-500 series)	615,420	54,217	669,637	627,989	41,648
General Supplies	466,693	(16,478)	450,215	310,798	139,417
Textbooks	179,642	209,827	389,469	342,796	46,673
Other Objects	<u>366,762</u>	<u>24,948</u>	<u>391,710</u>	<u>306,891</u>	<u>84,819</u>
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>15,700,769</u>	<u>124,432</u>	<u>15,825,201</u>	<u>15,512,644</u>	<u>312,557</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	849,747	(47,242)	802,505	802,505	
Other Salaries for Instruction	392,785	(36,034)	356,751	356,751	
<b>Total Learning and/or Language Disabilities</b>	<u>1,242,532</u>	<u>(83,276)</u>	<u>1,159,256</u>	<u>1,159,256</u>	
<b>Behavioral Disabilities</b>					
Salaries of Teachers	125,080	6,093	131,173	131,173	
Other Salaries for Instruction	51,025	(11,646)	39,379	39,379	
<b>Total Behavioral Disabilities</b>	<u>176,105</u>	<u>(5,553)</u>	<u>170,552</u>	<u>170,552</u>	
<b>Multiple Disabilities</b>					
Salaries of Teachers	244,853	(2,573)	242,280	242,280	
Other Salaries for Instruction	119,331	(13,070)	106,261	106,261	
<b>Total Multiple Disabilities</b>	<u>364,184</u>	<u>(15,643)</u>	<u>348,541</u>	<u>348,541</u>	
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,184,772	240,819	1,425,591	1,425,591	
Other Salaries for Instruction	380,526	19,622	400,148	400,148	
General Supplies	250		250		250
<b>Total Resource Room/Resource Center</b>	<u>1,565,548</u>	<u>260,441</u>	<u>1,825,989</u>	<u>1,825,739</u>	<u>250</u>
<b>Autism</b>					
Salaries of Teachers	314,890	(41,792)	273,098	273,098	
Other Salaries for Instruction	284,031	55,251	339,282	339,282	
<b>Total Autism</b>	<u>598,921</u>	<u>13,459</u>	<u>612,380</u>	<u>612,380</u>	



