

**SCHOOL DISTRICT OF THE  
BOROUGH OF CLIFFSIDE PARK  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

**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, 2015**

# Comprehensive Annual Financial Report

of the

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

**Year Ended June 30, 2015**

**Prepared by**

**Louis Alfano  
Business Administrator/Board Secretary**

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## **INTRODUCTORY SECTION**

# *CLIFFSIDE PARK PUBLIC SCHOOLS*

*THE MUNICIPAL COMPLEX*

*525 PALISADE AVENUE*

*CLIFFSIDE PARK, NEW JERSEY 07010*

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*Louis Alfano*  
*Business Administrator/Board Secretary*

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*E-MAIL: lalfano@cliffsidepark.edu*

November 11, 2015

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, 2015.

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

The Cliffside Park Board of Education's financial statements have been audited by Ferraioli, Wielkocz, Cerullo, & Cuva, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance the financial statements Cliffside Park Board of Education for the fiscal year ended June 30, 2015, 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 2014/2015 fiscal year with 2,968 students, which is 67 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>
2004-2005	2,558	(1.3)
2005-2006	2,606	1.8
2006-2007	2,572	(1.3)
2007-2008	2,587	(.04)
2008-2009	2,647	2.3
2009-2010	2,760	4.2
2010-2011	2,740	(2.0)
2011-2012	2,779	1.4
2012-2013	2,839	2.1
<b>2013-2014</b>	<b>2,901</b>	<b>2.1</b>
<b>2014-2015</b>	<b>2,968</b>	<b>2.2</b>

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

**MAJOR INITIATIVES:** The Cliffside Park Board of Education recognizes its responsibility to provide a broad educational program consistent with the mental and physical potential of every child in our community. The Board believes that each individual should be accepted into our educational program as he/she is and be provided with a stimulating environment and opportunities for learning experiences designed to promote behavioral changes that will affect satisfactory adjustments to life. In addition to meeting the special needs of our students the high school offers preparation for entrance to college, technical and sub-professional schools. The high school also offers college courses that focus on the sciences, mathematics, foreign languages and social studies. Many accelerated and advanced placement courses are also available in all subject areas.

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

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

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

**EARLY CHILDHOOD:** Addition of Pre-K Handicap full-day class

**MATH CURRICULUM:** The Cliffside Park School District uses the Envision Math Mathematics 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:** PARCC Testing (grades three through eleven) is required under NCLB. Other standardized tests given within the District include NJPass, Boehm Test, and the Otis Lennon Ability Test.

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

**INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as a reservation of fund balance at June 30.

**PROPRIETARY FUND:** The Enterprise Food Service fund provides for the operation of food services in all schools within the school district. This full service breakfast and lunch program operates successfully with no costs for the school district or the taxpayers of Cliffside Park.

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

**DEBT ADMINISTRATION:** On July 15, 1999 the District issued \$5,400,000 of bonds to finance a capital improvement referendum approved by the District's voters on December 8, 1998 which were refunded on July 15, 2006. At June 30, 2015 \$1,645,000 of the school bonds were outstanding.

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

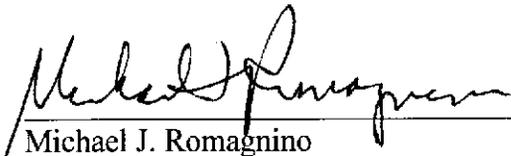
**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents

and fidelity bonds. The District provides its employee full medical insurance through traditional health insurance plan.

**OTHER INFORMATION:** A. Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo, & Cuva was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey Circular 04-04. The auditors’ report on the basic financial statements is included in the financial section of this report. The auditors’ report related specifically to the Single Audit is included in the Single Audit Section of this report.

