

**SCHOOL DISTRICT OF THE
BOROUGH OF CLIFFSIDE PARK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**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, 2020**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2020

Prepared by

**Louis Alfano
Business Administrator/Board Secretary**

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INTRODUCTORY SECTION

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Superintendent of Schools
E-Mail: mjr@cliffsidepark.edu*

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

December 22, 2020

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, 2020.

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 Wielkocz and Company, LLC, 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, 2020, 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 2019/2020 fiscal year with 3,203 students, which is 49 students more than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percent Change</u>
2009-2010	2,760	4.2
2010-2011	2,740	(2.0)
2011-2012	2,779	1.4
2012-2013	2,839	2.1
2013-2014	2,901	2.1
2014-2015	2,968	2.2
2015-2016	3,000	1.1
2016-2017	3,074	2.5
2017-2018	3,164	2.9
2018-2019	3,154	(.03)
2019-2020	3,203	1.5

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, 2020 \$0 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 Wielkotz and Company, LLC, 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,



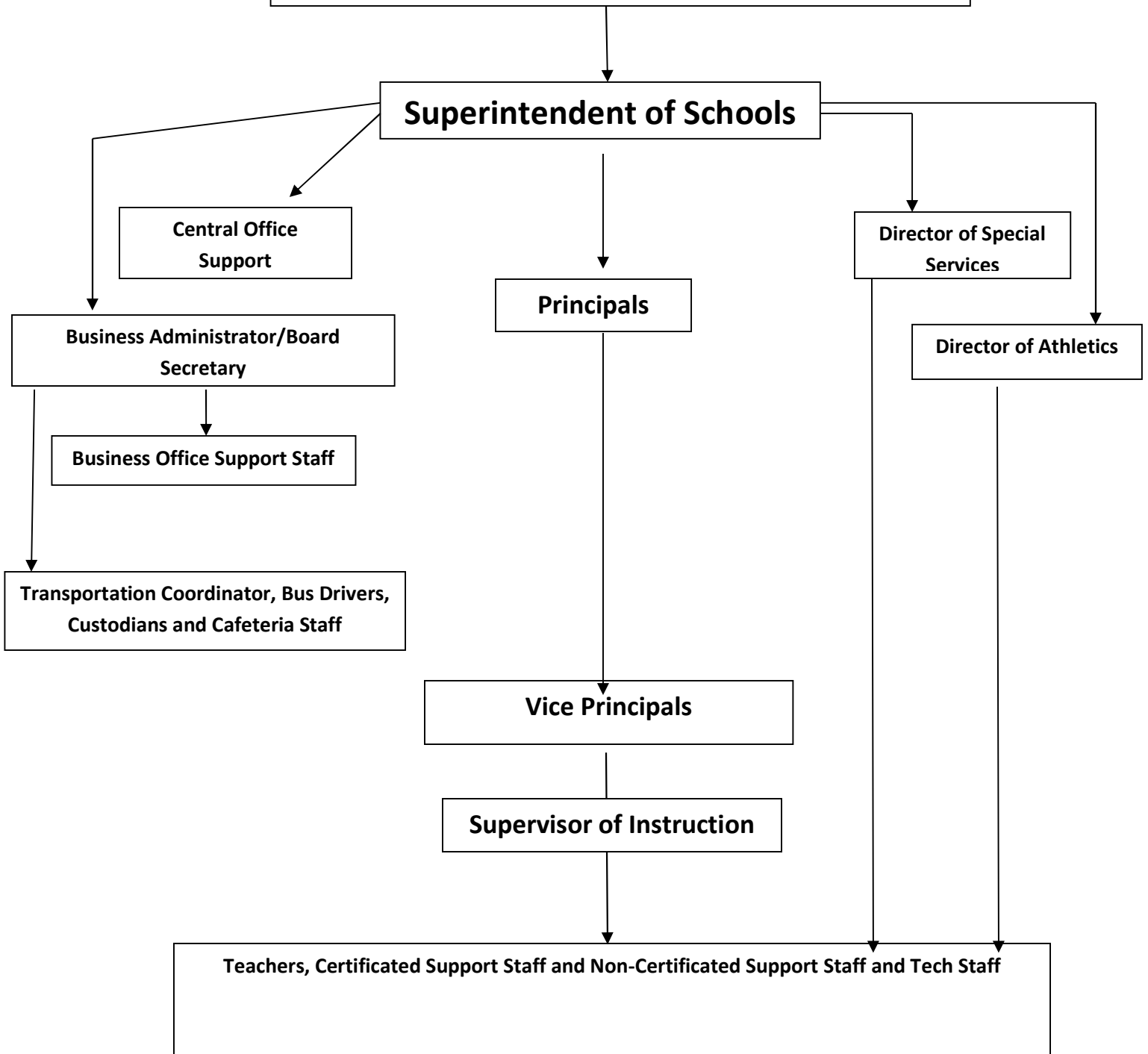
Michael J. Romagnino
Superintendent of Schools



Louis Alfano
Business Administrator
Board Secretary

ORGANIZATIONAL CHART

CLIFFSIDE PARK BOARD OF EDUCATION



CLIFFSIDE PARK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2020

Members of the Board of Education

Term Expires

Teddy F. Tarabokija - President	2020
James Shelley - Vice President	2020
Michael Russo	2021
Marco Garciga	2021
Lisa Frato	2022
Paul Kelaher	2020
Neville C. Raincourt	2022
Joseph Capano	2021
Dr. Letizia Pantoliano	2022

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, 2020

Attorney

BERN ROOT LLC
90 West Palisade Avenue
Englewood, NJ 07631

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



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2020, 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.



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, 2020, 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.

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

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 December 22, 2020 on our consideration of the Borough of Cliffside Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report

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

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

Steven D. Wielkotz

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

Wielkotz + Company, LLC

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

December 22, 2020

**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, 2020**

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, 2020.

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 \$(204,934). Net position of governmental activities decreased \$40,645 while net position of business-type activity increased by \$245,579.
- General revenues accounted for \$61,327,309 in revenue or 94 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,098,567 or 6 percent of total revenues of \$65,425,876.
- The School District had \$63,435,636 in expenses related to governmental activities; only \$2,395,627 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$60,999,364 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, 2020
(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, 2020
(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, 2020
(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, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net position was \$5,252,588 at June 30, 2020 and \$5,047,654 at June 30, 2019. 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 2020 compared to 2019 (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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other Assets	7,219,381	8,295,629	501,683	192,645	7,721,064	8,488,274
Capital Assets	<u>9,897,935</u>	<u>10,301,037</u>	<u>114,879</u>	<u>107,659</u>	<u>10,012,814</u>	<u>10,408,696</u>
Total Assets	<u>17,117,316</u>	<u>18,596,666</u>	<u>616,562</u>	<u>300,304</u>	<u>17,733,878</u>	<u>18,896,970</u>
Deferred Outflows						
Deferred Outflows of Resources						
Related to PERS	<u>1,890,317</u>	<u>2,641,063</u>	_____	_____	<u>1,890,317</u>	<u>2,641,063</u>
Total Deferred Outflows	<u>1,890,317</u>	<u>2,641,063</u>	_____	_____	<u>1,890,317</u>	<u>2,641,063</u>
Liabilities						
Current Liabilities	567,395	1,151,657	77,423	6,744	644,818	1,158,401
Noncurrent Liabilities	<u>9,929,987</u>	<u>11,314,310</u>	_____	_____	<u>9,929,987</u>	<u>11,314,310</u>
Total Liabilities	<u>10,497,382</u>	<u>12,465,967</u>	<u>77,423</u>	<u>6,744</u>	<u>10,574,805</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>3,796,802</u>	<u>3,997,460</u>	_____	_____	<u>3,796,802</u>	<u>3,997,460</u>
Total Deferred Inflows of Resources	<u>3,796,802</u>	<u>4,017,668</u>	_____	_____	<u>3,796,802</u>	<u>4,017,668</u>
Net Position						
Invested in Capital Assets	9,777,608	9,723,576	114,879	107,659	9,892,487	9,831,235
Restricted	6,645,780	6,915,160			6,645,780	6,915,160
Unrestricted	<u>(11,709,939)</u>	<u>(11,884,642)</u>	<u>424,260</u>	<u>185,901</u>	<u>(11,285,679)</u>	<u>(11,698,741)</u>
Total Net Position	<u>4,713,449</u>	<u>4,754,094</u>	<u>539,139</u>	<u>293,560</u>	<u>5,252,588</u>	<u>5,047,654</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2020 compared to 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			560,132	890,291	560,132	890,291
Operating Grants and						
Contributions	2,395,627	2,285,902	1,142,808	1,053,861	3,538,435	3,339,763
Capital Grants and						
Contributions	24,865	20,584			24,865	20,584
General Revenues:						
Taxes:						
Property Taxes	35,610,540	34,574,213			35,610,540	34,574,213
Federal and State Aid						
Not Restricted	16,354,589	17,092,170			16,354,589	17,092,170
Tuition Received	8,386,082	8,482,342			8,386,082	8,482,342
Miscellaneous Income	951,233	1,030,155			951,233	1,030,155
Transfers	<u>(327,945)</u>	<u>(202,180)</u>	<u>327,945</u>	<u>202,180</u>	<u>0</u>	<u>0</u>
Total Revenues and Transfers	<u>63,394,991</u>	<u>63,283,186</u>	<u>2,030,885</u>	<u>2,146,332</u>	<u>65,425,876</u>	<u>65,429,518</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Functions/Program Expenses						
Instruction:						
Regular	21,227,391	21,032,634			21,227,391	21,032,634
Special Education	9,207,827	8,649,824			9,207,827	8,649,824
Other Special Education	1,639,113	1,666,513			1,639,113	1,666,513
Other Instruction	1,017,733	992,732			1,017,733	992,732
Support Services:						
Tuition	3,007,701	3,278,780			3,007,701	3,278,780
Student & Instruction						
Related Services	6,432,039	6,582,249			6,432,039	6,582,249
School Administrative						
Services	2,339,403	2,236,374			2,339,403	2,236,374
General Administrative						
Services	1,267,315	1,314,026			1,267,315	1,314,026
Central Services and Admin.						
Info. Tech.	1,305,626	1,299,763			1,305,626	1,299,763
Plant Operations and						
Maintenance	3,251,822	3,253,497			3,251,822	3,253,497
Pupil Transportation	2,296,260	2,279,702			2,296,260	2,279,702
Unallocated Benefits	7,424,493	8,599,819			7,424,493	8,599,819
Food Service			1,664,282	1,784,140	1,664,282	1,784,140
After School Program			121,024	283,817	121,024	283,817
Charter Schools	21,757	23,013			21,757	23,013
Interest on Long-Term Debt	5,146	24,010			5,146	24,010
Unallocated Depreciation	396,350	394,086			396,350	394,086
Capital Outlay -						
Nondepreciable	<u>2,595,660</u>	<u>704,826</u>	<u> </u>	<u> </u>	<u>2,595,660</u>	<u>704,826</u>
Total Expenses and Transfers	<u>63,435,636</u>	<u>62,331,848</u>	<u>1,785,306</u>	<u>2,067,957</u>	<u>65,220,942</u>	<u>64,399,805</u>
Increase or (Decrease) in						
Net Position	<u>(40,645)</u>	<u>951,338</u>	<u>245,579</u>	<u>78,375</u>	<u>204,934</u>	<u>1,029,713</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 \$65,220,942. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$35,610,540 because some of the cost was paid by those who benefitted from the programs \$560,132, by other governments and organizations who subsidized certain programs with grants and contributions \$3,538,435, unrestricted federal and state aid \$16,354,589, local aid capital outlay \$24,865, tuition received \$8,386,082, and by miscellaneous sources \$951,233.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2020, 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 2019</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$44,972,720	73.8%	\$865,426	1.96%	\$44,107,294
State Source	13,766,221	22.6%	629,471	4.79%	13,136,750
Federal Source	<u>2,214,608</u>	<u>3.6%</u>	<u>216,477</u>	10.83%	<u>1,998,131</u>
Total	<u>\$60,953,549</u>	<u>100.0%</u>	<u>\$1,711,374</u>	2.89%	<u>\$59,242,175</u>
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$25,073,703	41.0%	\$836,548	3.45%	\$24,237,155
Undistributed	32,920,396	53.9%	161,328	0.49%	32,759,068
Debt Service	389,500	0.6%	(8,750)	(2.20%)	398,250
Capital Outlay	<u>2,726,528</u>	<u>4.5%</u>	<u>129,036</u>	4.97%	<u>2,597,492</u>
Total	<u>\$61,110,127</u>	<u>100.0%</u>	<u>\$1,118,162</u>	1.86%	<u>\$59,991,965</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, 2020
(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, 2020, the School District amended the special revenue fund by \$676,147 for increases in local and federal, and decreases in state grants.