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	372,321	15,876	388,197	388,197	
Other Salaries for Instruction	310,341	(114,471)	195,870	195,870	
<b>Total Preschool Disabilities - Full-Time</b>	<u>682,662</u>	<u>(98,595)</u>	<u>584,067</u>	<u>584,067</u>	
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>4,629,952</u>	<u>70,833</u>	<u>4,700,785</u>	<u>4,700,535</u>	<u>250</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	1,139,881	47,305	1,187,186	1,187,186	
General Supplies	2,500		2,500	2,500	
<b>Total Bilingual Education - Instruction</b>	<u>1,142,381</u>	<u>47,305</u>	<u>1,189,686</u>	<u>1,189,686</u>	
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	194,425	(24,875)	169,550	169,550	
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>194,425</u>	<u>(24,875)</u>	<u>169,550</u>	<u>169,550</u>	
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	335,300	42,366	377,666	377,666	
Purchased Services (300-500 series)	15,000	15,000	30,000	30,000	
Supplies and Materials	155,000	(10,300)	144,700	135,730	8,970
Transfers to Cover Deficit (Agency Funds)	75,000		75,000	60,000	15,000
<b>Total School-Sponsored Athletics - Instruction</b>	<u>580,300</u>	<u>47,066</u>	<u>627,366</u>	<u>603,396</u>	<u>23,970</u>
<b>TOTAL INSTRUCTION</b>	<u>22,247,827</u>	<u>264,761</u>	<u>22,512,588</u>	<u>22,175,811</u>	<u>336,777</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Special	790,319	(5)	790,314	586,806	203,508
Tuition to County Voc. School Dist. - Regular	518,238		518,238	351,712	166,526
Tuition to County Voc. School Dist. - Special	257,847		257,847	142,764	115,083
Tuition to CSSD & Regional Day Schools	1,205,571	195,495	1,401,066	1,050,628	350,438
Tuition to Private Schools for the Handicapped - Within State	1,221,149	30,369	1,251,518	1,146,870	104,648
<b>Total Undistributed Expenditures - Instruction:</b>	<u>3,993,124</u>	<u>225,859</u>	<u>4,218,983</u>	<u>3,278,780</u>	<u>940,203</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	380,148	4,272	384,420	384,420	
Other Purchased Services (400-500 series)	12,725		12,725	1,188	11,537
Supplies and Materials	18,300		18,300	13,118	5,182
<b>Total Undistributed Expenditures - Health Services</b>	<u>411,173</u>	<u>4,272</u>	<u>415,445</u>	<u>398,726</u>	<u>16,719</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Svcs.</b>					
Salaries	408,639	4,796	413,435	413,435	
Purchased Prof. Services-Educational Services	949,509	233,537	1,183,046	1,028,308	154,738
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Svcs</b>	<u>1,358,148</u>	<u>238,333</u>	<u>1,596,481</u>	<u>1,441,743</u>	<u>154,738</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Extra Serv.</b>					
Purchased Prof. Services-Educational Services	359,169	1,915	361,084	281,439	79,645
<b>Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.</b>	<u>359,169</u>	<u>1,915</u>	<u>361,084</u>	<u>281,439</u>	<u>79,645</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	994,055	(112,005)	882,050	882,050	
Salaries of Secretarial and Clerical Assistants	81,252	(4,594)	76,658	76,658	
<b>Total Undist. Expend. - Guidance</b>	<u>1,075,307</u>	<u>(116,599)</u>	<u>958,708</u>	<u>958,708</u>	
<b>Undist. Expend. - Other Supp. Child Study Teams</b>					
Salaries of Other Professional Staff	930,995	11,455	942,450	942,450	
Salaries of Secretarial and Clerical Assistants	103,435	(232)	103,203	103,203	
Other Purchased Professional and Technical Services	796,193		796,193	624,208	171,985
<b>Total Undist. Expend. - Other Supp. Serv. Child Study Teams</b>	<u>1,830,623</u>	<u>11,223</u>	<u>1,841,846</u>	<u>1,669,861</u>	<u>171,985</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	211,576	60,009	271,585	271,585	
Supplies and Materials	38,000		38,000	36,676	1,324
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>249,576</u>	<u>60,009</u>	<u>309,585</u>	<u>308,261</u>	<u>1,324</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	37,967		37,967	20,937	17,030
Other Purchased Services (400-500 series)	19,995	4,947	24,942	22,067	2,875
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>57,962</u>	<u>4,947</u>	<u>62,909</u>	<u>43,004</u>	<u>19,905</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	298,472	5,413	303,885	303,885	
Legal Services	120,000	(1,947)	118,053	80,885	37,168
Audit Fees	94,550		94,550	43,850	50,700
Other Purchased Professional Services	61,500	17,490	78,990	78,899	91
Purchased Technical Services	41,850	(7,992)	33,858	23,163	10,695
Communications/Telephone	116,005	(28,181)	87,824	77,782	10,042
Other Purch Services (400-500 Series)	468,027	14,718	482,745	478,260	4,485
General Supplies	11,700	(20)	11,680	11,680	
Judgements against the School District	42,500	10,425	52,925	52,925	
Misc. Expenditures	75,555	(14,853)	60,702	39,653	21,049
BOE Membership Dues and Fees	1,000		1,000	990	10
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>1,331,159</u>	<u>(4,947)</u>	<u>1,326,212</u>	<u>1,191,972</u>	<u>134,240</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	1,119,994	19,226	1,139,220	1,139,220	
Salaries of Secretarial and Clerical Assistants	427,327	14,111	441,438	441,438	
Other Objects	14,525		14,525	14,424	101
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>1,561,846</u>	<u>33,337</u>	<u>1,595,183</u>	<u>1,595,082</u>	<u>101</u>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	417,565	(105)	417,460	417,460	
Purchased Professional Services	51,500		51,500	51,489	11
Supplies and Materials	17,600	(1,402)	16,198	6,154	10,044
Other Objects	7,500	1,402	8,902	8,902	
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<u>494,165</u>	<u>(105)</u>	<u>494,060</u>	<u>484,005</u>	<u>10,055</u>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	302,831	(2,297)	300,534	300,534	
Supplies and Materials	80,000	32,020	112,020	111,541	479
Other Objects	175,450	17,980	193,430	115,304	78,126
<b>Information Technology</b>	<u>558,281</u>	<u>47,703</u>	<u>605,984</u>	<u>527,379</u>	<u>78,605</u>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Cleaning, Repair and Maintenance Services	327,277	(1,000)	326,277	265,532	60,745
General Supplies	79,500	(6,500)	73,000	13,230	59,770
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<u>406,777</u>	<u>(7,500)</u>	<u>399,277</u>	<u>278,762</u>	<u>120,515</u>
<b>Undist. Expend. - Custodial Services (262)</b>					
Salaries	1,224,026	94,005	1,318,031	1,318,031	
Unused Vacation Payment to Term/Retired Staff		2,553	2,553	415	2,138
Cleaning, Repair and Maintenance Services	124,005	12,103	136,108	136,108	
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	30,000	(4,867)	25,133		25,133
Insurance	94,573	7,636	102,209	99,049	3,160
General Supplies	247,133	34,518	281,651	264,496	17,155
Energy (Energy and Electricity)	353,710	(95,111)	258,599	171,294	87,305
Energy (Natural Gas)	280,599	50,250	330,849	229,523	101,326
<b>Total Undist. Expend. - Custodial Services</b>	<u>2,354,046</u>	<u>101,087</u>	<u>2,455,133</u>	<u>2,218,916</u>	<u>236,217</u>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds (263)</b>					
Cleaning, Repair and Maintenance Services	110,125		110,125	61,710	48,415
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<u>110,125</u>		<u>110,125</u>	<u>61,710</u>	<u>48,415</u>
<b>Undist. Expend. - Security</b>					
Purchased Professional and Technical Services	105,000	25,000	130,000	116,992	13,008
Cleaning, Repair and Maintenance Services	19,000		19,000	5,911	13,089
General Supplies	39,000	25,000	64,000	30,796	33,204
<b>Total Undist. Expend. - Security</b>	<u>163,000</u>	<u>50,000</u>	<u>213,000</u>	<u>153,699</u>	<u>59,301</u>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries of Non-Instructional Aides	413,622	107,631	521,253	521,253	
Salaries for Pupil Trans (Bet. Home & Sch. ) - Sp Ed	670,110	63,923	734,033	734,033	
Salaries for Pupil Trans (Other than Bet. Home & Sch. )	50,000	(20,065)	29,935	29,935	
Cleaning, Repair and Maintenance Services	255,200	(20,481)	234,719	234,609	110
Rental Payments - School Buses	500	10,050	10,550	10,550	
Contract Services (Sp. Ed. Students)-Joint Agreements	57,500	25,981	83,481	52,296	31,185
Misc. Purchased Services - Transportation	55,287		55,287	52,064	3,223
General Supplies	109,415	(9,374)	100,041	83,759	16,282
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>1,611,634</u>	<u>157,665</u>	<u>1,769,299</u>	<u>1,718,499</u>	<u>50,800</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	460,000	112,678	572,678	572,678	
T.P.A.F. Contributions - ERIP	187,000	33,500	220,500	220,500	
Other Retirement Contributions-PERS	538,157		538,157	504,611	33,546
Unemployment Compensation	10,000		10,000		10,000
Workmen's Compensation	434,690	93,405	528,095	504,762	23,333
Health Benefits	7,763,189	(502,534)	7,260,655	6,748,942	511,713
Tuition Reimbursements	50,000	(30,492)	19,508	19,508	
Other Employee Benefits	100,000	(78,200)	21,800		21,800
Unused Vacation Payment to Term/Retired Staff		33,150	33,150	33,150	
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>9,543,036</u>	<u>(338,493)</u>	<u>9,204,543</u>	<u>8,604,151</u>	<u>600,392</u>
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,780,511	(1,780,511)
On-behalf TPAF Pension (non-budgeted)				3,844,821	(3,844,821)
On-behalf TPAF NCGI Premium (non-budgeted)				80,482	(80,482)
On-behalf TPAD LTDI				5,678	(5,678)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,585,308	(1,585,308)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>7,296,800</u>	<u>(7,296,800)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>9,543,036</u>	<u>(338,493)</u>	<u>9,204,543</u>	<u>15,900,951</u>	<u>(6,696,408)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>27,469,151</u>	<u>468,706</u>	<u>27,937,857</u>	<u>32,511,497</u>	<u>(4,573,640)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>49,716,978</u>	<u>733,467</u>	<u>50,450,445</u>	<u>54,687,308</u>	<u>(4,236,863)</u>
<b>CAPITAL OUTLAY</b>					
<b>Undist. Expenditures:</b>					
Instruction	50,000	89,921	139,921	111,791	28,130
Care and Upkeep of Grounds		4,867	4,867	4,867	
School Buses-Special	130,000	562	130,562	130,277	285
<b>Total Undist. Expend.</b>	<u>180,000</u>	<u>95,350</u>	<u>275,350</u>	<u>246,935</u>	<u>28,415</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	168,261		168,261	130,346	37,915
Construction Services	2,174,566		2,174,566	2,042,908	131,658
Other Objects	10,000		10,000	6,974	3,026
Assessment for Debt Service on SDA Funding	6,801		6,801	6,801	
<b>Total Facilities Acquisition and Construction Services</b>	<u>2,359,628</u>		<u>2,359,628</u>	<u>2,187,029</u>	<u>172,599</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
Various Equipment				142,944	(142,944)
<b>Total Assets Acquired Under Capital Leases (non-budgeted)</b>				<u>142,944</u>	<u>(142,944)</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>2,539,628</u>	<u>95,350</u>	<u>2,634,978</u>	<u>2,576,908</u>	<u>58,070</u>
<b>Transfer of Funds to Charter Schools</b>	<u>15,289</u>	<u>7,724</u>	<u>23,013</u>	<u>23,013</u>	
<b>TOTAL EXPENDITURES</b>	<u>52,271,895</u>	<u>836,541</u>	<u>53,108,436</u>	<u>57,287,229</u>	<u>(4,178,793)</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>(3,721,637)</u>		<u>(3,721,637)</u>	<u>(684,765)</u>	<u>3,036,872</u>
<b>Other Financing Sources/(Uses):</b>					
Capital Leases (non-budgeted)				142,944	142,944
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(250,000)		(250,000)	(202,180)	47,820
<b>Total Other Financing Sources/(Uses):</b>	<u>(250,000)</u>		<u>(250,000)</u>	<u>(59,236)</u>	<u>190,764</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
<b>Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(3,971,637)</u>		<u>(3,971,637)</u>	<u>(744,001)</u>	<u>3,227,636</u>
<b>Fund Balance, July 1</b>	8,788,881		8,788,881	8,788,881	
<b>Fund Balance, June 30</b>	<u>4,817,244</u>		<u>4,817,244</u>	<u>8,044,880</u>	<u>3,227,636</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(499,489)		(499,489)	(499,489)	
<b>Increase in Capital Reserve:</b>					
Principal				1,537,055	1,537,055
Interest Deposit to Capital Reserve	1,000		1,000	13,606	12,606
Withdrawal from Capital Reserve	(2,200,000)		(2,200,000)	(2,200,000)	
<b>Budgeted Fund Balance</b>	<u>(1,273,148)</u>		<u>(1,273,148)</u>	<u>404,827</u>	<u>1,677,975</u>
	<u>(3,971,637)</u>		<u>(3,971,637)</u>	<u>(744,001)</u>	<u>3,227,636</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Legally Restricted - Excess Surplus				1,032,920	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				1,029,797	
Capital Reserve				4,218,883	
<b>Assigned Fund Balance:</b>					
Year-end Encumbrances				567,532	
Designated for Subsequent Year's Expenditures				66,027	
Unassigned Fund Balance				<u>1,129,721</u>	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				<u>8,044,880</u>	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>404,085</u>	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u><u>7,640,795</u></u>	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	13,478	7,106	20,584	20,584	-
State Sources	274,400	151,615	426,015	426,015	-
Federal Sources	1,183,902	924,690	2,108,592	1,876,189	(232,403)
<b>Total Revenues</b>	<b>1,471,780</b>	<b>1,083,411</b>	<b>2,555,191</b>	<b>2,322,788</b>	<b>(232,403)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	705,600	645,167	1,350,767	1,158,483	192,284
Other Salaries for Instruction	54,149	3,137	57,286	57,286	-
Purchased Professional and Technical Services		35,300	35,300	35,300	-
Other Purchased Services (400-500 series)	536,941	176,427	713,368	713,368	-
General Supplies	38,687	80,609	119,296	110,909	8,387
<b>Total instruction</b>	<b>1,335,377</b>	<b>940,640</b>	<b>2,276,017</b>	<b>2,075,346</b>	<b>200,671</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	18,850	72,884	91,734	76,462	15,272
Salaries of Program Directors	19,173	-	19,173	19,173	-
Salaries of Secretarial and Clerical Assistants	7,230	(783)	6,447	6,447	-
Other Salaries	13,848	(2,354)	11,494	11,494	-
Personal Services - Employee Benefits	13,938	14,153	28,091	11,631	16,460
Other Purchased Professional Services	38,400	49,521	87,921	87,921	-
Other Purchased Services (400-500 series)	9,086	1,349	10,435	10,435	-
Supplies & Materials	2,400	300	2,700	2,700	-
Other Objects		595	595	595	-
<b>Total support services</b>	<b>122,925</b>	<b>135,665</b>	<b>258,590</b>	<b>226,858</b>	<b>31,732</b>
<b>Facilities acquisition and const. serv.:</b>					
Noninstructional Equipment	13,478	7,106	20,584	20,584	-
<b>Total facilities acquisition and const. serv.</b>	<b>13,478</b>	<b>7,106</b>	<b>20,584</b>	<b>20,584</b>	<b>-</b>
Total Expenditures	1,471,780	1,083,411	2,555,191	2,322,788	232,403
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2019**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	56,602,464	2,322,788
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			3,400
Current Year			(19,702)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		339,060	
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).		(404,085)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	56,537,439	2,306,486
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	57,287,229	2,322,788
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			3,400
Current Year			(19,702)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	57,287,229	2,306,486

**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 Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS 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
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%
2019	0.0504385900%	9,931,107	3,477,249	285.60%	83.06%

\* 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		Contributions in Relations to the		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	Required Contribution	Contribution	Contractually Required Contributions	Contributions in Relations to the			
2015	\$ 447,932	\$	(447,932)	\$ -	\$ 4,000,517	11.20%	
2016	468,617		(468,617)	-	3,424,541	13.68%	
2017	457,527		(457,527)	-	3,433,088	13.33%	
2018	451,639		(451,639)	-	3,568,969	12.65%	
2019	501,701		(501,701)	-	3,477,249	14.43%	

\* 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 Proportionate Share of the Net Pension Liability Associated with the District (Asset)	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
	2015	0.1806634861%	\$ -	\$ 96,558,753	18,509,605	0.00%
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%
2019	0.1839927387%	-	117,052,228	20,684,815	0.00%	26.49%

\* 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, 2019**

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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. 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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. 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\**

	2019	2018
<b>Total OPEB Liability</b>		
Service Costs	\$ 3,138,459	\$ 3,786,116
Interest on Total OPEB Liability	2,966,247	2,551,818
Differences between Expected and Actual Experiences	(9,737,707)	
Changes in Assumptions	(7,741,864)	(10,603,354)
Gross Benefit Payments	(1,803,971)	(1,866,422)
Contribution from the Member	62,348	68,726
<b>Net Changes in total Share of OPEB Liability</b>	(13,116,488)	(6,063,116)
<b>Total OPEB Liability - Beginning</b>	80,580,769	86,643,885
<b>Total OPEB Liability - Ending</b>	\$ 67,464,281	\$ 80,580,769
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	67,464,271	80,580,769
Total OPEB Liability - Ending	\$ 67,464,271	\$ 80,580,769
District's Covered Employee Payroll	\$ 24,253,784	\$ 23,899,224
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

**Notes to Schedule:**

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

Change in benefit terms                      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, 2019

	<b>Total Brought Forward (Ex. E-1a)</b>	<b>ESEA Title I</b>	<b>ESEA Title I SIA</b>	<b>IDEA Part - B Basic</b>	<b>IDEA Part - B Preschool</b>	<b>ESEA Title II, Part A Training &amp; Recruiting</b>	<b>Totals 2019</b>
<b>REVENUES</b>							
Local Sources	20,584						20,584
State Sources	426,015						426,015
Federal Sources	359,639	678,162	29,889	683,091	16,908	108,500	1,876,189
<b>Total Revenues</b>	<b>806,238</b>	<b>678,162</b>	<b>29,889</b>	<b>683,091</b>	<b>16,908</b>	<b>108,500</b>	<b>2,322,788</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	477,385	583,709				97,389	1,158,483
Other Salaries for Instruction	57,286						57,286
Purchased Professional and Technical Services	24,500	10,800					35,300
Other Purchased Services (400-500 series)	13,369			683,091	16,908		713,368
General Supplies	47,416	55,648				7,845	110,909
<b>Total instruction</b>	<b>619,956</b>	<b>639,357</b>	<b>10,800</b>	<b>683,091</b>	<b>16,908</b>	<b>105,234</b>	<b>2,075,346</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction	60,783	15,679					76,462
Salaries of Program Directors	19,173						19,173
Salaries of Secretarial and Clerical Assistants	6,447						6,447
Other Salaries	11,494						11,494
Personal Services - Employee Benefits	11,631						11,631
Other Purchased Professional Services	51,966	15,711	19,089			1,155	87,921
Other Purchased Services (400-500 series)	3,609	4,715				2,111	10,435
Supplies & Materials	-	2,700					2,700
Other Objects	595						595
<b>Total support services</b>	<b>165,698</b>	<b>38,805</b>	<b>19,089</b>	<b>-</b>	<b>-</b>	<b>3,266</b>	<b>226,858</b>
<b>Facilities acquisition and const. serv.:</b>							
Noninstructional Equipment	20,584						20,584
<b>Total facilities acquisition and const. serv.</b>	<b>20,584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,584</b>
<b>Total Expenditures</b>	<b>806,238</b>	<b>678,162</b>	<b>29,889</b>	<b>683,091</b>	<b>16,908</b>	<b>108,500</b>	<b>2,322,788</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2019