General Fund

The general fund actual revenue was \$58,240,609 including capital leases and transfers. That amount is \$7,755,052 above the final amended budget of \$50,485,557. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$7,691,476 for TPAF pension and social security reimbursements, a deficit in other state and federal aid of \$(45,182), a \$81,557 excess in miscellaneous anticipated revenues, \$27,200 of non-budgeted capital leases and \$1 operating transfers.

The actual expenditures of the general fund were \$58,628,080 including transfers which is \$3,989,168 above the final amended budget of \$54,638,912. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$7,691,476 for TPAF pension and social security reimbursements, and \$3,702,308 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$58,240,609 and total expenditures of \$58,628,080 and an ending fund balance of \$7,657,409 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$2,837,368. That amount is \$218,644 below the final amended budget of \$3,056,012. 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 \$2,837,368, which is \$218,644 below the final amended budget of \$3,056,012. 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, 2020
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020 the School District had \$22,429,820 invested in sites, buildings, equipment and construction in progress. Of this amount \$12,417,006 in depreciation has been taken over the years. We currently have a net book value of \$10,012,814. Total additions for the year were \$156,800, 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 2020 balances compared to 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Buildings and Improvements	8,469,380	8,831,529			8,469,380	8,831,529
Furniture, Equipment and Vehicles	506,585	538,429	\$114,879	\$107,659	621,464	646,088
Land Improvements	<u>733,302</u>	<u>742,411</u>			<u>733,302</u>	<u>742,411</u>
	<u>\$9,897,935</u>	<u>\$10,301,037</u>	<u>\$114,879</u>	<u>\$107,659</u>	<u>\$10,012,814</u>	<u>\$10,408,696</u>

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

Debt Administration

At June 30, 2020, the District had \$9,929,987 of outstanding debt. Of this amount, \$687,138 is for compensated absences; \$120,327 for obligations under capital lease; and \$9,122,522 for net pension liability.

Table 4
Outstanding Serial Bonds at June 30,

	<u>2020</u>	<u>2019</u>
2001 School Improvement Bonds	<u>\$ -0-</u>	<u>\$380,000</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 2020-2021 school year that is lower than the level of the 2019-2020 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2020-2021 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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	2,000,035	344,379	2,344,414
Receivables, net	2,056,574	138,391	2,194,965
Inventory		18,913	18,913
Restricted assets:			
Capital reserve account - cash	3,162,772		3,162,772
Capital assets:			
Land and construction in progress	188,668		188,668
Other capital assets, net	9,709,267	114,879	9,824,146
Total Assets	<u>17,117,316</u>	<u>616,562</u>	<u>17,733,878</u>
Deferred Outflow of Resources:			
Deferred Outflows of Resources Related to PERS	1,890,317		1,890,317
Total Deferred Outflows	<u>1,890,317</u>	<u>-</u>	<u>1,890,317</u>
	<u>19,007,633</u>	<u>616,562</u>	<u>19,624,195</u>
LIABILITIES			
Accounts payable and accrued liabilities	567,174	77,423	644,597
Payable to federal government	16		16
Payable to state government	205		205
Noncurrent liabilities:			
Due within one year	54,980		54,980
Due beyond one year	9,875,007		9,875,007
Total liabilities	<u>10,497,382</u>	<u>77,423</u>	<u>10,574,805</u>
Deferred Inflow of Resources:			
Deferred Inflows of Resources Related to PERS	3,796,802		3,796,802
Total Deferred Inflows	<u>3,796,802</u>	<u>-</u>	<u>3,796,802</u>
	<u>14,294,184</u>	<u>77,423</u>	<u>14,371,607</u>
NET POSITION			
Invested in capital assets	9,777,608	114,879	9,892,487
Restricted for:			
Capital projects	3,162,772		3,162,772
Other purposes	3,483,008		3,483,008
Unrestricted (Deficit)	<u>(11,709,939)</u>	<u>424,260</u>	<u>(11,285,679)</u>
Total net position	<u>4,713,449</u>	<u>539,139</u>	<u>5,252,588</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, 2020

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
Student & instruction related services							
Governmental activities:							
Instruction:							
Regular	15,800,411	5,426,980			(21,227,391)		(21,227,391)
Special education	7,254,848	1,952,979		2,135,846	(7,071,981)		(7,071,981)
Other special instruction	1,186,460	452,653			(1,639,113)		(1,639,113)
Other instruction	794,032	223,701			(1,017,733)		(1,017,733)
Support services:							
Tuition	3,007,701				(3,007,701)		(3,007,701)
Health Services	407,680	149,632			(557,312)		(557,312)
Student & instruction related services	4,777,763	1,096,964		259,781	(5,614,946)		(5,614,946)
General administrative services	1,145,495	121,820			(1,267,315)		(1,267,315)
School administrative services	1,699,669	639,734			(2,339,403)		(2,339,403)
Central services and administrative information technology	1,018,315	287,311			(1,305,626)		(1,305,626)
Plant operations and maintenance	2,713,431	538,391			(3,251,822)		(3,251,822)
Pupil transportation	1,781,376	514,884			(2,296,260)		(2,296,260)
Unallocated benefits	7,424,493				(7,424,493)		(7,424,493)
Charter Schools	21,757				(21,757)		(21,757)
Capital outlay - non-depreciable	2,595,660				(2,595,660)		(2,595,660)
Interest on long-term debt	5,146				(5,146)		(5,146)
Unallocated depreciation/amortization	396,350				(396,350)		(396,350)
Total governmental activities	52,030,587	11,405,049	-	2,395,627	(61,040,009)	-	(61,040,009)
Business-type activities:							
Food Service	1,664,282		424,307			(97,167)	(97,167)
After School Program	121,024		135,825	1,142,808		14,801	14,801
Total business-type activities	1,785,306		560,132	1,142,808		(82,366)	(82,366)
Total primary government	53,815,893		560,132	3,538,435	(61,040,009)	(82,366)	(61,122,375)
General revenues:							
Taxes:							
Levied for general purposes					35,225,237		35,225,237
Taxes levied for debt service					385,303		385,303
Federal and State aid not restricted					16,354,589		16,354,589
Local aid - Capital Outlay					24,865		24,865
Tuition received					8,386,082		8,386,082
Miscellaneous Income					951,233		951,233
Transfers					(327,945)	327,945	-
Total general revenues, special items, extraordinary items and transfers					60,999,364	327,945	61,327,309
Change in Net Position					(40,645)	245,579	204,934
Net Position—beginning							5,047,654
Net Position—ending							5,252,588

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, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents			
Checking	2,000,035		2,000,035
Accounts Receivable -			
Interfunds	446,620		446,620
Intergovernmental - State	661,464	28,989	690,453
Intergovernmental - Federal		427,626	427,626
Intergovernmental - Other	938,495		938,495
Restricted cash and cash equivalents			
Capital reserve	3,162,772		3,162,772
Total assets	7,209,386	456,615	7,666,001
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	25,913	9,774	35,687
Intergovernmental accounts payable - State		205	205
Intergovernmental accounts payable - Federal		16	16
Interfund payables		446,620	446,620
Total liabilities	25,913	456,615	482,528
Fund Balances:			
Restricted for:			
Excess Surplus - current year	1,038,924		1,038,924
Excess Surplus - prior year - designated for subsequent year's expenditures	1,032,920		1,032,920
Capital reserve account	3,162,772		3,162,772
Assigned to:			
Year-end Encumbrances	1,355,430		1,355,430
Designated by the BOE for subsequent year's expenditures	55,734		55,734
Unassigned:			
General Fund	537,693		537,693
Total Fund balances	7,183,473	-	7,183,473
Total liabilities and fund balances	7,209,386	456,615	

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 \$22,134,046 and the accumulated depreciation is \$12,236,111	9,897,935
Accounts payable for subsequent Pension payment is not a payable in the funds	(531,487)
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	1,890,317
Deferred inflows of resources related to PERS Pension Liability	(3,796,802)
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)	(9,929,987)
Net position of governmental activities	4,713,449

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, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Municipal tax levy	35,225,237		385,303	35,610,540
Tuition charges	8,386,082			8,386,082
Miscellaneous	951,233	24,865		976,098
Total - Local Sources	44,562,552	24,865	385,303	44,972,720
State sources	13,473,153	288,871	4,197	13,766,221
Federal sources	107,852	2,106,756		2,214,608
Total revenues	58,143,557	2,420,492	389,500	60,953,549
EXPENDITURES				
Current:				
Regular instruction	15,838,363			15,838,363
Special education instruction	5,119,002	2,135,846		7,254,848
Other special instruction	1,186,460			1,186,460
School sponsored/other instructional	794,032			794,032
Support services and undistributed costs:				
Tuition	3,007,701			3,007,701
Health services	407,680			407,680
Student & instruction related services	4,517,982	259,781		4,777,763
General administrative services	1,132,781			1,132,781
School administrative services	1,693,242			1,693,242
Central services & administrative information technology	1,018,315			1,018,315
Plant operations and maintenance	2,703,350			2,703,350
Pupil transportation	1,739,360			1,739,360
Unallocated benefits	8,726,971			8,726,971
On-behalf contributions	7,691,476			7,691,476
Transfer to Charter Schools	21,757			21,757
Debt service:				
Principal			380,000	380,000
Interest and other charges			9,500	9,500
Capital outlay	2,701,663	24,865		2,726,528
Total expenditures	58,300,135	2,420,492	389,500	61,110,127
Excess (Deficiency) of revenues	(156,578)	-	-	(156,578)
OTHER FINANCING SOURCES (USES)				
Transfers in	1			1
Transfers out	(327,945)		(1)	(327,946)
Capital Leases (non-budgeted)	27,200			27,200
Total other financing sources and uses	(300,744)	-	(1)	(300,745)
Net change in fund balances	(457,322)	-	(1)	(457,323)
Fund balance—July 1	7,640,795	-	1	7,640,796
Fund balance—June 30	7,183,473	-	-	7,183,473

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, 2020

Total net change in fund balances - governmental funds (from B-2) (457,323)

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	(533,970)	
	Depreciable Capital outlays	130,868	
			(403,102)

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	380,000	
Capital Lease Obligations	84,126	464,126

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

(27,200)

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	4,354	4,354
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable	138,812
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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	492,468	
Less: Pension Expense	(272,988)	
Decrease in Pension Expense		219,480

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	2,678,078
Increase in On-behalf TPAF Pension Expense	(2,678,078)

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	20,208
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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	91,309
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(91,309)

Change in net position of governmental activities	(40,645)
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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, 2020

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	281,474	62,905	344,379
Accounts receivable:			
State	1,323		1,323
Federal	137,068		137,068
Inventories	18,913		18,913
Total current assets	438,778	62,905	501,683
Noncurrent assets:			
Capital assets:			
Equipment	295,774		295,774
Less accumulated depreciation	(180,895)		(180,895)
Total capital assets (net of accumulated depreciation)	114,879		114,879
Total assets	553,657	62,905	616,562
Current Liabilities:			
Accounts Payable	77,423		77,423
Total Liabilities	77,423		77,423
NET POSITION			
Invested in capital assets	114,879		114,879
Unrestricted	361,355	62,905	424,260
Total net position	476,234	62,905	539,139

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, 2020

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	423,179		423,179
Daily sales - non-reimbursable programs	1,128		1,128
Program Fees		135,825	135,825
Total operating revenues	<u>424,307</u>	<u>135,825</u>	<u>560,132</u>
Operating expenses:			
Cost of food - reimbursable programs	484,893		484,893
Cost of food - non-reimbursable programs	70,235		70,235
Salaries	777,708	61,649	839,357
Employee benefits	162,239		162,239
Supplies and materials	33,167		33,167
Purchased services	85,607		85,607
Depreciation expense	15,035		15,035
Repairs and other expenses	35,398	59,375	94,773
Total Operating Expenses	<u>1,664,282</u>	<u>121,024</u>	<u>1,785,306</u>
Operating income (loss)	<u>(1,239,975)</u>	<u>14,801</u>	<u>(1,225,174)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	14,569		14,569
Federal sources:			
National school lunch program	743,487		743,487
Snack program	36,609		36,609
Breakfast program	236,886		236,886
U.S.D.A. Commodities	111,257		111,257
Total nonoperating revenues (expenses)	<u>1,142,808</u>		<u>1,142,808</u>
Income (loss) before contributions & transfers	<u>(97,167)</u>	<u>14,801</u>	<u>(82,366)</u>
Other financing sources/(uses):			
Transfer In	327,945		327,945
Change in net assets	230,778	14,801	245,579
Total net position—beginning	<u>245,456</u>	<u>48,104</u>	<u>293,560</u>
Total net position—ending	<u><u>476,234</u></u>	<u><u>62,905</u></u>	<u><u>539,139</u></u>