	ESEA Title III	ESEA Title III Immigrant	21st Century Community Learning	NJSBAIG Safety Grant	Afterschool - Summer Grant	Preschool Education Aid	Total Carried Forward
<b>REVENUES</b>							
Local Sources				20,584			20,584
State Sources	65,986	26,056	267,597		151,615	274,400	426,015
Federal Sources							359,639
<b>Total Revenues</b>	<b>65,986</b>	<b>26,056</b>	<b>267,597</b>	<b>20,584</b>	<b>151,615</b>	<b>274,400</b>	<b>806,238</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	44,054		101,716		151,615	180,000	477,385
Other Salaries for Instruction						57,286	57,286
Purchased Professional and Technical Services			24,500				24,500
Other Purchased Services (400-500 series)			13,369				13,369
General Supplies	12,111	19,447	15,858				47,416
<b>Total instruction</b>	<b>56,165</b>	<b>19,447</b>	<b>155,443</b>	<b>-</b>	<b>151,615</b>	<b>237,286</b>	<b>619,956</b>
<b>Support services:</b>							
Salaries of Supervisors of Instruction	2,855		57,928				60,783
Salaries of Program Directors						19,173	19,173
Salaries of Secretarial and Clerical Assistants						6,447	6,447
Other Salaries						11,494	11,494
Personal Services - Employee Benefits			11,631				11,631
Other Purchased Professional Services	4,966	5,000	42,000				51,966
Other Purchased Services (400-500 series)	2,000	1,609					3,609
Supplies & Materials							-
Other Objects			595				595
<b>Total support services</b>	<b>9,821</b>	<b>6,609</b>	<b>112,154</b>	<b>-</b>	<b>-</b>	<b>37,114</b>	<b>165,698</b>
<b>Facilities acquisition and const. serv.:</b>							
Noninstructional Equipment				20,584			20,584
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,584</b>	<b>-</b>	<b>-</b>	<b>20,584</b>
<b>Total Expenditures</b>	<b>65,986</b>	<b>26,056</b>	<b>267,597</b>	<b>20,584</b>	<b>151,615</b>	<b>274,400</b>	<b>806,238</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2019**

	<b>District Wide Total</b>		
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	180,000	180,000	
Other salaries for instruction	57,286	57,286	
<b>Total instruction</b>	<b>237,286</b>	<b>237,286</b>	
<b>Support services:</b>			
Salaries of Program Directors	19,173	19,173	
Salaries of Secr. and Clerical Assistants	6,447	6,447	
Other Salaries	11,494	11,494	
<b>Total support services</b>	<b>37,114</b>	<b>37,114</b>	
<b>Total expenditures</b>	<b>274,400</b>	<b>274,400</b>	

**Summary of Location Totals**

Total revised 2018-19 Preschool Education Aid	274,400
Add: Actual Preschool Education Aid Carryover (June 30, 2018)	
Add: Budgeted Transfer from the General Fund 2018-19	
Total Preschool Education Aid Funds Available for 2018-19 Budget	274,400
Less: 2017-18 Budgeted Preschool Education Aid (prior year budgeted carryover)	274,400
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2019	
Add: June 30, 2019 Unexpended Preschool Education Aid 20118-19 Carryover - Preschool Education Aid/Preschool	

**PROPRIETARY FUNDS**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	81,386	58,077	139,463
Accounts receivable:			
State	921		921
Federal	88,431		88,431
Inventories	7,798		7,798
Total current assets	<u>178,536</u>	<u>58,077</u>	<u>236,613</u>
Noncurrent assets:			
Capital assets:			
Equipment	282,716		282,716
Less accumulated depreciation	<u>(175,057)</u>		<u>(175,057)</u>
Total capital assets (net of accumulated depreciation)	<u>107,659</u>	-	<u>107,659</u>
Total assets	<u>286,195</u>	<u>58,077</u>	<u>344,272</u>
Current Liabilities:			
Interfunds Payable	33,995	9,973	43,968
Accounts Payable	<u>6,744</u>		<u>6,744</u>
Total Liabilities	<u>40,739</u>	<u>9,973</u>	<u>50,712</u>
<b>NET POSITION</b>			
Invested in capital assets	107,659	-	107,659
Unrestricted	<u>137,797</u>	<u>48,104</u>	<u>185,901</u>
Total net position	<u>245,456</u>	<u>48,104</u>	<u>293,560</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	597,915		597,915
Daily sales - non-reimbursable programs	6,499		6,499
Program fees		285,877	285,877
Total operating revenues	<u>604,414</u>	<u>285,877</u>	<u>890,291</u>
Operating expenses:			
Cost of food - reimbursable programs	556,025		556,025
Cost of food - non-reimbursable programs	115,251		115,251
Salaries	713,784	251,509	965,293
Employee benefits	221,127	19,241	240,368
Supplies and materials	46,577	13,067	59,644
Purchased services	96,735		96,735
Depreciation expense	13,909		13,909
Repairs and other expenses	20,732		20,732
Total Operating Expenses	<u>1,784,140</u>	<u>283,817</u>	<u>2,067,957</u>
Operating income (loss)	<u>(1,179,726)</u>	<u>2,060</u>	<u>(1,177,666)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	15,804		15,804
Federal sources:			
National school lunch program	729,448		729,448
Snack program	53,142		53,142
Breakfast program	115,710		115,710
U.S.D.A. Equipment Grant	40,894		40,894
U.S.D.A. Commodities	98,583		98,583
Miscellaneous	280		280
Total nonoperating revenues (expenses)	<u>1,053,861</u>	<u>-</u>	<u>1,053,861</u>
Income (loss) before contributions & transfers	<u>(125,865)</u>	<u>2,060</u>	<u>(123,805)</u>
Other financing sources/(uses):			
Transfer In	202,180		202,180
Change in net assets	<u>76,315</u>	<u>2,060</u>	<u>78,375</u>
Total net position—beginning	169,141	46,044	215,185
Total net position—ending	<u>245,456</u>	<u>48,104</u>	<u>293,560</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, 2019**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	604,414	306,508	910,922
Payments to suppliers	(1,629,825)	(283,817)	(1,913,642)
Net cash provided by (used for) operating activities	<u>(1,025,411)</u>	<u>22,691</u>	<u>(1,002,720)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	15,785		15,785
Federal Sources	895,283		895,283
Miscellaneous	280		280
Board Contribution	202,180		202,180
Interfunds		9,973	9,973
Net cash provided by (used for) non-capital financing activities	<u>1,113,528</u>	<u>9,973</u>	<u>1,123,501</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(89,770)		(89,770)
Net cash provided by (used for) capital and related financing activities	<u>(89,770)</u>	<u>-</u>	<u>(89,770)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,653)</u>	<u>32,664</u>	<u>31,011</u>
Balances—beginning of year	<u>83,039</u>	<u>25,413</u>	<u>108,452</u>
Balances—end of year	<u><u>81,386</u></u>	<u><u>58,077</u></u>	<u><u>139,463</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(1,179,726)	2,060	(1,177,666)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	13,909		13,909
Asset retired prior to full depreciation	5,148		5,148
Food Distribution Program	98,583		98,583
USDA Equipment Grant	40,895		40,895
(Increase) decrease in accounts receivable, net		20,631	20,631
(Increase) decrease in inventories	(720)		(720)
Increase (decrease) in accounts payable	(3,500)		(3,500)
Total adjustments	<u>(1,025,411)</u>	<u>22,691</u>	<u>(1,002,720)</u>
Net cash provided by (used for) operating activities	<u><u>(1,025,411)</u></u>	<u><u>22,691</u></u>	<u><u>(1,002,720)</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, 2019**

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	365,596	645,459
Total assets	<u>365,596</u>	<u>645,459</u>
<b>LIABILITIES</b>		
Payable to student groups		158,332
Due to State - Unemployment	965	
Payroll deductions and withholdings		487,127
Total liabilities	<u>965</u>	<u>645,459</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>364,631</u>	
	<u>364,631</u>	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2019**

	<u><b>Unemployment Compensation Trust Fund</b></u>
<b>ADDITIONS</b>	
Contributions:	
Payroll withholdings	49,630
Total Contributions	<u>49,630</u>
 <b>DEDUCTIONS</b>	
Unemployment Claims	<u>37,202</u>
Total deductions	<u>37,202</u>
Change in net position	12,428
Net position—beginning of the year	<u>352,203</u>
Net position—end of the year	<u><u>364,631</u></u>



**CLIFFSIDE PARK BOARD OF EDUCATION  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Elementary Schools:				
School #3	28,204	8,441	27,508	9,137
School #4	4,002	27,117	24,795	6,324
School #5	15,360	21,659	25,140	11,879
School #6	10,025	3,224	3,703	9,546
	<u>57,591</u>	<u>60,441</u>	<u>81,146</u>	<u>36,886</u>
Total Elementary Schools				
Middle School:				
School #6 - Middle	5,221	23,211	25,610	2,822
Student Council	631		631	-
	<u>5,852</u>	<u>23,211</u>	<u>26,241</u>	<u>2,822</u>
Total Middle Schools				
High School:				
High School	59,768	173,742	154,934	78,576
Athletic	13,980	65,546	60,743	18,783
Project Graduation	20,035	31,111	29,881	21,265
	<u>93,783</u>	<u>270,399</u>	<u>245,558</u>	<u>118,624</u>
Total High Schools				
Total All Schools	<u><u>157,226</u></u>	<u><u>354,051</u></u>	<u><u>352,945</u></u>	<u><u>158,332</u></u>

**CLIFFSIDE PARK BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Net Payroll	-	19,238,400	19,234,900	3,500
Payroll Deductions and Withholdings	460,242	14,451,424	14,428,039	483,627
	<u>460,242</u>	<u>33,689,824</u>	<u>33,662,939</u>	<u>487,127</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, 2019**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
School District Bonds Refunding - 2006	July 15, 2006	3,680,000	7/15/2019	380,000	5.00	\$ 750,000	370,000	380,000
						\$ 750,000	370,000	380,000
						\$ 750,000	370,000	380,000

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Capital Leases Payable**  
**Fiscal Year Ended June 30, 2019**

<u>Issue</u>	<u>Amount of Loan</u>	<u>Principal Payment Date</u>	<u>Principal Payment Amount</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
Chromebooks	127,050				\$ 42,722		42,722	
Chromebooks	103,000	7/29/2020	34,309	4.74%	103,000		68,691	34,309
Chromebooks	95,344	8/31/2020	33,237	4.65%		95,344		95,344
		8/31/2021	30,348	4.65%				
		8/31/2022	31,759	4.65%				
Desktop Computers	47,600	8/31/2020	16,580	4.57%		47,600		47,600
		8/31/2021	15,164	4.57%				
		8/31/2022	15,856	4.57%				
					\$ 145,722	142,944	111,413	177,253

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	393,958	-	393,958	393,958	-
State Sources:					
Debt Service Aid Type II	4,292	-	4,292	4,292	-
Total - State Sources	4,292	-	4,292	4,292	-
<b>Total Revenues</b>	<b>398,250</b>	<b>-</b>	<b>398,250</b>	<b>398,250</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	28,250	-	28,250	28,250	-
Redemption of Principal	370,000	-	370,000	370,000	-
Total Regular Debt Service	398,250	-	398,250	398,250	-
<b>Total expenditures</b>	<b>398,250</b>	<b>-</b>	<b>398,250</b>	<b>398,250</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	1	-	1	1	-
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance		-	-	-	-

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

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- J-2 Changes in Net Assets/Position
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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

CLIFFSIDE PARK BOARD OF EDUCATION

Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 9,723,576
Restricted	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	6,915,160
Unrestricted	(1,069,576)	(332,676)	(516,963)	(636,513)	(722,861)	(10,050,627)	(11,286,040)	(12,025,401)	(11,877,092)	(11,884,642)
Total governmental activities net position	\$ 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	\$ 4,754,094
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 48,946	\$ 38,318	\$ 27,689	\$ 20,128	\$ 13,566	\$ 3,257	\$ 30,958	\$ 36,569	\$ 36,946	\$ 107,659
Restricted	77,074	273,330	436,810	367,657	296,366	161,956	(92,460)	128,584	178,239	185,901
Unrestricted	(126,020)	(311,648)	(464,499)	(387,785)	(309,932)	(165,213)	(61,502)	(165,153)	(215,185)	(293,560)
Total business-type activities net position	\$ 48,946	\$ 38,318	\$ 27,689	\$ 20,128	\$ 13,566	\$ 3,257	\$ 30,958	\$ 36,569	\$ 36,946	\$ 107,659
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 9,831,235
Restricted	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	6,915,160
Unrestricted	(992,502)	(59,346)	(80,153)	(268,856)	(426,495)	(9,888,671)	(11,378,500)	(11,896,817)	(11,698,853)	(11,698,741)
Total district net position	\$ 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	\$ 5,047,654

Source: CAFR Schedule A-1

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction	\$ 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	\$ 21,032,634
Regular	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	8,649,824
Special education	887,456	751,847	804,050	793,949	973,023	975,861	1,132,610	1,427,089	1,702,727	1,666,513
Other instruction	734,748	730,640	562,083	704,952	787,487	877,419	874,743	1,088,113	1,019,296	992,732
Support Services:										
Tuition	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	3,278,780
Health services								831,315	893,825	553,126
Student & instruction related services	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	6,029,123
General administrative services	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	2,236,374
School administrative services	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	1,314,026
Central services and administrative information technology	628,335	658,999	727,758	774,908	901,454	822,333	1,330,507	1,322,446	1,304,985	1,299,763
Plant operations and maintenance	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	3,253,497
Pupil transportation	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	2,279,702
Unallocated Benefits	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	8,599,819
Charter Schools		11,177	30,224	51,535	48,351	76,578	81,329	41,985	18,992	23,013
Interest on long-term debt	139,132	127,668	120,544	109,596	98,004	85,877	58,601	61,271	42,375	704,826
Unallocated depreciation	337,078	294,713	295,163	299,391	177,519	328,040	230,694	263,594	263,594	24,010
Capital Outlay - nondepreciable	513,578	260,034	144,431	5,200	1,408,966	11,275	1,363,294	531,400	497,034	394,086
Total governmental activities expenses	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	62,331,848
Business-type activities:										
Food service	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	1,784,140
After School Program	-	177,538	280,725	173,750	178,120	198,828	265,421	232,953	342,275	283,817
Total business-type activities expense	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	2,067,957
Total district expenses	\$ 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	\$ 64,399,805
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 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	\$ 8,482,342
Business and other support services	-	1,720,569	1,426,555	1,890,253	2,042,296	2,263,066	2,276,459	2,326,016	2,072,330	2,285,902
Operating grants and contributions	2,304,165	360,862	49,863	42,233	-	-	16,526	21,931	13,478	20,584
Capital grants and contributions	8,048,077	9,003,915	7,390,547	8,646,644	7,668,822	8,232,404	9,020,093	10,092,030	10,065,820	10,788,828
Total governmental activities program revenues										

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>										
Charges for services										
Food service	756,143	771,777	769,016	836,286	868,831	548,487	554,327	555,377	562,793	604,414
After School Program	181,625	181,625	279,213	181,957	200,381	240,211	240,296	226,355	345,616	285,877
Operating grants and contributions	753,151	792,879	821,720	902,280	935,822	977,965	947,306	1,016,998	1,030,771	1,053,861
Total business type activities program revenues	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	1,944,152
Total district program revenues	\$ 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	\$ 12,732,980
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (51,543,020)
Business-type activities	51,787	185,628	152,851	(76,714)	(77,853)	(144,719)	(226,715)	(249,440)	(201,903)	(123,805)
Total district-wide net expense	\$ (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)	\$ (51,666,825)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 34,180,255
Taxes levied for debt service	420,341	421,176	420,854	420,186	423,870	421,929	414,688	378,762	402,120	393,958
Federal and State Aid - Not Restricted	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	17,092,170
Federal and State Aid - Capital Outlay						24,102	-	-		
Investment earnings										
Miscellaneous income	993,934	687,763	400,832	682,752	471,823	569,869	772,411	906,559	1,175,087	1,030,155
Transfers								(476,095)	(251,935)	(202,180)
Total governmental activities	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	52,494,358
Business-type activities:										
Transfers								476,095	251,935	202,180
Total business-type activities								476,095	251,935	202,180
Total district-wide	\$ 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	\$ 52,696,538
<b>Change in Net Position</b>										
Governmental activities	\$ (1,148,766)	\$ 2,345,287	\$ 1,325,717	\$ 3,666,623	\$ (219,287)	\$ 1,703,827	\$ 351,090	\$ 7,031	\$ 311,227	\$ 951,338
Business-type activities	51,787	185,628	152,851	(76,714)	(77,853)	(144,719)	(226,715)	226,655	50,032	78,375
Total district	\$ (1,096,979)	\$ 2,530,915	\$ 1,478,568	\$ 3,589,909	\$ (297,140)	\$ 1,559,108	\$ 124,375	\$ 233,686	\$ 361,259	\$ 1,029,713