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

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	424,307	135,825	560,132
Payments to suppliers	(1,474,750)	(121,024)	(1,595,774)
Net cash provided by (used for) operating activities	<u>(1,050,443)</u>	<u>14,801</u>	<u>(1,035,642)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	14,167		14,167
Federal Sources	934,351		934,351
Miscellaneous			
Board Contribution	327,945		327,945
Interfunds			
Net cash provided by (used for) non-capital financing activities	<u>1,276,463</u>	<u></u>	<u>1,276,463</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(25,932)	(9,973)	(35,905)
Net cash provided by (used for) capital and related financing activities	<u>(25,932)</u>	<u>(9,973)</u>	<u>(35,905)</u>
Net increase (decrease) in cash and cash equivalents	<u>200,088</u>	<u>4,828</u>	<u>204,916</u>
Balances—beginning of year	<u>81,386</u>	<u>58,077</u>	<u>139,463</u>
Balances—end of year	<u><u>281,474</u></u>	<u><u>62,905</u></u>	<u><u>344,379</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(1,239,975)	14,801	(1,225,174)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	15,035		15,035
Assets retired prior to full depreciation	3,677		3,677
Food Distribution Program	111,257		111,257
USDA Equipment Grant			
(Increase) decrease in accounts receivable			
(Increase) decrease in inventories	(11,115)		(11,115)
Increase (decrease) in accounts payable	70,678		70,678
Total adjustments	<u>(1,050,443)</u>	<u>14,801</u>	<u>(1,035,642)</u>
Net cash provided by (used for) operating activities	<u><u>(1,050,443)</u></u>	<u><u>14,801</u></u>	<u><u>(1,035,642)</u></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, 2020

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	334,469	825,243
Total assets	<u>334,469</u>	<u>825,243</u>
LIABILITIES		
Payable to student groups		194,678
Payroll deductions and withholdings		<u>630,565</u>
Total liabilities	<u>-</u>	<u>825,243</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>334,469</u>	
	<u>334,469</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, 2020

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Payroll withholdings	51,985
Total Contributions	<u>51,985</u>
DEDUCTIONS	
Unemployment Claims	82,147
Total deductions	<u>82,147</u>
Change in net position	(30,162)
Net position—beginning of the year	<u>364,631</u>
Net position—end of the year	<u><u>334,469</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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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.

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, 2020**

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, 2020**

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, 2020, 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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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 2020, the District did not adopt any new GASB Statements.

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. This Statement was effective for reporting periods beginning after December 15, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 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, 2020, \$-0- of the District's bank balance of \$7,464,254 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 3. RECEIVABLES:

Receivables at June 30, 2020, 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	\$446,620	\$	\$
State Aid	690,453	1,323	691,776
Federal Aid	427,626	137,068	564,694
Other	<u>938,495</u>	<u> </u>	<u>938,495</u>
Gross Receivables	2,503,194	138,391	2,194,965
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u><u>\$2,503,194</u></u>	<u><u>\$138,391</u></u>	<u><u>\$2,194,965</u></u>

NOTE 4. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2020 consist of the following:

\$446,620 Due to the General Fund from the Special Revenue Fund for short term loans.

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

Interfund transfers for the year ended June 30, 2020 consisted of the following:

\$327,945 Transfer from the General Fund to the Food Service Fund for expense reimbursement.

1 Transfer from the Debt Service to the General Fund for cancellation of fund balance.

\$327,946

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance <u>6/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2020</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	\$188,668	\$	\$	\$188,668
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets not being depreciated	<u>188,668</u>	<u> </u>	<u> </u>	<u>188,668</u>
Building and building improvements	17,296,693	45,300		17,341,993
Machinery and equipment	2,600,722	85,568	(199,097)	2,487,193
Land Improvements	<u>2,116,192</u>	<u> </u>	<u> </u>	<u>2,116,192</u>
Totals at historical cost	<u>22,013,607</u>	<u>130,868</u>	<u>(199,097)</u>	<u>21,945,378</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,465,164)	(407,449)		(8,872,613)
Machinery and Equipment	(2,062,293)	(117,412)	199,097	(1,980,608)
Land Improvements	<u>(1,373,781)</u>	<u>(9,109)</u>	<u> </u>	<u>(1,382,890)</u>
Total accumulated depreciation	<u>(11,901,238)</u>	<u>(533,970)</u>	<u>199,097</u>	<u>(12,236,111)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>10,112,369</u>	<u>(403,102)</u>	<u> </u>	<u>9,709,267</u>
Governmental activities capital assets, net	<u>\$10,301,037</u>	<u>(\$403,102)</u>	<u>\$ </u>	<u>\$9,897,935</u>

	Balance <u>6/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2020</u>
Business-type activities:				
Equipment	\$282,716	\$25,932	(\$12,874)	\$295,774
Less accumulated depreciation for:				
Equipment	<u>(175,057)</u>	<u>(15,035)</u>	<u>9,197</u>	<u>(180,895)</u>
Business-type activities capital assets, net	<u>\$107,659</u>	<u>\$10,897</u>	<u>(\$3,677)</u>	<u>\$114,879</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$46,174
Support Service:	
Student & Instruction Related Services	12,714
School Administration	6,427
Operations and Maintenance	10,081
Student Transportation	42,016
Unallocated Depreciation	407,449
Land Improvements	<u>9,109</u>
Total Depreciation Expense	<u>\$533,970</u>

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the fiscal year ended June 30, 2020 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	\$380,000	\$	\$(380,000)	\$	\$
Total Bonds Payable	<u>380,000</u>	<u></u>	<u>(380,000)</u>	<u></u>	<u></u>
Other Liabilities:					
Net Pension Liability PERS	9,931,107		(808,585)	9,122,522	
Obligations Under Capital Lease	177,253	27,200	(84,126)	120,327	54,980
Compensated Absences Payable	<u>825,950</u>	<u>29,519</u>	<u>(168,331)</u>	<u>687,138</u>	<u></u>
Total Other Liabilities	<u>10,934,310</u>	<u>56,719</u>	<u>(1,061,042)</u>	<u>9,929,987</u>	<u>54,980</u>
	<u>\$11,314,310</u>	<u>\$56,719</u>	<u>(\$1,441,042)</u>	<u>\$9,929,987</u>	<u>\$54,980</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.

There were no outstanding bonds payable at June 30, 2020.

B. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board has no authorized but not issued bonds.

Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020

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

C. Capital Leases:

The District has entered into a lease purchase agreement for Chromebooks expiring on August 31, 2021. There are also two leases for Desktop Computers which will expire August 21, 2021 and February 29, 2023. The following is a schedule of future minimum leases payments for these capital leases, and the present value of the net minimum lease payments at June 30, 2020:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$61,319	\$54,980	\$6,339
2022	59,286	56,287	2,999
2023	9,469	9,060	409
	<u>\$130,074</u>	<u>\$120,327</u>	<u>\$9,747</u>

Total minimum lease payments	\$130,074
Less: Amount representing interest	<u>(9,747)</u>
Present value of lease payments	<u>\$120,327</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, 2020 were \$663,924. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$787,369
2022	638,469
2023	572,964
2024	471,396
2025	78,456
	<u>\$2,548,654</u>

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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.

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
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS: (continued)

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

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u>		
6/30/20	\$492,468	-0-
6/30/19	501,701	-0-
6/30/18	451,639	-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:

Year	Pension	Post-Retirement	NCGI	Long-Term
<u>Ending</u>	<u>Contributions</u>	<u>Medical</u>	<u>Premium</u>	<u>Disability</u>
		<u>Contributions</u>		<u>Liability</u>
6/30/20	\$4,320,876	\$1,631,697	77,447	\$5,032
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

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 \$1,656,424 during the year ended June 30, 2020 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, 2020, the District had a liability of \$9,122,522 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's proportion was 0.0506288688 percent, which was an increase of 0.00019028 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$272,988. At June 30, 2020, 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, 2020**

NOTE 8. PENSION PLANS: (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$163,737	\$40,299
Changes of assumptions	910,917	3,166,398
Net difference between projected and actual earnings on pension plan investments		144,003
Changes in proportion and differences between District contributions and proportionate share of contributions	284,176	446,102
District contributions subsequent to the measurement date	<u>531,487</u>	<u> </u>
Total	<u>\$1,890,317</u>	<u>\$3,796,802</u>

The \$531,487 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2020	\$(263,417)
2021	(854,519)
2022	(763,036)
2023	(358,285)
2024	(36,789)

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's Proportion	0.0506286880%	0.0504385900%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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, 2020**

NOTE 8. PENSION PLANS: (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

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, 2019) 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, 2019 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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	At Current Discount Rate	1% Increase
District's proportionate share of the pension liability	5.28% \$11,539,928	6.28% \$9,122,522	7.28% \$7,085,514

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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS: (continued)

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, 2020 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>119,974,235</u>
	<u>\$119,974,235</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. 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, 2019, the proportion of the TPAF net pension liability associated with the District was 0.1950194501%.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$7,076,401 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS: (continued)

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2019 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, 2020**

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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 70% 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 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 2019, the State contributed \$1.908 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The Fiscal Year 2020 Appropriations Act includes \$1.612 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 payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

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, 2020 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>62,149,024</u>
	<u><u>\$62,149,024</u></u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2019 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, 2020**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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 - 3.05%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service years	based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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 medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

(b) Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,723,006 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, 2020**

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>
2019-2020	\$ -0-	\$51,985	\$82,147	\$334,469
2018-2019	-0-	49,630	37,202	364,631
2017-2018	-0-	47,306	46,910	352,203

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 \$3,162,772 in the capital reserve account at June 30, 2020.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$4,218,883
Increased by:	
Interest Earnings	8,726
Capital Outlay Unexpended Appropriations	185,163
Board Resolution - June 17, 2020	<u>1,250,000</u>
Decreased by:	
Budget Appropriations	<u>(2,500,000)</u>
Ending balance, June 30, 2020	<u><u>\$3,162,772</u></u>

NOTE 13. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$7,183,473 General Fund fund balance at June 30, 2020, \$1,355,430 is reserved for encumbrances; \$2,071,844 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$1,032,920 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$3,162,772 has been reserved in the Capital Reserve Account; \$55,734 has been reserved for subsequent year's expenditures and \$537,693 is unreserved and undesignated.

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, 2020 is \$2,071,844 of which \$1,038,924 is the result of current year operations.

**Borough of Cliffside Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 15. INVENTORY:

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$14,459
Supplies	<u>4,454</u>
	<u>\$18,913</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 December 22, 2020, the date which the financial statements were available to be issued and no other items were noted for disclosure.