Source: CAFR Schedule A-2

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 1,784,563									
Unreserved	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	6,281,600
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	633,559
Unassigned		1,012,722	720,148	742,339	616,387	577,134	610,508	761,080	779,165	725,636
<b>Total general fund</b>	<b>\$ 2,183,869</b>	<b>\$ 4,165,033</b>	<b>\$ 5,392,673</b>	<b>\$ 9,131,037</b>	<b>\$ 8,423,759</b>	<b>\$ 8,937,694</b>	<b>\$ 9,150,613</b>	<b>\$ 9,439,182</b>	<b>\$ 8,449,821</b>	<b>\$ 7,640,795</b>
<b>All Other Governmental Funds</b>										
Unreserved, reported in:										
Special revenue fund	47,351									
Capital projects fund										
Debt service fund										
Assigned, reported in:										
Special revenue fund		118,691	26,388	102,363	111,698	31,025	31,025	1	1	1
Capital projects fund			102,363	102,363						
Debt service fund			1	1	1	31,025	31,025	1	1	1
<b>Total all other governmental funds</b>	<b>\$ 47,351</b>	<b>\$ 118,691</b>	<b>\$ 128,752</b>	<b>\$ 102,364</b>	<b>\$ 111,699</b>	<b>\$ 31,025</b>	<b>\$ 31,025</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 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	\$ 34,574,213
Tuition	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	8,482,342
Transportation	-	-	-	-	-	-	-	-	-	-
Miscellaneous	993,934	687,763	421,830	682,752	471,823	569,869	788,937	928,490	1,188,565	1,050,739
State sources	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	13,136,750
Federal sources	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	1,998,131
Total revenue	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	59,242,175
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	15,512,644
Special education instruction	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	6,761,879
Other special instruction	715,984	553,109	592,390	630,857	770,854	680,349	755,752	878,170	1,125,992	1,189,686
Other instruction	566,130	577,589	445,548	590,264	662,276	681,014	646,617	754,966	738,544	772,946
Support Services:										
Tuition	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	3,278,780
Health services										
Student & instruction related services	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	4,927,574
School Administrative services	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	1,593,082
General administrative services	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	1,191,972
Central services and administrative information technology	486,891	488,719	541,295	636,821	760,258	683,263	1,033,321	920,022	984,759	1,011,384
Plant operations and maintenance	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	2,713,087
Pupil transportation	918,529	920,778	870,874	928,143	1,012,812	1,044,891	1,181,913	1,399,418	1,560,090	1,718,499
Unallocated benefits	6,909,221	7,858,312	7,903,934	6,001,160	6,356,332	6,528,231	7,098,894	7,462,448	8,148,391	8,604,151
On-behalf contributions	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	7,296,800
Charter Schools		11,177	30,224	51,535	48,351	76,578	81,329	41,985	18,992	23,013
Capital outlay	741,073	934,358	159,105	174,708	1,849,700	1,249,473	1,607,126	1,313,308	1,759,101	2,597,492
Debt service:										
Principal	280,000	290,000	300,000	310,000	325,000	335,000	340,000	350,000	360,000	370,000
Interest and other charges	145,738	135,763	125,437	114,763	103,487	91,524	79,205	64,250	46,500	28,250
Total expenditures	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	59,991,965
Excess (Deficiency) of revenues over (under) expenditures	(501,488)	1,548,834	1,237,699	3,711,976	(697,943)	433,261	212,919	606,590	(840,426)	(749,790)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	-	-	-	-	-	-	-	127,050	103,000	142,944
Transfers in	-	408,072	-	-	-	111,698	-	-	(251,935)	(202,180)
Transfers out	-	(408,072)	-	-	(111,698)	-	-	(476,095)	(148,935)	(59,236)
Total other financing sources (uses)	-	-	-	-	-	-	-	(349,045)	(148,935)	(59,236)
Net change in fund balances	\$ (501,488)	\$ 1,548,834	\$ 1,237,699	\$ 3,711,976	\$ (697,943)	\$ 433,261	\$ 212,919	\$ 257,545	\$ (989,361)	\$ (809,026)
Debt service as a percentage of noncapital expenditures	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.8%	0.8%	0.7%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Fees	Refunds	Rent	Misc.	Total
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
2019	22,291	8,482,342	770,363	33,862		203,639	9,512,497

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 <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Commercial	Industrial	Apartment						
2009	\$ 7,248,200	\$ 2,124,563,400	\$ 135,464,800	\$ 5,502,700	\$ 202,084,300	\$ -	\$ 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	\$ 203,430,400	\$ -	\$ 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	\$ 257,428,300	\$ -	\$ 7,374,071	\$ 2,745,653,071	1.020	\$ 3,267,134,390	84.04%
2012	\$ 5,230,800	\$ 2,286,922,400	\$ 177,462,000	\$ 6,158,500	\$ 256,622,900	\$ -	\$ 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	\$ 254,091,100	\$ -	\$ 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	\$ 250,242,800	\$ -	\$ 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	\$ 255,676,000	\$ -	\$ 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	\$ 257,177,300	\$ -	\$ 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	\$ 263,945,400	\$ -	\$ 5,796,670	\$ 2,820,346,370	1.203	\$ 3,279,821,874	85.99%
2018	\$ 14,217,700	\$ 2,449,134,600	\$ 174,673,300	\$ 3,927,500	\$ 264,370,400	\$ -	\$ 5,894,422	\$ 2,912,217,922	1.206	\$ 3,425,459,628	85.02%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Cliffside Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation		Borough of Cliffside Park	Bergen County	
		Debt Service <sup>b</sup>	Total Direct			
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	1.120	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	1.19	0.01	1.203	0.95	0.285	2.438
2019	1.19	0.01	1.206	0.95	0.286	2.442

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	2019			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
DMG Park LLC	\$ 85,298,800	1	2.93%			
Briarcliff Corp.	\$ 71,500,000	2	2.46%	\$ 69,950,000	1	2.83%
Palisadium Mgmt. Corp.	\$ 12,550,500	3	0.43%	\$ 8,990,000	2	0.36%
Cliff Lane/Palisade Ave, LLC	\$ 14,238,200	4	0.49%	\$ 7,413,000	3	0.30%
T&F Realty	\$ 5,000,000	8	0.17%	\$ 5,500,000	5	0.22%
Savoy Plaza	\$ 5,664,800	7	0.19%	\$ 4,650,000	6	0.19%
Carlton Corp.	\$ 4,700,500	9	0.16%	\$ 3,576,100	7	0.14%
Circa Mirai Realty Co	\$ 4,717,700	10	0.16%			
Timmes Realty Assoc.				\$ 2,999,500	8	
TD Banknorth				\$ 1,274,000	10	0.05%
Verizon - New Jersey	\$ 5,894,422	5	0.20%	\$ 5,736,808	4	0.23%
Walker Properties	\$ 5,794,200	6	0.20%			
G&N Realty				\$ 2,790,000	9	0.11%
<b>Total</b>	<b>\$ 130,060,322</b>		<b>4.47%</b>	<b>\$ 112,879,408</b>		<b>4.44%</b>

Net Assessed Valuation: \$ 2,912,217,922      \$ 2,473,841,933

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>Amount</u>	<u>Percentage of</u> <u>Levy</u>	<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
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%	\$ -
2019	\$34,574,213	\$34,574,213	100.00%	\$ -

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds/Loans <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2010	3,360,000	212,214	-	-	3,572,214	1.85%	\$ 65,992
2011	3,070,000	136,962	-	-	3,206,962	2.15%	\$ 68,865
2012	2,770,000	73,192	-	-	2,843,192	2.52%	\$ 71,789
2013	2,460,000	37,734	-	-	2,497,734	2.85%	\$ 71,100
2014	2,135,000	10,076	-	-	2,145,076	3.43%	\$ 73,637
2015	1,800,000	-	-	-	1,800,000	4.27%	\$ 76,821
2016	1,460,000	-	-	-	1,460,000	5.34%	\$ 77,901
2017	1,110,000	83,900	-	-	1,193,900	6.80%	\$ 81,203
2018	750,000	145,722	-	-	895,722	Not Available	Not Available
2019	380,000	177,253	-	-	557,253	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 <sup>a</sup> of Property		Per Capita <sup>b</sup>
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding			
2010	\$ 3,360,000	-	3,360,000	0.14%	\$	51
2011	\$ 3,070,000	-	3,070,000	0.11%	\$	45
2012	\$ 2,770,000	-	2,770,000	0.10%	\$	39
2013	\$ 2,460,000	-	2,460,000	0.09%	\$	35
2014	\$ 2,135,000	-	2,135,000	0.08%	\$	29
2015	\$ 1,800,000	-	1,800,000	0.07%	\$	23
2016	\$ 1,460,000	-	1,460,000	0.05%	\$	19
2017	\$ 1,110,000	-	1,110,000	0.04%	\$	14
2018	\$ 750,000		750,000	0.03%		Not Available
2019	\$ 380,000		380,000	Not Available		Not Available

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

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

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2019**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2019</b>			\$ 380,000
<b>Net overlapping debt of School District:</b>			
Borough of Cliffside Park	100.000%	\$ 31,097,374	
County of Bergen - City's Share	1.775%	\$ 15,319,036	
Bergen County Utility Authority-City's Share	3.113%	\$ 4,656,193	
<b>Subtotal, overlapping debt</b>			<u>\$ 51,072,603</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 51,452,603</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 2018**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	141,777,632	137,376,426	136,555,831	129,402,916	124,625,084	116,825,618	116,165,585	119,818,336	81,126,676	130,693,509
Total net debt applicable to limit	<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>1,110,000</u>	<u>750,000</u>	<u>380,000</u>
Legal debt margin	\$ 138,707,632	\$ 134,606,426	\$ 134,095,831	\$ 127,267,916	\$ 122,825,084	\$ 115,365,618	\$ 115,055,585	\$ 118,708,336	\$ 80,376,676	\$ 130,313,509
Total net debt applicable to the limit as a percentage of debt limit	2.17%	2.02%	1.80%	1.65%	1.44%	1.25%	0.96%	0.93%	0.92%	0.29%

Equalized valuation basis	2018	\$ 3,425,459,628
	2017	\$ 3,279,821,874
	2016	\$ 3,096,731,675
	[A]	<u>\$ 9,802,013,177</u>
Average equalized valuation of taxable property	[A/3]	\$ 3,267,337,726
Debt limit (4 % of average equalization value)	[B]	130,693,509 <sup>a</sup>
Net bonded school debt	[C]	380,000
Legal debt margin	[B-C]	<u>\$ 130,313,509</u>

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

<sup>a</sup> Limit set by NJSA 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 <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2010	23,672	\$ 1,562,162,624	65,992	9.20%
2011	23,809	\$ 1,639,606,785	68,865	9.40%
2012	24,378	\$ 1,750,072,242	71,789	9.60%
2013	24,451	\$ 1,738,466,100	71,100	8.30%
2014	24,479	\$ 1,802,560,123	73,637	5.10%
2015	24,573	\$ 1,887,722,433	76,821	4.00%
2016	24,622	\$ 1,918,078,422	77,901	4.00%
2017	24,752	\$ 2,009,936,656	81,203	3.70%
2018	25,935	Not Available	Not Available	3.30%
2019	Not Available	Not Available	Not Available	Not Available

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development

<sup>c</sup> Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer</u>	<u>2019</u>			<u>2009</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>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>	<u>2019</u>
Instruction	194	183	183	204	207	212	210	189	219	224
Regular	31	30	30	33	27	26	47	44	37	41
Special education										
Support Services:	64	62	62	71	82	87	91	72	76	80
Student & instruction related services	1	1	1	1	1	1	1	1	1	1
General administrative services	7	7	7	7	7	7	12	7	8	8
School administrative services	6	6	6	6	6	6	6	11	11	12
Central services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	46	48	48	52	52	62	67	63	54	57
Pupil transportation	22	22	22	23	23	24	32	41	53	46
Food Service										
<b>Total</b>	<b>376</b>	<b>364</b>	<b>364</b>	<b>402</b>	<b>410</b>	<b>430</b>	<b>471</b>	<b>433</b>	<b>464</b>	<b>474</b>

**Source:** District Personnel Records

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

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
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	1.93%	95.53%
2019	3,154.0	56,996,223	18,071	6.38%	265	1:23	1:24	1:23	3,096	2,953	-0.55%	95.38%

**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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
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	266	263	328	319	333	346	308	285	291	294
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	299	296	496	478	493	502	569	598	575	568
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	156	156	203	211	229	246	281	316	327	341
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	289	283	346	381	364	380	355	326	346	327
<b><u>Middle School</u></b>										
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	360	354	352	359	378	376	361	393	408	426
<b><u>High School</u></b>										
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	1,104	1,103	1,035	1,091	1,104	1,118	1,126	1,156	1,217	1,198
<b><u>Other</u></b>										
ELC										
Square Feet	36,000	36,000								
Capacity (students)	375	375								
Enrollment	298	323								
Number of Schools at June 30, 2019										
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)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ELC	N/A	12,145	16,197	-	-	-	-	-	-	-	-
School #3	N/A	12,355	20,446	32,232	29,895	41,217	63,045	44,380	51,967	34,207	24,081
School #4	N/A	10,499	26,764	50,494	35,929	37,615	47,463	45,689	44,357	26,462	32,341
School #5	N/A	22,897	19,497	5,940	53,704	38,822	26,834	34,038	37,151	22,445	34,796
School #6	N/A	44,939	50,709	53,910	47,292	42,563	97,501	88,473	97,488	58,480	118,539
High School	N/A	42,168	25,770	45,256	54,095	56,236	57,364	57,286	76,356	60,604	69,005
Grand Total		\$ 145,003	\$ 159,383	\$ 187,832	\$ 220,915	\$ 216,453	\$ 292,207	\$ 269,866	\$ 307,319	\$ 202,198	\$ 278,762

\*-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, 2019**  
**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	350,000	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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 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 November 4, 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.

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Pompton Lakes, New Jersey

November 4, 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, 2019. 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, 2019.

### **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, material weaknesses may exist that have not been identified.