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Cliffside Park. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. In addition, possible increase in expenditures related to the COVID-19 pandemic that will not be reimbursed by the Federal or State governments. The Board will continue to monitor the situation closely.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	35,225,237		35,225,237	35,225,237	
Tuition from LEA's Within State	8,249,680		8,249,680	8,386,082	136,402
Tuition from Other Govt Sources Within State	39,458		39,458		(39,458)
Transportation Fees from Other LEAs	832,500		832,500	771,548	(60,952)
Interest Earned on Capital Reserve Funds	10,000		10,000	8,726	(1,274)
Unrestricted Miscellaneous Revenues	124,120		124,120	170,959	46,839
Total - Local Sources	<u>44,480,995</u>		<u>44,480,995</u>	<u>44,562,552</u>	<u>81,557</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,923,091		1,923,091	1,923,091	
Equalization Aid	2,178,852		2,178,852	2,178,852	
Categorical Security Aid	926,208		926,208	926,208	
Categorical Transportation Aid	323,598		323,598	323,598	
Extraordinary Aid	525,000		525,000	499,779	(25,221)
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,631,697	1,631,697
On-behalf TPAF Pension (non-budgeted)				4,320,876	4,320,876
On-behalf TPAF NCGI Premium (non-budgeted)				77,447	77,447
On-behalf TPAF LTDI				5,032	5,032
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,656,424	1,656,424
Total - State Sources	<u>5,876,749</u>		<u>5,876,749</u>	<u>13,543,004</u>	<u>7,666,255</u>
Medicaid Administrative Claiming (MAC)				23,549	23,549
Special Education Medicaid Initiative	127,813		127,813	84,303	(43,510)
Total - Federal Sources	<u>127,813</u>		<u>127,813</u>	<u>107,852</u>	<u>(19,961)</u>
TOTAL REVENUES	<u>50,485,557</u>		<u>50,485,557</u>	<u>58,213,408</u>	<u>7,727,851</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	1,025	4,509	5,534	463	5,071
Kindergarten - Salaries of Teachers	619,680	11,486	631,166	622,189	8,977
Grades 1-5 - Salaries of Teachers	4,505,587	9,303	4,514,890	4,457,414	57,476
Grades 6-8 - Salaries of Teachers	2,830,255	(456,982)	2,373,273	2,369,883	3,390
Grades 9-12 - Salaries of Teachers	6,440,535	200,185	6,640,720	6,510,554	130,166
Regular Programs - Home Instruction:					
Salaries of Teachers	91,700	(26,575)	65,125	65,125	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	239,645	(39,910)	199,735	199,166	569
Unused Vacation Payment to Term/Retired Staff		6,581	6,581	6,581	
Other Purchased Services (400-500 series)	944,639	(12,000)	932,639	840,879	91,760
General Supplies	382,322	(17,153)	365,169	316,368	48,801
Textbooks	125,899	51,746	177,645	173,936	3,709
Other Objects	384,284	(29,967)	354,317	275,805	78,512
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>16,565,571</u>	<u>(298,777)</u>	<u>16,266,794</u>	<u>15,838,363</u>	<u>428,431</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	893,855	25,767	919,622	919,322	300
Other Salaries for Instruction	354,708	22,960	377,668	377,592	76
Total Learning and/or Language Disabilities	<u>1,248,563</u>	<u>48,727</u>	<u>1,297,290</u>	<u>1,296,914</u>	<u>376</u>
Behavioral Disabilities					
Salaries of Teachers	166,979	(31,549)	135,430	135,430	
Other Salaries for Instruction	51,811	48,996	100,807	95,438	5,369
Total Behavioral Disabilities	<u>218,790</u>	<u>17,447</u>	<u>236,237</u>	<u>230,868</u>	<u>5,369</u>
Multiple Disabilities					
Salaries of Teachers	249,549	(94,488)	155,061	145,822	9,239
Other Salaries for Instruction	136,724	(29,376)	107,348	107,348	
Total Multiple Disabilities	<u>386,273</u>	<u>(123,864)</u>	<u>262,409</u>	<u>253,170</u>	<u>9,239</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,598,997	(139,448)	1,459,549	1,459,449	100
Other Salaries for Instruction	433,860	47,253	481,113	480,787	326
Total Resource Room/Resource Center	<u>2,032,857</u>	<u>(92,195)</u>	<u>1,940,662</u>	<u>1,940,236</u>	<u>426</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Autism					
Salaries of Teachers	224,494	160,056	384,550	384,100	450
Other Salaries for Instruction	342,638	3,592	346,230	346,170	60
Total Autism	<u>567,132</u>	<u>163,648</u>	<u>730,780</u>	<u>730,270</u>	<u>510</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	364,816	29,069	393,885	393,885	
Other Salaries for Instruction	247,653	30,456	278,109	273,659	4,450
Total Preschool Disabilities - Full-Time	<u>612,469</u>	<u>59,525</u>	<u>671,994</u>	<u>667,544</u>	<u>4,450</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>5,066,084</u>	<u>73,288</u>	<u>5,139,372</u>	<u>5,119,002</u>	<u>20,370</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,167,407	19,833	1,187,240	1,186,460	780
General Supplies	2,500	(340)	2,160		2,160
Total Bilingual Education - Instruction	<u>1,169,907</u>	<u>19,493</u>	<u>1,189,400</u>	<u>1,186,460</u>	<u>2,940</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	166,000	22,575	188,575	188,575	
Total School-Sponsored Cocurricular Activities - Instruction	<u>166,000</u>	<u>22,575</u>	<u>188,575</u>	<u>188,575</u>	
School-Sponsored Athletics - Instruction					
Salaries	383,000	32,374	415,374	397,774	17,600
Purchased Services (300-500 series)	15,000		15,000	15,000	
Supplies and Materials	168,600		168,600	142,683	25,917
Transfers to Cover Deficit (Agency Funds)	80,000		80,000	50,000	30,000
Total School-Sponsored Athletics - Instruction	<u>646,600</u>	<u>32,374</u>	<u>678,974</u>	<u>605,457</u>	<u>73,517</u>
TOTAL INSTRUCTION	<u>23,614,162</u>	<u>(151,047)</u>	<u>23,463,115</u>	<u>22,937,857</u>	<u>525,258</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	582,394	244,362	826,756	776,889	49,867
Tuition to County Voc. School Dist. - Regular	467,724	(16,114)	451,610	416,886	34,724
Tuition to County Voc. School Dist. - Special	276,209	(77,531)	198,678	186,669	12,009
Tuition to CSSD & Regional Day Schools	622,024	326,733	948,757	724,819	223,938
Tuition to Private Schools for the Handicapped - Within State	1,046,704	(92,698)	954,006	897,938	56,068
Tuition - State Facilities	4,500		4,500	4,500	
Total Undistributed Expenditures - Instruction:	<u>2,999,555</u>	<u>384,752</u>	<u>3,384,307</u>	<u>3,007,701</u>	<u>376,606</u>
Undist. Expend. - Health Services					
Salaries	394,409	(2,204)	392,205	392,205	
Other Purchased Services (400-500 series)	15,912		15,912	5,616	10,296
Supplies and Materials	18,500		18,500	9,859	8,641
Total Undistributed Expenditures - Health Services	<u>428,821</u>	<u>(2,204)</u>	<u>426,617</u>	<u>407,680</u>	<u>18,937</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	419,901	41,220	461,121	461,121	
Purchased Prof. Services-Educational Services	970,318	179,448	1,149,766	886,309	263,457
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>1,390,219</u>	<u>220,668</u>	<u>1,610,887</u>	<u>1,347,430</u>	<u>263,457</u>
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Purchased Prof. Services-Educational Services	407,868	40,245	448,113	237,548	210,565
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.	<u>407,868</u>	<u>40,245</u>	<u>448,113</u>	<u>237,548</u>	<u>210,565</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	893,654	99,468	993,122	993,120	2
Salaries of Secretarial and Clerical Assistants	81,648	(13,933)	67,715	67,715	
Total Undist. Expend. - Guidance	<u>975,302</u>	<u>85,535</u>	<u>1,060,837</u>	<u>1,060,835</u>	<u>2</u>
Undist. Expend. - Other Supp. Child Study Teams					
Salaries of Other Professional Staff	972,027	(8,367)	963,660	963,660	
Salaries of Secretarial and Clerical Assistants	106,377	6,301	112,678	112,678	
Other Purchased Professional and Technical Services	960,980	(336,542)	624,438	407,693	216,745
Total Undist. Expend. - Other Supp. Serv. Child Study Teams	<u>2,039,384</u>	<u>(338,608)</u>	<u>1,700,776</u>	<u>1,484,031</u>	<u>216,745</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	278,415	(1,430)	276,985	276,985	
Supplies and Materials	56,000	(8,180)	47,820	34,186	13,634
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>334,415</u>	<u>(9,610)</u>	<u>324,805</u>	<u>311,171</u>	<u>13,634</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	35,000		35,000	17,638	17,362
Other Purchased Services (400-500 series)	32,337	41,040	73,377	59,329	14,048
Total Undist. Expend. - Instructional Staff Training Serv.	<u>67,337</u>	<u>41,040</u>	<u>108,377</u>	<u>76,967</u>	<u>31,410</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	304,681	14,624	319,305	319,305	
Legal Services	145,577		145,577	94,707	50,870
Audit Fees	95,350		95,350	44,000	51,350
Other Purchased Professional Services	66,500	1,000	67,500	62,794	4,706
Purchased Technical Services	31,020	(2,709)	28,311	11,640	16,671
Communications/Telephone	123,469	(1,000)	122,469	69,852	52,617
Other Purch Services (400-500 Series)	493,560		493,560	469,770	23,790
General Supplies	12,000		12,000	9,281	2,719
Judgements against the School District	60,000		60,000	200	59,800
Misc. Expenditures	88,965		88,965	50,242	38,723
BOE Membership Dues and Fees	1,000		1,000	990	10
Total Undist. Expend. - Supp. Serv. - General Administration	<u>1,422,122</u>	<u>11,915</u>	<u>1,434,037</u>	<u>1,132,781</u>	<u>301,256</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,144,016	37,914	1,181,930	1,181,930	
Salaries of Secretarial and Clerical Assistants	437,260	62,718	499,978	494,892	5,086
Other Objects	15,105	1,315	16,420	16,420	
Total Undist. Expend. - Support Serv. - School Administration	<u>1,596,381</u>	<u>101,947</u>	<u>1,698,328</u>	<u>1,693,242</u>	<u>5,086</u>
Undist. Expend. - Support Serv. - Central Services					
Salaries	425,831	8,971	434,802	434,802	
Purchased Professional Services	55,048		55,048	54,030	1,018
Supplies and Materials	17,600	(30)	17,570	3,334	14,236
Other Objects	7,500		7,500	2,686	4,814
Total Undist. Expend. - Support Serv. - Central Services	<u>505,979</u>	<u>8,941</u>	<u>514,920</u>	<u>494,852</u>	<u>20,068</u>
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	303,587	14,689	318,276	318,276	
Supplies and Materials	116,093		116,093	90,537	25,556
Other Objects	153,311		153,311	114,650	38,661
Information Technology	<u>572,991</u>	<u>14,689</u>	<u>587,680</u>	<u>523,463</u>	<u>64,217</u>
Undist. Expend. - Required Maint. for School Facilities (261)					
Cleaning, Repair and Maintenance Services	278,291	(40)	278,251	209,195	69,056
General Supplies	49,500	(65)	49,435	4,150	45,285
Undist. Expend. - Required Maint. for School Facilities	<u>327,791</u>	<u>(105)</u>	<u>327,686</u>	<u>213,345</u>	<u>114,341</u>
Undist. Expend. - Custodial Services (262)					
Salaries	1,210,089	220,790	1,430,879	1,349,542	81,337
Cleaning, Repair and Maintenance Services	216,000	(45,724)	170,276	161,996	8,280
Insurance	106,100		106,100	95,933	10,167
General Supplies	280,755	13,907	294,662	256,302	38,360
Energy (Energy and Electricity)	268,600	(68,600)	200,000	103,667	96,333
Energy (Natural Gas)	204,000	71,000	275,000	178,214	96,786
Total Undist. Expend. - Custodial Services	<u>2,285,544</u>	<u>191,373</u>	<u>2,476,917</u>	<u>2,145,654</u>	<u>331,263</u>
Undist. Expend. - Care & Upkeep of Grounds (263)					
Cleaning, Repair and Maintenance Services	92,500	2,652	95,152	93,387	1,765
Total Undist. Expend. - Care & Upkeep of Grounds	<u>92,500</u>	<u>2,652</u>	<u>95,152</u>	<u>93,387</u>	<u>1,765</u>
Undist. Expend. - Security					
Purchased Professional and Technical Services	254,040	(7,298)	246,742	223,010	23,732
Cleaning, Repair and Maintenance Services	19,000	1,900	20,900	15,000	5,900
General Supplies	15,000	2,207	17,207	12,954	4,253
Total Undist. Expend. - Security	<u>288,040</u>	<u>(3,191)</u>	<u>284,849</u>	<u>250,964</u>	<u>33,885</u>
Undist. Expend. - Student Transportation Services (270)					
Salaries of Non-Instructional Aides	416,384	115,164	531,548	531,548	
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	815,846	(23,079)	792,767	791,038	1,729
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	40,000	(12,696)	27,304	26,989	315
Cleaning, Repair and Maintenance Services	255,109	(59,216)	195,893	194,359	1,534
Rental Payments - School Buses	12,000	(8,205)	3,795	3,795	
Contract Services (Sp. Ed. Students)-Joint Agreements	52,750	98,667	151,417	69,662	81,755
Misc. Purchased Services - Transportation	56,100	1,435	57,535	57,479	56
General Supplies	97,229	(15,714)	81,515	68,285	13,230
Total Undist. Expend. - Student Transportation Services	<u>1,745,418</u>	<u>96,356</u>	<u>1,841,774</u>	<u>1,739,360</u>	<u>102,414</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	460,000	111,483	571,483	568,562	2,921
T.P.A.F. Contributions - ERIP	275,000		275,000	213,378	61,622
Other Retirement Contributions-PERS	580,000		580,000	495,901	84,099
Unemployment Compensation	10,000		10,000		10,000
Workmen's Compensation	477,270	(111,483)	365,787	345,394	20,393
Health Benefits	8,269,521	(688,085)	7,581,436	7,062,248	519,188
Tuition Reimbursements	50,000	(34,462)	15,538	15,538	
Other Employee Benefits	100,000	(22,781)	77,219		77,219
Unused Vacation Payment to Term/Retired Staff		25,950	25,950	25,950	
TOTAL UNALLOCATED BENEFITS	<u>10,221,791</u>	<u>(719,378)</u>	<u>9,502,413</u>	<u>8,726,971</u>	<u>775,442</u>
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,631,697	(1,631,697)
On-behalf TPAF Pension (non-budgeted)				4,320,876	(4,320,876)
On-behalf TPAF NCGI Premium (non-budgeted)				77,447	(77,447)
On-behalf TPAD LTDI				5,032	(5,032)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,656,424	(1,656,424)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>7,691,476</u>	<u>(7,691,476)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>10,221,791</u>	<u>(719,378)</u>	<u>9,502,413</u>	<u>16,418,447</u>	<u>(6,916,034)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>27,701,458</u>	<u>127,017</u>	<u>27,828,475</u>	<u>32,638,858</u>	<u>(4,810,383)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>51,315,620</u>	<u>(24,030)</u>	<u>51,291,590</u>	<u>55,576,715</u>	<u>(4,285,125)</u>
CAPITAL OUTLAY					
Undist. Expenditures:					
Instruction	204,636	25,075	229,711	229,711	
Care and Upkeep of Grounds	25,000	12,377	37,377	37,377	
School Buses-Special	45,000	(13,191)	31,809	30,877	932
Total Undist. Expend.	<u>274,636</u>	<u>24,261</u>	<u>298,897</u>	<u>297,965</u>	<u>932</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	173,741	(30,344)	143,397	71,384	72,013
Construction Services	2,461,804	30,344	2,492,148	2,298,313	193,835
Assessment for Debt Service on SDA Funding	6,801		6,801	6,801	
Total Facilities Acquisition and Construction Services	<u>2,642,346</u>		<u>2,642,346</u>	<u>2,376,498</u>	<u>265,848</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Various Equipment				27,200	(27,200)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>27,200</u>	<u>(27,200)</u>
TOTAL CAPITAL OUTLAY	<u>2,916,982</u>	<u>24,261</u>	<u>2,941,243</u>	<u>2,701,663</u>	<u>239,580</u>
Transfer of Funds to Charter Schools	<u>24,310</u>	<u>(231)</u>	<u>24,079</u>	<u>21,757</u>	<u>2,322</u>
TOTAL EXPENDITURES	<u>54,256,912</u>		<u>54,256,912</u>	<u>58,300,135</u>	<u>(4,043,223)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(3,771,355)</u>		<u>(3,771,355)</u>	<u>(86,727)</u>	<u>3,684,628</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				27,200	27,200
Operating Transfers In:					
Debt Service - Cancel Fund Balance				1	1
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(382,000)		(382,000)	(327,945)	54,055
Total Other Financing Sources/(Uses):	<u>(382,000)</u>		<u>(382,000)</u>	<u>(300,744)</u>	<u>81,256</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,153,355)</u>		<u>(4,153,355)</u>	<u>(387,471)</u>	<u>3,765,884</u>
Fund Balance, July 1	<u>8,044,880</u>		<u>8,044,880</u>	<u>8,044,880</u>	
Fund Balance, June 30	<u>3,891,525</u>		<u>3,891,525</u>	<u>7,657,409</u>	<u>3,765,884</u>

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(567,532)		(567,532)	(567,532)	
Increase in Capital Reserve:					
Principal				1,435,163	1,435,163
Interest Deposit to Capital Reserve	10,000		10,000	8,726	(1,274)
Withdrawal from Capital Reserve	(2,500,000)		(2,500,000)	(2,500,000)	
Budgeted Fund Balance	<u>(1,095,823)</u>		<u>(1,095,823)</u>	<u>1,236,172</u>	<u>2,331,995</u>
	<u>(4,153,355)</u>		<u>(4,153,355)</u>	<u>(387,471)</u>	<u>3,765,884</u>
Recapitulation:					
Restricted Fund Balance:					
Legally Restricted - Excess Surplus				1,038,924	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				1,032,920	
Capital Reserve				3,162,772	
Assigned Fund Balance:					
Year-end Encumbrances				1,355,430	
Designated for Subsequent Year's Expenditures				55,734	
Unassigned Fund Balance				<u>1,011,629</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>7,657,409</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>473,936</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u><u>7,183,473</u></u>	

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	20,000	4,865	24,865	24,865	-
State Sources	288,478	1,007	289,485	289,280	(205)
Federal Sources	2,071,387	670,275	2,741,662	2,523,223	(218,439)
Total Revenues	2,379,865	676,147	3,056,012	2,837,368	(218,644)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	619,478	805,116	1,424,594	1,272,704	151,890
Other Salaries for Instruction	627,149	(573,297)	53,852	53,852	-
Purchased Professional and Technical Services	24,500	(10,000)	14,500	4,500	10,000
Other Purchased Services (400-500 series)	712,999	6,976	719,975	715,014	4,961
General Supplies	98,988	357,222	456,210	440,516	15,694
Other Objects	1,760	(1,760)	-	-	-
Total instruction	2,084,874	584,257	2,669,131	2,486,586	182,545
Support services:					
Salaries of Supervisors of Instruction	102,582	(12,707)	89,875	75,582	14,293
Salaries of Program Directors	19,173	-	19,173	19,173	-
Salaries of Secretarial and Clerical Assistants	7,230	100	7,330	7,330	-
Other Salaries	13,848	197	14,045	14,045	-
Personal Services - Employee Benefits	28,091	(275)	27,816	15,824	11,992
Other Purchased Professional Services	76,000	19,871	95,871	93,373	2,498
Other Purchased Services (400-500 series)	23,067	(4,617)	18,450	11,167	7,283
Supplies & Materials	5,000	23,456	28,456	28,423	33
Total support services	274,991	26,025	301,016	264,917	36,099
Facilities acquisition and const. serv.:					
Noninstructional Equipment	20,000	65,865	85,865	85,865	-
Total facilities acquisition and const. serv.	20,000	65,865	85,865	85,865	-
Total Expenditures	2,379,865	676,147	3,056,012	2,837,368	218,644
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2020

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

		<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	58,213,408	2,837,368
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			19,702
Current Year			(436,578)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		404,085	
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).		<u>(473,936)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>58,143,557</u>	<u>2,420,492</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	58,300,135	2,837,368
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			19,702
Current Year			<u>(436,578)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>58,300,135</u>	<u>2,420,492</u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of the Total Pension Liability	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%	
2020	0.0506286880%	9,122,522	3,571,606	255.42%	78.30%	

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contributions in Relations to the Contractually Required Contributions	Contribution Deficiency (Excess)			
2015	\$	447,932	\$	(447,932)	\$ -	\$ 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%
2020		492,468		(492,468)	-	3,571,606	13.79%

* 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)	State's		District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		District's Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability Associated with the District (Asset)			
2015	0.1806634861%	\$ -	\$ 96,558,753	18,509,605	0.00%	33.64%
2016	0.1784512921%	-	112,788,837	18,203,062	0.00%	28.71%
2017	0.1843280061%	-	145,004,146	20,189,243	0.00%	22.33%
2018	0.1867755745%	-	125,930,827	20,466,136	0.00%	25.41%
2019	0.1839927387%	-	117,052,228	20,684,815	0.00%	26.49%
2020	0.1954902878%	-	119,974,235	21,808,695	0.00%	26.95%

* 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, 2020

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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 5.66% to 6.28%. 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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 4.86% to 5.60%. 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**

	2020	2019	2018
Total OPEB Liability			
Service Costs	\$ 2,846,638	\$ 3,138,459	\$ 3,786,116
Interest on Total OPEB Liability	2,685,551	2,966,247	2,551,818
Differences between Expected and Actual Experiences	(9,922,855)	(9,737,707)	
Changes in Assumptions	926,647	(7,741,864)	(10,603,354)
Gross Benefit Payments	(1,907,790)	(1,803,971)	(1,866,422)
Contribution from the Member	56,552	62,348	68,726
Net Changes in total Share of OPEB Liability	(5,315,257)	(13,116,488)	(6,063,116)
Total OPEB Liability - Beginning	67,464,281	80,580,769	86,643,885
Total OPEB Liability - Ending	\$ 62,149,024	\$ 67,464,281	\$ 80,580,769
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	62,149,024	67,464,281	80,580,769
Total OPEB Liability - Ending	\$ 62,149,024	\$ 67,464,281	\$ 80,580,769
District's Covered Employee Payroll	\$ 25,380,301	\$ 24,162,064	\$ 24,035,105
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms 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, 2020

	Total Brought Forward (Ex. E-1a)	ESEA Title I	ESEA Title I SIA	IDEA Part - B Basic	IDEA Part - B Preschool	ESEA Title II, Part A Training & Recruiting	Totals 2020
REVENUES							
Local Sources	24,865						24,865
State Sources	289,280						289,280
Federal Sources	1,069,270	635,917	22,300	688,773	17,342	89,621	2,523,223
Total Revenues	1,383,415	635,917	22,300	688,773	17,342	89,621	2,837,368
EXPENDITURES:							
Instruction:							
Salaries of Teachers	614,787	575,917				82,000	1,272,704
Other Salaries for Instruction	53,852						53,852
Purchased Professional and Technical Services	4,500						4,500
Other Purchased Services (400-500 series)	8,899			688,773	17,342		715,014
General Supplies	411,875	28,641					440,516
Total instruction	1,093,913	604,558	-	688,773	17,342	82,000	2,486,586
Support services:							
Salaries of Supervisors of Instruction	61,976	13,606					75,582
Salaries of Program Directors	19,173						19,173
Salaries of Secretarial and Clerical Assistants	7,330						7,330
Other Salaries	14,045						14,045
Personal Services - Employee Benefits	15,824						15,824
Other Purchased Professional Services	58,452	7,500	22,300			5,121	93,373
Other Purchased Services (400-500 series)	3,667	5,000				2,500	11,167
Supplies & Materials	23,170	5,253					28,423
Total support services	203,637	31,359	22,300	-	-	7,621	264,917
Facilities acquisition and const. serv.:							
Noninstructional Equipment	85,865						85,865
Total facilities acquisition and const. serv.	85,865	-	-	-	-	-	85,865
Total Expenditures	1,383,415	635,917	22,300	688,773	17,342	89,621	2,837,368
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1b)	ESEA Title III	21st Century Community Learning	CARES Act	NJSBAIG Safety Grant	Preschool Education Aid	Total Carried Forward
REVENUES							
Local Sources	-				24,865		24,865
State Sources	802	56,302	531,898	481,070		288,478	289,280
Federal Sources	-						1,069,270
Total Revenues	802	56,302	531,898	481,070	24,865	288,478	1,383,415
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	40,740	379,969			194,078	614,787
Other Salaries for Instruction	-					53,852	53,852
Purchased Professional and Technical Services	-		4,500				4,500
Other Purchased Services (400-500 series)	-		8,899				8,899
General Supplies	802	8,573	5,600	396,900			411,875
Total instruction	802	49,313	398,968	396,900	-	247,930	1,093,913
Support services:							
Salaries of Supervisors of Instruction	-	870	61,106				61,976
Salaries of Program Directors	-					19,173	19,173
Salaries of Secretarial and Clerical Assistants	-					7,330	7,330
Other Salaries	-					14,045	14,045
Personal Services - Employee Benefits	-		15,824				15,824
Other Purchased Professional Services	-	2,452	56,000				58,452
Other Purchased Services (400-500 series)	-	3,667					3,667
Supplies & Materials	-			23,170			23,170
Total support services	-	6,989	132,930	23,170	-	40,548	203,637
Facilities acquisition and const. serv.:							
Noninstructional Equipment	-			61,000	24,865		85,865
Total facilities acquisition and const. serv.	-	-	-	61,000	24,865	-	85,865
Total Expenditures	802	56,302	531,898	481,070	24,865	288,478	1,383,415
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

CLIFFSIDE PARK BOARD OF EDUCATION
 Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2020

	Non Public Textbooks	Non Public Nursing	Non Public Security Aid	Total Carried Forward
REVENUES				
Local Sources	-			-
State Sources	124	269	409	802
Federal Sources	-			-
Total Revenues	124	269	409	802
EXPENDITURES:				
Instruction:				
Salaries of Teachers				-
Other Salaries for Instruction				-
Purchased Professional and Technical Services				-
Other Purchased Services (400-500 series)				-
General Supplies	124	269	409	802
Total instruction	124	269	409	802
Support services:				
Salaries of Supervisors of Instruction				-
Salaries of Program Directors				-
Salaries of Secretarial and Clerical Assistants				-
Other Salaries				-
Personal Services - Employee Benefits				-
Other Purchased Professional Services				-
Other Purchased Services (400-500 series)				-
Supplies & Materials				-
Total support services	-	-	-	-
Facilities acquisition and const. serv.:				
Noninstructional Equipment				-
Total facilities acquisition and const. serv.	-	-	-	-
Total Expenditures	124	269	409	802
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-

**CLIFFSIDE PARK BOARD OF EDUCATION
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 Fiscal Year Ended June 30, 2020**

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	194,078	194,078	
Other salaries for instruction	53,852	53,852	
Total instruction	247,930	247,930	
Support services:			
Salaries of Program Directors	19,173	19,173	
Salaries of Secr. and Clerical Assistants	7,330	7,330	
Other Salaries	14,045	14,045	
Total support services	40,548	40,548	
Total expenditures	288,478	288,478	

Summary of Location Totals

Total revised 2019-20 Preschool Education Aid	288,478
Add: Actual Preschool Education Aid Carryover (June 30, 2019)	
Add: Budgeted Transfer from the General Fund 2019-20	
Total Preschool Education Aid Funds Available for 2019-20 Budget	288,478
Less: 2019-20 Budgeted Preschool Education Aid (prior year budgeted carryover)	288,478
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2020	
Add: June 30, 2020 Unexpended Preschool Education Aid 2019-20 Carryover - Preschool Education Aid/Preschool	