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

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Certified Public Accountants  
Pompton Lakes, New Jersey

November 4, 2019

CLIFFSIDE PARK  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

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, 2018	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2019	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
U.S. Department of Education Passed-through State Department of Education: General Fund: Medicaid Administrative Claiming (MAC) Medicaid Assistance Program (SEMI) Total General Fund	93.778 93.778	1905N15MAP 1905N15MAP	N/A N/A	7/1/18-6/30/19 7/1/18-6/30/19	\$ 114,558 23,686			114,558 23,686 138,244					
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 Title I SEA	84.010 84.010 84.010	S010A180030 S010A170030 S010A180030	ESEA-0890-19 ESEA-0890-18 ESEA-0890-19	7/1/18-6/30/19 7/1/17-6/30/18 7/1/18-6/30/19	678,162 646,243 29,889	(226,924) (226,924)	(226,924) 226,924	876,873 876,873	678,162 29,889 708,051			(28,213) (29,889) (58,102)	
I.D.E.A., Part B I.D.E.A., Part B I.D.E.A., Part B Preschool I.D.E.A., Part B Preschool	84.027 84.027 84.173 84.173	H027A180100 H027A170100 H173A180114 H173A170114	IDEA-0890-19 IDEA-0890-18 IDEA-0890-19 IDEA-0890-18	7/1/18-6/30/19 7/1/17-6/30/18 7/1/18-6/30/19 7/1/17-6/30/18	683,091 655,309 16,908 15,868	(70,656) (70,656)	(70,656) (15,868) (15,868)	753,531 19,189 772,720	683,091 16,908 699,999			(216) (13,387) (13,803)	
Title II Part A Title II Part A	84.367A 84.367A	S367A180029 S367A170029	ESEA-0890-19 ESEA-0890-18	7/1/18-6/30/19 7/1/17-6/30/18	101,184 102,422	(9,659) (9,659)	(9,659) 9,659	100,101 100,101	108,500 108,500			(18,058) (18,058)	
Title III Title III Title III, Immigrant Title III, Immigrant	84.365A 84.365A 84.365A 84.365A	S365A180030 S365A170030 S365A180030 S365A170030	ESEA-0890-19 ESEA-0890-18 ESEA-0890-19 ESEA-0890-18	7/1/18-6/30/19 7/1/17-6/30/18 7/1/18-6/30/19 7/1/17-6/30/18	65,986 64,477 26,056 20,627	(31,001) (31,001)	(31,001) (6,205) 6,205	89,355 31,698 121,053	65,986 26,056 92,042			(7,632) (563) (8,193)	
21st Century Community Learning Centers	84.287C	S287C180030	CCLC-0890-19	9/1/18-8/31/19	500,000			207,061 207,061	267,597 267,597			(60,536) (60,536)	
Total Special Revenue Fund					2,077,808	(360,313)			1,876,189			(158,694)	

CLIFFSIDE PARK  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

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, 2018	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:														
USDA Commodities	10.555	191N1304N1096	N/A	7/1/18-6/30/19	\$ 98,583			98,583	98,583			(33,994)		
USDA Equipment Grant	10.579	181N1354N8103	N/A	4/1/18-9/30/20	40,894			6,900	40,894			(7,884)		
National Breakfast Program	10.553	191N1304N1099	N/A	7/1/18-6/30/19	115,710			107,826	115,710					
National Breakfast Program	10.553	181N1304N1099	N/A	7/1/17-6/30/18	106,659	(6,690)		6,690	729,448			(43,428)		
National School Lunch Program	10.555	191N1304N1099	N/A	7/1/18-6/30/19	729,448			686,020	729,448					
National School Lunch Program	10.555	181N1304N1099	N/A	7/1/17-6/30/18	757,852	(41,827)		41,827	53,142			(3,125)		
National School Snack Program	10.555	191N1304N1099	N/A	7/1/18-6/30/19	53,142	(2,903)		50,017	53,142					
National School Snack Program	10.555	181N1304N1099	N/A	7/1/17-6/30/18	43,520			2,903	1,037,777			(88,431)		
Total Enterprise Fund						(51,420)		1,000,766	3,052,210			(247,125)		
Total Federal Financial Assistance						\$ (411,733)		3,216,818						

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, 2019

State/Local/Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018				Balance at June 30, 2019				MEMO						
				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 at	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:																		
General Fund:																		
Equalization Aid	495-034-5120-078	7/1/18-6/30/19	1,769,000				1,624,354	1,769,000										1,769,000
Transportation Aid	495-034-5120-014	7/1/18-6/30/19	323,598				247,865	323,598										323,598
Special Education Aid	495-034-5120-089	7/1/18-6/30/19	1,923,091				1,896,631	1,923,091										1,923,091
Security Aid	495-034-5120-084	7/1/18-6/30/19	926,208				768,962	926,208										926,208
Extraordinary Aid	495-034-5120-044	7/1/17-6/30/18	532,771					532,771										532,771
Extraordinary Aid	495-034-5120-044	7/1/18-6/30/19	474,013	(474,013)			474,013	1,585,308										474,013
Reimbursed TPAF Social Security	495-034-5094-003	7/1/17-6/30/18	1,585,308	(150,050)				1,585,308										1,585,308
Reimbursed TPAF Social Security	495-034-5094-003	7/1/18-6/30/19	1,533,951				150,050	1,780,511										1,533,951
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	7/1/18-6/30/19	1,780,511				3,844,821	3,844,821										1,780,511
On Behalf TPAF Pension Contributions	495-034-5094-002	7/1/18-6/30/19	3,844,821				80,482	80,482										3,844,821
On Behalf TPAF NCGI Premium	495-034-5094-004	7/1/18-6/30/19	80,482				5,678	5,678										80,482
On Behalf TPAF - LTDI	495-034-5094-004	7/1/18-6/30/19	5,678					5,678										5,678
Total General Fund				(624,063)			10,873,367	12,771,468										14,779,432
Special Revenue Fund:																		
Preschool Education Aid	495-034-5120-086	7/1/18-6/30/19	274,400				246,960	274,400										274,400
Preschool Education Aid	495-034-5120-086	7/1/17-6/30/18	287,408	(28,741)			28,741	287,408										287,408
N.J. Afterschool-Summer	18E00101	11/1/17-10/31/18	250,000	(62,941)			214,006	151,615										250,000
Total Special Revenue Fund				(91,682)			489,707	426,015										811,808
Debt Service Fund:																		
Debt Service Aid Type II	100-034-5120-067	7/1/18-6/30/19	4,292				4,292	4,292										4,292
Total Debt Service Fund								4,292										4,292
Enterprise Fund:																		
National School Lunch Program (State Share)	100-010-3350-023	7/1/18-6/30/19	15,804	(902)			14,883	15,804										15,804
National School Lunch Program (State Share)	100-010-3350-023	7/1/17-6/30/18	16,411	(902)			902	902										16,411
Total Enterprise Fund				(902)			15,785	15,804										32,215
Total State Financial Assistance				(716,647)			11,383,151	13,217,579										15,627,747
Less: On-Behalf TPAF Pension System Contributions																		
Total State Financial Assistance								5,711,492										
Local Awards:																		
Special Revenue Fund																		
NJSBAIG Safety Grant Program 2019		7/1/18-6/30/19	20,584				20,584	20,584										20,584
Total Local Awards							20,584	20,584										20,584
Total State/Local Financial Assistance				(716,647)			11,403,735	13,238,163										15,648,331

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 \$(65,025) for the general fund and \$(16,302) 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	\$138,244	\$12,706,443	\$	\$12,844,687
Special Revenue Fund	1,859,887	426,015	20,584	2,306,486
Debt Service Fund		4,292		4,292
Food Service Fund	<u>1,037,777</u>	<u>15,804</u>		<u>1,053,581</u>
Total Financial Awards	<u>\$3,035,908</u>	<u>\$13,152,554</u>	<u>\$20,584</u>	<u>\$16,209,046</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, 2019. 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, 2019.

**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 \$5,711,492 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>	\$708,051
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	108,500
Title III: <i>English Language Acquisition State Grants</i>	<u>92,042</u>
Total	<u>\$908,593</u>

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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>
84.027/84.173	(B) H027A180100	IDEA, Part B-Basic/IDEA,Part B-Preschool

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, 2019  
(CONTINUED)**

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

**State Awards**

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

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

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

Internal Control over major programs:

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

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

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

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
495-034-5120-089/ 495-034-5120-084/ <u>495-034-5120-078/</u> (A) <u>100-034-5120-473</u> (B)	State Aid Public Cluster: Special Education Categorical Aid/ <u>Security Aid/Equalization Aid</u> <u>Extraordinary Aid</u>

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

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Section II – Financial Statement Findings*

NONE

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

**STATE AWARDS**

None

**FEDERAL AWARDS**

None

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Status of Prior Year Findings**

**Finding 2018-001**

Condition:

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

Current Status:

The Board revised the travel policy to exclude regular business travel from the requirements of prior school board approval.