PROPRIETARY FUNDS

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	281,474	62,905	344,379
Accounts receivable:			
State	1,323		1,323
Federal	137,068		137,068
Inventories	18,913		18,913
Total current assets	438,778	62,905	501,683
Noncurrent assets:			
Capital assets:			
Equipment	295,774		295,774
Less accumulated depreciation	(180,895)		(180,895)
Total capital assets (net of accumulated depreciation)	114,879	-	114,879
Total assets	553,657	62,905	616,562
Current Liabilities:			
Accounts Payable	77,423		77,423
Total Liabilities	77,423	-	77,423
NET POSITION			
Invested in capital assets	114,879	-	114,879
Unrestricted	361,355	62,905	424,260
Total net position	476,234	62,905	539,139

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		Totals
	Food Service Program	After School Program	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	423,179		423,179
Daily sales - non-reimbursable programs	1,128		1,128
Program fees		135,825	135,825
Total operating revenues	<u>424,307</u>	<u>135,825</u>	<u>560,132</u>
Operating expenses:			
Cost of food - reimbursable programs	484,893		484,893
Cost of food - non-reimbursable programs	70,235		70,235
Salaries	777,708	61,649	839,357
Employee benefits	162,239		162,239
Supplies and materials	33,167		33,167
Purchased services	85,607		85,607
Depreciation expense	15,035		15,035
Repairs and other expenses	35,398	59,375	94,773
Total Operating Expenses	<u>1,664,282</u>	<u>121,024</u>	<u>1,785,306</u>
Operating income (loss)	<u>(1,239,975)</u>	<u>14,801</u>	<u>(1,225,174)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	14,569		14,569
Federal sources:			
National school lunch program	743,487		743,487
Snack program	36,609		36,609
Breakfast program	236,886		236,886
U.S.D.A. Commodities	111,257		111,257
Total nonoperating revenues (expenses)	<u>1,142,808</u>	<u>-</u>	<u>1,142,808</u>
Income (loss) before contributions & transfers	<u>(97,167)</u>	<u>14,801</u>	<u>(82,366)</u>
Other financing sources/(uses):			
Transfer In	327,945		327,945
Change in net assets	230,778	14,801	245,579
Total net position—beginning	<u>245,456</u>	<u>48,104</u>	<u>293,560</u>
Total net position—ending	<u><u>476,234</u></u>	<u><u>62,905</u></u>	<u><u>539,139</u></u>

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

CLIFFSIDE PARK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	424,307	135,825	560,132
Payments to suppliers	(1,474,750)	(121,024)	(1,595,774)
Net cash provided by (used for) operating activities	(1,050,443)	14,801	(1,035,642)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	14,167		14,167
Federal Sources	934,351		934,351
Board Contribution	327,945		327,945
Net cash provided by (used for) non-capital financing activities	1,276,463	-	1,276,463
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(25,932)	(9,973)	(35,905)
Net cash provided by (used for) capital and related financing activities	(25,932)	(9,973)	(35,905)
Net increase (decrease) in cash and cash equivalents	200,088	4,828	204,916
Balances—beginning of year	81,386	58,077	139,463
Balances—end of year	281,474	62,905	344,379
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(1,239,975)	14,801	(1,225,174)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	15,035		15,035
Asset retired prior to full depreciation	3,677		3,677
Food Distribution Program	111,257		111,257
(Increase) decrease in inventories	(11,115)		(11,115)
Increase (decrease) in accounts payable	70,678		70,678
Total adjustments	(1,050,443)	14,801	(1,035,642)
Net cash provided by (used for) operating activities	(1,050,443)	14,801	(1,035,642)

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, 2020

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	334,469	825,243
Total assets	<u>334,469</u>	<u>825,243</u>
LIABILITIES		
Payable to student groups		194,678
Payroll deductions and withholdings		<u>630,565</u>
Total liabilities	<u>-</u>	<u><u>825,243</u></u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>334,469</u>	
	<u><u>334,469</u></u>	

CLIFFSIDE PARK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2020

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Payroll withholdings	51,985
Total Contributions	<u>51,985</u>
DEDUCTIONS	
Unemployment Claims	<u>82,147</u>
Total deductions	<u>82,147</u>
Change in net position	(30,162)
Net position—beginning of the year	<u>364,631</u>
Net position—end of the year	<u><u>334,469</u></u>

CLIFFSIDE PARK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
Elementary Schools:				
School #3	9,137	2,739	4,045	7,831
School #4	6,324	5,636	7,879	4,081
School #5	11,879	15,275	10,361	16,793
School #6	<u>9,546</u>	<u>16,091</u>	<u>13,274</u>	<u>12,363</u>
Total Elementary Schools	<u>36,886</u>	<u>39,741</u>	<u>35,559</u>	<u>41,068</u>
Middle School:				
School #6 - Middle	<u>2,822</u>	<u>14,062</u>	<u>12,374</u>	<u>4,510</u>
Total Middle Schools	<u>2,822</u>	<u>14,062</u>	<u>12,374</u>	<u>4,510</u>
High School:				
High School	78,576	144,072	116,368	106,280
Athletic	18,783	56,554	51,740	23,597
Project Graduation	<u>21,265</u>	<u>10,110</u>	<u>12,152</u>	<u>19,223</u>
Total High Schools	<u>118,624</u>	<u>210,736</u>	<u>180,260</u>	<u>149,100</u>
Total All Schools	<u><u>158,332</u></u>	<u><u>264,539</u></u>	<u><u>228,193</u></u>	<u><u>194,678</u></u>

CLIFFSIDE PARK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
Net Payroll	3,500	20,064,883	20,064,883	3,500
Payroll Deductions and Withholdings	<u>483,627</u>	<u>14,796,719</u>	<u>14,653,281</u>	<u>627,065</u>
	<u><u>487,127</u></u>	<u><u>34,861,602</u></u>	<u><u>34,718,164</u></u>	<u><u>630,565</u></u>

LONG-TERM DEBT

CLIFFSIDE PARK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds Payable
Fiscal Year Ended June 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
School District Bonds Refunding - 2006	July 15, 2006	3,680,000				\$ 380,000	380,000	
						<u>\$ 380,000</u>	<u>380,000</u>	

CLIFFSIDE PARK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2020

<u>Issue</u>	<u>Amount of Loan</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2019</u>	<u>Balance, June 30, 2020</u>
		<u>Date</u>	<u>Amount</u>			
Chromebooks	103,000				\$ 34,309	34,309
Chromebooks	95,344	8/31/2021	30,348	4.65%	95,344	62,107
		8/31/2022	31,759	4.65%		33,237
Desktop Computers	47,600	8/31/2021	15,164	4.57%	47,600	31,020
		8/31/2022	15,856	4.57%		
Desktop Computers	27,200	2/29/21	9,469	4.50%		27,200
		2/29/22	8,671	4.50%		
		2/29/23	9,060	4.50%		
					\$ 177,253	84,126
					27,200	120,327

CLIFFSIDE PARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	385,303	-	385,303	385,303	-
State Sources:					
Debt Service Aid Type II	4,197	-	4,197	4,197	-
Total - State Sources	4,197	-	4,197	4,197	-
Total Revenues	389,500	-	389,500	389,500	-
EXPENDITURES:					
Regular Debt Service:					
Interest	9,500	-	9,500	9,500	-
Redemption of Principal	380,000	-	380,000	380,000	-
Total Regular Debt Service	389,500	-	389,500	389,500	-
Total expenditures	389,500	-	389,500	389,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Operating Transfers Out:					
Cancel Fund Balance - General Fund	-	-	-	(1)	(1)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	(1)	(1)
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	1	-	1	-	(1)

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 9,777,608
Restricted	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	6,645,780
Unrestricted	(332,676)	(516,963)	(636,513)	(722,861)	(10,050,627)	(11,286,040)	(12,025,401)	(11,877,092)	(11,884,642)	(11,709,939)
Total governmental activities net position	\$ 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	\$ 4,713,449
Business-type activities										
Invested in capital assets, net of related debt	\$ 38,318	\$ 27,689	\$ 20,128	\$ 13,566	\$ 3,257	\$ 30,958	\$ 36,569	\$ 36,946	\$ 107,659	\$ 114,879
Restricted										
Unrestricted	273,330	436,810	367,657	296,366	161,956	(92,460)	128,584	178,239	185,901	424,260
Total business-type activities net position	\$ 311,648	\$ 464,499	\$ 387,785	\$ 309,932	\$ 165,213	\$ (61,502)	\$ 165,153	\$ 215,185	\$ 293,560	\$ 539,139
District-wide										
Invested in capital assets, net of related debt	\$ 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	\$ 9,892,487
Restricted	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	6,645,780
Unrestricted	(59,346)	(80,153)	(268,856)	(426,495)	(9,888,671)	(11,378,500)	(11,896,817)	(11,698,853)	(11,698,741)	(11,285,679)
Total district net position	\$ 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	\$ 5,252,588

Source: CAFR Schedule A-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction	\$ 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	\$ 21,227,391
Regular	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	9,207,827
Special education	751,847	804,050	793,949	973,023	975,861	1,132,610	1,427,089	1,702,727	1,666,513	1,639,113
Other instruction	730,640	562,083	704,952	787,487	877,419	874,743	1,088,113	1,019,296	992,732	1,017,733
Support Services:										
Tuition	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	3,007,701
Health services							831,315	893,825	553,126	557,312
Student & instruction related services	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	5,874,727
General administrative services	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	1,267,315
School administrative services	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	2,339,403
Central services and administrative information technology	658,999	727,758	774,908	901,454	822,333	1,330,507	1,322,446	1,304,985	1,299,763	1,305,626
Plant operations and maintenance	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	3,251,822
Pupil transportation	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	2,296,260
Unallocated Benefits	2,364,279	2,974,168	4,036,579	3,387,615	3,884,814	4,756,207	6,212,337	9,433,622	8,595,819	7,424,493
Charter Schools	11,177	30,224	51,535	48,351	76,578	81,329	41,985	18,992	23,013	21,757
Interest on long-term debt	127,668	120,544	109,596	98,004	85,877	58,601	61,271	42,375	24,010	5,146
Unallocated depreciation	294,713	295,163	299,391	177,519	328,040	230,694	263,594	263,594	394,086	396,350
Capital Outlay - nondepreciable	260,034	144,431	5,200	1,408,966	11,275	1,363,294	531,400	497,034	704,826	2,595,660
Total governmental activities expenses	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	63,435,636
Business-type activities:										
Food service	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	1,664,282
After School Program	177,538	280,725	173,750	178,120	198,828	265,421	232,953	342,275	283,817	121,024
Total business-type activities expense	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	1,785,306
Total district expenses	\$ 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	\$ 65,220,942
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 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	\$ 8,386,082
Business and other support services										
Operating grants and contributions	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	2,395,627
Capital grants and contributions	360,862	49,863	42,233	-	16,526	16,526	21,931	13,478	20,584	24,865
Total governmental activities program revenues	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	10,806,574

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Food service	771,777	769,016	836,286	868,831	548,487	554,327	555,377	562,793	604,414	424,307
After School Program	181,625	279,213	181,957	200,381	240,211	240,296	226,355	345,616	285,877	135,825
Operating grants and contributions	792,879	821,720	902,280	935,822	977,965	947,306	1,016,998	1,030,771	1,053,861	1,142,808
Total business type activities program revenues	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	1,702,940
Total district program revenues	\$ 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	\$ 12,509,514
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (52,629,062)
Business-type activities	185,628	152,851	(76,714)	(77,853)	(144,719)	(226,715)	(249,440)	(201,903)	(123,805)	(82,366)
Total district-wide net expense	\$ (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)	\$ (52,711,428)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 35,225,237
Taxes levied for debt service	421,176	420,854	420,186	423,870	421,929	414,688	378,762	402,120	393,958	385,303
Federal and State Aid - Not Restricted	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	16,354,589
Federal and State Aid - Capital Outlay					24,102	-	-	-		
Investment earnings										
Miscellaneous income	687,763	400,832	682,752	471,823	569,869	772,411	906,559	1,175,087	1,030,155	951,233
Transfers							(476,095)	(251,935)	(202,180)	(327,945)
Total governmental activities	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	52,588,417
Business-type activities:										
Transfers							476,095	251,935	202,180	327,945
Total business-type activities							476,095	251,935	202,180	327,945
Total district-wide	\$ 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	\$ 52,916,362
Change in Net Position										
Governmental activities	\$ 2,345,287	\$ 1,325,717	\$ 3,666,623	\$ (219,287)	\$ 1,703,827	\$ 351,090	\$ 7,031	\$ 311,227	\$ 951,338	\$ (40,645)
Business-type activities	185,628	152,851	(76,714)	(77,853)	(144,719)	(226,715)	226,655	50,032	78,375	245,579
Total district	\$ 2,530,915	\$ 1,478,568	\$ 3,589,909	\$ (297,140)	\$ 1,559,108	\$ 124,375	\$ 233,686	\$ 361,259	\$ 1,029,713	\$ 204,934

Source: CAFR Schedule A-2

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
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	5,234,616
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	1,411,164
Unassigned	1,012,722	720,148	742,339	616,387	577,134	610,508	761,080	779,165	725,636	537,693
Total general fund	\$ 4,165,033	\$ 5,392,673	\$ 9,131,037	\$ 8,423,759	\$ 8,937,694	\$ 9,150,613	\$ 9,439,182	\$ 8,449,821	\$ 7,640,795	\$ 7,183,473
All Other Governmental Funds										
Assigned, reported in:										
Special revenue fund	118,691	26,388	102,363	111,698						
Capital projects fund		102,363								
Debt service fund		1	1	1	31,025	31,025	1	1	1	1
Total all other governmental funds	\$ 118,691	\$ 128,752	\$ 102,364	\$ 111,699	\$ 31,025	\$ 31,025	\$ 1	\$ 1	\$ 1	\$ -

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 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	\$ 35,610,540
Tuition	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	8,386,082
Transportation	-	-	-	-	-	-	-	-	-	-
Miscellaneous	687,763	421,830	682,752	471,823	569,869	788,937	928,490	1,188,565	1,050,739	976,098
State sources	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	13,766,221
Federal sources	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	2,214,608
Total revenue	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	60,953,549
Expenditures										
Instruction										
Regular Instruction	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	15,838,363
Special education instruction	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	7,254,848
Other special instruction	553,109	592,390	630,857	770,854	680,349	755,752	878,170	1,125,992	1,189,686	1,186,460
Other instruction	577,589	445,548	590,264	662,276	681,014	646,617	754,966	738,544	772,946	794,032
Support Services:										
Tuition	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	3,007,701
Health services							606,540	703,739	398,726	407,680
Student & instruction related services	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	4,777,763
School Administrative services	1,501,419	1,488,071	1,411,946	1,379,738	1,328,365	1,385,951	1,343,804	1,418,238	1,595,082	1,132,781
General administrative services	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	1,693,242
Central services and administrative information technology	488,719	541,295	636,821	760,258	683,263	1,033,321	920,022	984,759	1,011,384	1,018,315
Plant operations and maintenance	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	2,703,350
Pupil transportation	920,778	870,874	928,143	1,012,812	1,044,891	1,181,913	1,399,418	1,560,090	1,718,499	1,739,360
Unallocated benefits	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	8,726,971
On-behalf contributions	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	7,691,476
Charter Schools	11,177	30,224	51,535	48,351	76,578	81,329	41,985	18,992	23,013	21,757
Capital outlay	934,358	159,105	174,708	1,849,700	1,249,473	1,607,126	1,313,308	1,759,101	2,597,492	2,726,528
Debt service:										
Principal	290,000	300,000	310,000	325,000	335,000	340,000	350,000	360,000	370,000	380,000
Interest and other charges	135,763	125,437	114,763	103,487	91,524	79,205	64,250	46,500	28,250	9,500
Total expenditures	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	61,110,127
Excess (Deficiency) of revenues over (under) expenditures	1,548,834	1,237,699	3,711,976	(697,943)	433,261	212,919	606,590	(840,426)	(749,790)	(156,578)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	-	-	-	127,050	103,000	142,944	27,200
Transfers in	408,072				111,698	-	-	-	-	1
Transfers out	(408,072)				(111,698)		(476,095)	(251,935)	(202,180)	(327,946)
Total other financing sources (uses)	-	-	-	-	-	-	(349,045)	(148,935)	(59,236)	(300,745)
Net change in fund balances	\$ 1,548,834	\$ 1,237,699	\$ 3,711,976	\$ (697,943)	\$ 433,261	\$ 212,919	\$ 257,545	\$ (989,361)	\$ (809,026)	\$ (457,323)
Debt service as a percentage of noncapital expenditures	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.8%	0.8%	0.7%	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
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
2020	21,833	8,386,082	771,548	21,918		135,934	9,337,315

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property		Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
							Public Utilities ^a					
2010	\$ 7,226,900	\$ 2,118,923,500	\$ 135,279,300	\$ 4,602,900	\$ 203,430,400	\$ 2,469,463,000	\$ -	\$ 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	\$ 2,738,279,000	\$ -	\$ 7,374,071	\$ 2,745,653,071	1.020	\$ 3,267,134,590	84.04%
2012	\$ 5,230,800	\$ 2,286,922,400	\$ 177,462,000	\$ 6,158,500	\$ 256,622,900	\$ 2,732,396,600	\$ -	\$ 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	\$ 2,730,705,100	\$ -	\$ 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	\$ 2,742,635,000	\$ -	\$ 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	\$ 2,755,988,900	\$ -	\$ 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	\$ 2,783,280,000	\$ -	\$ 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	\$ 2,814,549,700	\$ -	\$ 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	\$ 2,906,323,500	\$ -	\$ 5,894,422	\$ 2,912,217,922	1.206	\$ 3,425,459,628	85.02%
2019	\$ 16,694,500	\$ 2,466,986,100	\$ 174,949,100	\$ 3,927,500	\$ 264,370,400	\$ 2,926,927,600	\$ -	\$ 5,748,618	\$ 2,932,676,218	1.226	\$ 3,573,230,623	82.07%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Cliffside Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation		Borough of Cliffside Park	Bergen County	
		Debt Service ^b	Total Direct			
2011	1.00	0.02	1.020	0.85	0.23	2.093
2012	1.02	0.02	1.043	0.86	0.24	2.138
2013	1.04	0.02	1.060	0.87	0.25	2.177
2014	1.07	0.02	1.085	0.88	0.247	2.212
2015	1.10	0.02	1.120	0.867	0.253	2.240
2016	1.13	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	2.4376
2019	1.19	0.014	1.206	0.95	0.286	2.442
2020	1.21	0.01	1.226	0.96	0.302	2.488

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	2020				2011			
	Taxable Assessed Value	Rank [Optional]	% of Total		Taxable Assessed Value	Rank [Optional]	% of Total	
			District	Net Assessed Value			District	Net Assessed Value
Briarcliff Corp.	\$ 71,500,000	1	2.44%		\$ 75,500,000	1	2.75%	
Palisadium Mgmt. Corp.	\$ 12,550,500	3	0.43%		\$ 12,550,500	2	0.46%	
Cliff Lane/Palisade Ave, LLC	\$ 14,238,200	2	0.49%		\$ 3,496,700	8	0.13%	
T&F Realty	\$ 5,000,000	7	0.17%		\$ 6,250,000	4	0.23%	
Savoy Plaza	\$ 5,664,800	6	0.19%		\$ 5,664,800	5	0.21%	
Carlton Corp.	\$ 4,700,500	8	0.16%		\$ 4,700,500	6	0.17%	
Timmes Realty Assoc.	\$ 3,690,500	9			\$ 3,690,500	7		
TD Banknorth	\$ 2,370,700	10			\$ 2,370,700	10	0.09%	
Verizon - New Jersey	\$ 5,748,422	5	0.20%		\$ 8,566,465	3	0.31%	
Walker Properties	\$ 5,794,200	4	0.20%		\$ 3,300,000	9	0.12%	
G&N Realty								
Total	\$ 131,257,822		4.27%		\$ 126,090,165		4.46%	

Net Assessed Valuation: \$ 2,932,676,218 \$ 2,745,653,071

Source: Municipal Tax Assessor.

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

Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	\$ -
2020	\$35,610,540	\$35,610,540	100.00%	\$ -

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	3,070,000	136,962	-	-	3,206,962	2.15%	\$ 69,053	
2012	2,770,000	73,192	-	-	2,843,192	2.54%	\$ 72,152	
2013	2,460,000	37,734	-	-	2,497,734	2.87%	\$ 71,679	
2014	2,135,000	10,076	-	-	2,145,076	3.47%	\$ 74,452	
2015	1,800,000	-	-	-	1,800,000	4.31%	\$ 77,666	
2016	1,460,000	-	-	-	1,460,000	5.42%	\$ 79,145	
2017	1,110,000	83,900	-	-	1,193,900	6.82%	\$ 81,483	
2018	750,000	145,722	-	-	895,722	9.60%	\$ 85,951	
2019	380,000	177,253	-	-	557,253	Not Available	Not Available	
2020	-	120,327	-	-	120,327	Not Available	Not Available	

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 3,070,000	-	3,070,000	0.11%	\$ 44
2012	\$ 2,770,000	-	2,770,000	0.10%	\$ 38
2013	\$ 2,460,000	-	2,460,000	0.09%	\$ 34
2014	\$ 2,135,000	-	2,135,000	0.08%	\$ 29
2015	\$ 1,800,000	-	1,800,000	0.07%	\$ 23
2016	\$ 1,460,000	-	1,460,000	0.05%	\$ 18
2017	\$ 1,110,000	-	1,110,000	0.04%	\$ 14
2018	\$ 750,000	-	750,000	0.03%	Not Available
2019	\$ 380,000	-	380,000	0.01%	Not Available
2020	\$ -	-	-	0.00%	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, 2020

<u>Governmental Unit</u>	Estimated Percentage Applicable ^a	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2020			\$ -
Net overlapping debt of School District:			
Borough of Cliffside Park	100.000%	\$ 34,707,374	
County of Bergen - City's Share	1.814%	\$ 16,428,175	
Bergen County Utility Authority-City's Share	3.113%	\$ 4,125,420	
Subtotal, overlapping debt			\$ 55,260,969
Total direct and overlapping debt			\$ 55,260,969

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 2019

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	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	137,046,828
Total net debt applicable to limit	3,070,000	2,770,000	2,460,000	2,135,000	1,800,000	1,460,000	1,110,000	750,000	380,000	-
Legal debt margin	\$ 134,306,426	\$ 133,785,831	\$ 126,942,916	\$ 122,490,084	\$ 115,025,618	\$ 114,705,585	\$ 118,708,336	\$ 80,376,676	\$ 130,313,509	\$ 137,046,828
Total net debt applicable to the limit	2.23%	2.03%	1.90%	1.71%	1.54%	1.26%	0.93%	0.92%	0.29%	0.00%
as a percentage of debt limit										

Equalized valuation basis	
2019	\$ 3,573,230,623
2018	\$ 3,425,459,628
2017	\$ 3,279,821,874
[A]	\$ 10,278,512,125
[A/3]	\$ 3,426,170,708

Average equalized valuation of taxable property	[A/3]	\$ 3,426,170,708
Debt limit (4 % of average equalization value)	[B]	137,046,828 ^a
Net bonded school debt	[C]	-
Legal debt margin	[B-C]	\$ 137,046,828

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

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	23,754	\$ 1,640,284,962	69,053	9.40%
2012	24,319	\$ 1,754,664,488	72,152	9.60%
2013	24,390	\$ 1,748,250,810	71,679	8.30%
2014	24,415	\$ 1,817,745,580	74,452	5.10%
2015	24,502	\$ 1,902,972,332	77,666	4.00%
2016	24,544	\$ 1,942,534,880	79,145	4.00%
2017	24,667	\$ 2,009,941,161	81,483	3.70%
2018	25,772	\$ 2,215,129,172	85,951	3.30%
2019	\$ 26,133	Not Available	Not Available	2.60%
2020	Not Available	Not Available	Not Available	Not Available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer</u>	<u>2020</u>			<u>2010</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>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction	183	183	204	207	212	210	189	219	224	223
Regular	30	30	33	27	26	47	44	37	41	44
Special education										
Support Services:										
Student & instruction related services	62	62	71	82	87	91	72	76	80	146
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	7	7	7	7	7	12	7	8	8	8
Central services	6	6	6	6	6	6	11	11	12	12
Plant operations and maintenance	5	5	5	5	5	5	5	5	5	5
Pupil transportation	48	48	52	52	62	67	63	54	57	68
Food Service	22	22	23	23	24	32	41	53	46	53
Total	364	364	402	410	430	471	433	464	474	560

Source: District Personnel Records

CLIFFSIDE PARK BOARD OF EDUCATION
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c				
2011	2,779	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	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	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	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	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	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	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	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	56,996,223	18,071	6.38%	265	1:23	1:24	1:23	3,096	2,953	-0.55%	95.38%		
2020	3,203	57,994,099	18,106	0.19%	267	1:23	1:24	1:23	3,140	3,017	1.42%	96.08%		

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Buildings</u>										
<u>Elementary</u>										
School #3										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	263	328	319	333	346	308	285	291	294	389
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	296	496	478	493	502	569	598	575	568	560
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	203	211	229	246	281	316	327	341	332
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	283	346	381	364	380	355	326	346	327	311
<u>Middle School</u>										
Middle School										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	354	352	359	378	376	361	393	408	426	410
<u>High School</u>										
High School										
Square Feet	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563
Capacity (students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,103	1,035	1,091	1,104	1,118	1,126	1,156	1,217	1,198	1,233
<u>Other</u>										
ELC										
Square Feet	36,000	36,000								
Capacity (students)	375	375								
Enrollment	298	323								

Number of Schools at June 30, 2020
 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-XXX

School Facilities	Project# (s)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ELC	N/A	16,197	-	-	-	-	-	-	-	-	-
School #3	N/A	20,446	32,232	29,895	41,217	63,045	44,380	51,967	34,207	24,081	31,214
School #4	N/A	26,764	50,494	35,929	37,615	47,463	45,689	44,357	26,462	32,341	31,641
School #5	N/A	19,497	5,940	53,704	38,822	26,834	34,038	37,151	22,445	34,796	21,405
School #6	N/A	50,709	53,910	47,292	42,563	97,501	88,473	97,488	58,480	118,539	64,417
High School	N/A	25,770	45,256	54,095	56,236	57,364	57,286	76,356	60,604	69,005	64,668
Grand Total		\$ 159,383	\$ 187,832	\$ 220,915	\$ 216,453	\$ 292,207	\$ 269,866	\$ 307,319	\$ 202,198	\$ 278,762	\$ 213,345

*-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, 2020
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



WIELKOTZ & COMPANY LLC
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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2020.

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 December 22, 2020.

Purpose of this Report

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

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

December 22, 2020



WIELKOTZ & COMPANY LLC
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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, 2020. 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, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the Borough of Cliffside Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Cliffside Park Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park Board of Education's internal control over compliance.

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

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

Steven D. Wielkocz

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

Wielkocz & Company, LLC

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

December 22, 2020

CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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, 2019	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Balance at June 30, 2020	
											(Accounts Receivable)	Deferred Revenue/ Interfund Payable
											Due to Grantor	
U.S. Department of Education												
Passed-through State Department of Education:												
General Fund:												
Medical Administrative Claiming (MAC)	93.778	1905NJ5MAP	N/A	7/1/19-6/30/20	\$ 23,549			23,549	23,549			
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	N/A	7/1/19-6/30/20	84,303			84,303	84,303			
Total General Fund								107,852	107,852			
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I Part A, Improving Basic Programs	84.010	S010A190030	ESEA-0890-20	7/1/19-9/30/20	635,917	(28,213)	(28,213)	575,211	635,917		(88,919)	
Title I Part A, Improving Basic Programs	84.010	S010A180030	ESEA-0890-19	7/1/18-6/30/19	678,162	28,213	28,213				(77,374)	
Title I SIA	84.010	S010A190030	ESEA-0890-20	7/1/19-9/30/20	22,300	(29,889)	(29,889)	52,189	22,300			
Title I SIA	84.010	S010A180030	ESEA-0890-19	7/1/18-6/30/19	29,889	(58,102)	29,889	627,400	658,217		(88,919)	
I.D.E.A. Part B	84.027	H027A190100	IDEA-0890-20	7/1/19-9/30/20	688,773	(216)	(216)	611,615	688,773		(77,374)	
I.D.E.A. Part B	84.027	H027A180100	IDEA-0890-19	7/1/18-6/30/19	683,091	216	216					
I.D.E.A. Part B Preschool	84.173	H173A190114	IDEA-0890-20	7/1/19-9/30/20	17,342	(13,587)	(13,587)	30,929	17,342	16		
I.D.E.A. Part B Preschool	84.173	H173A180114	IDEA-0890-19	7/1/18-6/30/19	16,908	(13,587)	13,587	642,544	706,115	16	(77,374)	16
Title II Part A	84.367A	S367A190029	ESEA-0890-20	7/1/19-9/30/20	89,621	(18,058)	(18,058)	77,941	89,621		(29,738)	
Title II Part A	84.367A	S367A180029	ESEA-0890-19	7/1/18-6/30/19	101,184	(18,058)	18,058	77,941	89,621		(29,738)	
Title III	84.365A	S365A190030	ESEA-0890-20	7/1/19-9/30/20	74,002	(7,632)	(7,632)	59,457	56,302		(4,477)	
Title III	84.365A	S365A180030	ESEA-0890-19	7/1/18-6/30/19	65,986	(7,632)	7,632					
Title III, Immigrant	84.365A	S365A180030	ESEA-0890-19	7/1/18-6/30/19	26,056	(563)	(563)	563				
						(8,195)	(8,195)	60,020	56,302		(4,477)	
21st Century Community Learning Centers	84.287C	S287C190030	CCLC-0890-20	9/1/19-8/31/20	500,000	(60,536)	(60,536)	162,333	344,550		(182,217)	
21st Century Community Learning Centers	84.287C	S287C180030	CCLC-0890-19	9/1/18-8/31/19	500,000	(60,536)	(60,536)	247,884	187,348			
								410,217	531,898		(182,217)	
CARES ACT 2020/ ESSER	84.425D	S425D200027		3/13/20-10/15/22	481,303				481,070		(481,070)	
									481,070		(481,070)	
Total Special Revenue Fund						(158,694)		1,818,122	2,523,223	16	(863,795)	16

CLIFFSIDE PARK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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, 2019	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Balance at June 30, 2020		
											(Accounts Receivable)	Deferred Revenue/ Interfund Payable	
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
USDA Commodities	10.565	20INJ304N1096	N/A	7/1/19-6/30/20	\$ 111,257			111,257					
USDA Equipment Grant	10.579	18INJ354N8103	N/A	4/1/18-9/30/20	40,894	(33,994)		33,994					
National Breakfast Program	10.553	20INJ304N1099	N/A	7/1/19-6/30/20	81,375			81,375					
National Breakfast Program SSO	10.553	20INJ304N1099	N/A	3/18/20-6/30/20	155,511			102,607					
National Breakfast Program	10.553	19INJ304N1099	N/A	7/1/18-6/30/19	115,710	(7,884)		7,884					
National School Lunch Program	10.555	20INJ304N1099	N/A	7/1/19-6/30/20	495,558			495,558					
National School Lunch Program SSO	10.555	20INJ304N1099	N/A	3/18/20-6/30/20	247,929			163,765					
National School Lunch Program	10.555	19INJ304N1099	N/A	7/1/18-6/30/19	729,448	(43,428)		43,428					
National School Snack Program	10.555	20INJ304N1099	N/A	7/1/19-6/30/20	36,609			36,609					
National School Snack Program	10.555	19INJ304N1099	N/A	7/1/18-6/30/19	53,142	(3,125)		3,125					
								1,079,602	1,128,239				
Total Enterprise Fund							(88,431)						
Total Federal Financial Assistance							\$ (247,125)	3,005,576	3,759,314	16	(863,795)	16	

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, 2020

State/Local Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			MEMO	
												Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at		Budgetary Receivable
State Department of Education:																
General Fund:																
Equalization Aid	495-034-5120-078	7/1/19-6/30/20	2,178,852				1,985,899	2,178,852								
Special Education Aid	495-034-5120-089	7/1/19-6/30/20	1,923,091				1,752,787	1,923,091								
Security Aid	495-034-5120-084	7/1/19-6/30/20	926,208				844,186	926,208								
Transportation Aid	495-034-5120-014	7/1/19-6/30/20	323,598				294,341	323,598								
Extraordinary Aid	495-034-5120-044	7/1/19-6/30/20	499,779					499,779								
Extraordinary Aid	7/1/18-6/30/19		532,771	(532,771)						(499,779)						
Reimbursed TPAF Social Security	495-034-5094-003	7/1/19-6/30/20	1,656,424				1,494,739	1,656,424								
Reimbursed TPAF Social Security	7/1/18-6/30/19		1,533,951	(156,016)			136,016			(161,685)						
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	7/1/19-6/30/20	1,631,697				1,631,697	1,631,697								
On Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/19-6/30/20	4,320,876				4,320,876	4,320,876								
On Behalf TPAF - NCGI Premium	7/1/19-6/30/20		77,447				77,447	77,447								
On Behalf TPAF - LTDI	495-034-5094-004	7/1/19-6/30/20	5,032				5,032	5,032								
Total General Fund				(688,787)			13,096,391	13,543,004			(661,464)			(473,936)	15,661,083	
Special Revenue Fund:																
Preschool Education Aid	495-034-5120-086	7/1/19-6/30/20	288,478				259,630	288,478								
Preschool Education Aid	495-034-5120-086	7/1/18-6/30/19	274,400	(27,440)			27,440			(28,848)						
N.J. Alterschool-Summer	18E00101	11/1/17-10/31/18	250,000	(550)						(550)						
N.J. Nonpublic Textbook Aid	100-034-5120-064	7/1/19-6/30/20	158				158	124								124
N.J. Nonpublic Technology Initiative	100-034-5120-373	7/1/19-6/30/20	108				108	269								269
N.J. Nonpublic Nursing Services	100-034-5120-070	7/1/19-6/30/20	291				450	409								409
N.J. Nonpublic Security Grant	100-034-5120-509	7/1/19-6/30/20	450	(27,990)			288,077	289,280						(28,848)	813,680	
Total Special Revenue Fund																
Debt Service Fund:																
Debt Service Aid Type II	100-034-5120-067	7/1/19-6/30/20	4,197	4,197				4,197								4,197
Total Debt Service Fund				4,197				4,197								4,197
Enterprise Fund:																
National School Lunch Program (State Share)	100-010-3350-023	7/1/19-6/30/20	10,673				10,673	10,673								10,673
National School Lunch Program SSO (State Share)	3/81/20-6/30/20		3,896	(921)			2,573	3,896		(1,323)					3,896	
National School Lunch Program (State Share)	100-010-3350-023	7/1/18-6/30/19	15,804	(921)			921			(1,323)					15,804	
Total Enterprise Fund							14,167	14,569							30,373	
Total State Financial Assistance																
				(713,501)			13,398,635	13,851,050			(692,185)			205	16,509,333	
Less: On-Behalf TPAF Pension System Contributions																
							6,035,052									
Total State Financial Assistance																
							7,815,998									
Local Awards:																
Special Revenue Fund																
NJSBAIG Safety Grant Program 2019		7/1/19-6/30/20	24,865				24,865	24,865								24,865
Total Local Awards							24,865	24,865								24,865
Total State/Local Financial Assistance				(713,501)			13,423,500	13,875,915			(692,185)			205	16,534,198	

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 \$(34,926) for the general fund and \$(416,876) 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	\$107,852	\$13,473,153	\$	\$13,581,005
Special Revenue Fund	2,106,756	288,871	24,865	2,420,492
Debt Service Fund		4,197		4,197
Food Service Fund	<u>1,128,239</u>	<u>14,569</u>	<u> </u>	<u>1,142,808</u>
Total Financial Awards	<u>\$3,342,847</u>	<u>\$13,780,790</u>	<u>\$24,865</u>	<u>\$17,148,502</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, 2020. 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, 2020.

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 \$6,035,052 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>	\$658,217
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	89,621
Title III: <i>English Language Acquisition State Grants</i>	<u>56,302</u>
Total	<u>\$804,140</u>

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553/10.555</u>	(A) <u>201NJ304N1099</u>	Child Nutrition Cluster: National School Lunch Program/National School Breakfast Program

Note: (A) - Tested as Major Type A 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, 2020
(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? X yes _____ none reported
2. Material weakness(es) identified? _____ yes X no

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089/ 495-034-5120-084/ <u>495-034-5120-078</u> (A) <u>495-034-5094-003</u> (A) <u>495-034-5120-014</u> (B)	State Aid Public Cluster: Special Education Categorical Aid/ <u>Security Aid/Equalization Aid</u> <u>Reimbursed TPAF Social Security</u> <u>Transportation 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, 2020**

Section II – Financial Statement Findings

NONE

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

STATE AWARDS

Finding 2020-001

Information on the state program:

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(078/084/089) Grant Period 7/1/19-6/30/20.

Criteria or specific requirement:

N.J.S.A. 18A:16-17.1 requires that the district withheld the minimum of 1.5% of base salary for all employees and properly implemented the required increase to withholdings of contributions towards the cost of health care benefits coverage based upon the employee’s base wage and the employee’s cost of coverage.

Condition:

Employee health benefits are not being calculated in accordance with Chapter 78, P.L. 2011 (approved June 28, 2011).

Questioned Costs:

None

Context:

There was an instance in which an employee who waived health benefit coverage was still having a deduction taken out of his bi-weekly paycheck. In addition, incorrect premiums and duration of coverage were being utilized in the calculation of employee contributions.

Effect:

Employees are not contributing the proper amount towards health benefits to be in accordance with N.J.S.A. 18A:16-17.11.

Cause:

Information was incorrectly entered into the personnel system, which is directly connected to the payroll system, causing incorrect system calculations of health benefit contributions.

Recommendation:

The board of education review health benefit calculations to ensure all the information entered is proper. Any over/underpayment should be refunded to/paid by the applicable employees.

Management’s response:

The payroll clerk has been instructed by the Superintendent to review health benefit calculations in order to provide the proper refunds for overpayments and obtain the proper payments for underpayments.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Status of Prior Year Findings

None