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

Respectfully submitted,



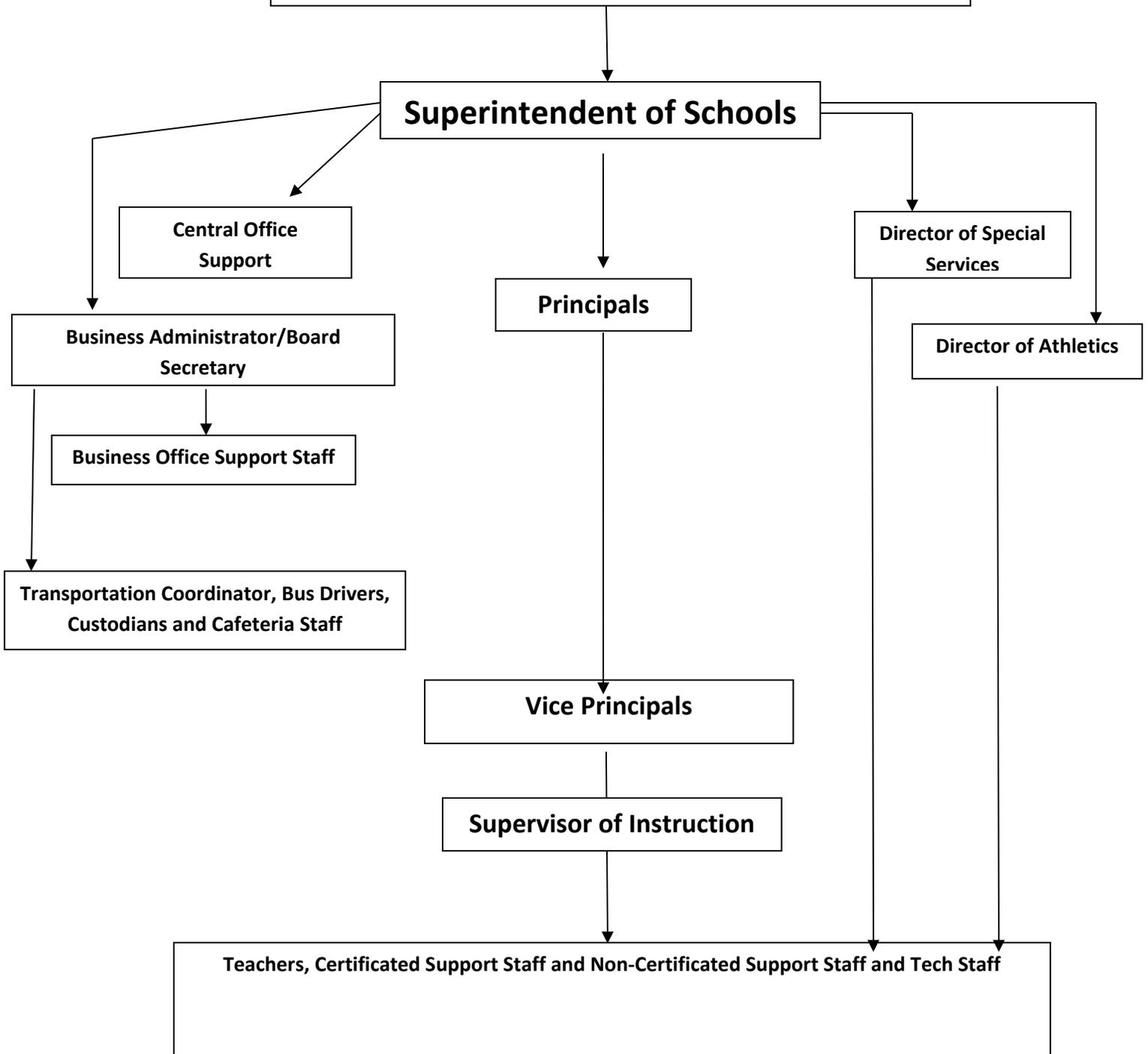
Michael J. Romagnino  
Superintendent of Schools



Louis Alfano  
Business Administrator  
Board Secretary

# ORGANIZATIONAL CHART

**CLIFFSIDE PARK BOARD OF EDUCATION**



**CLIFFSIDE PARK BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Samuel Martone, President	2016
Joseph J. Cota, Vice President	2018
Toni Bongard (7/1/14-4/21/15)	2015
Selvie Nikaj (4/22/15-6/30/15)	2018
Joseph Capano	2017
Stephen D. Dobish, Ed. D. (7/1/14-6/30/15)	2015
Michael Russo (4/22/15-6/30/15)	2018
Lisa Frato	2016
James Shelley	2017
Teddy F. Tarabokija	2017
Gina M. Vaccaro	2016

**Other Officials**

Michael J. Romagnino, Superintendent of Schools

Louis Alfano, Business Administrator/Board Secretary

Frank Berardo, Treasurer of School Monies

Fogarty & Hara, Board Attorney

**CLIFFSIDE PARK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**June 30, 2015**

**Attorney**

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

**District Auditor**

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

**Official Depositories**

TD BANK NORTH  
354 Palisade Avenue  
Cliffside Park, NJ 07010

**FINANCIAL SECTION**

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

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

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Newton, NJ 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Cliffside Park School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2015, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Cliffside Park Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2015, 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 and schedules related to accounting and reporting for pensions (GASB 68) 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2015 on our consideration of the Borough of Cliffside Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope

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

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

*Ferraioli, Wielkotz, Cerullo & Cova, P.A.*

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

November 11, 2015

**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, 2015  
UNAUDITED**

As management of the Borough of Cliffside Park School District (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of the Borough of Cliffside Park School District for the fiscal year ended June 30, 2015.

The management’s discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net position increased \$1,559,108. Net position of governmental activities increased \$1,703,827 while net position of business-type activity decreased by \$(144,719).
- General revenues accounted for \$48,888,176 in revenue or 92 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,029,729 or 8 percent of total revenues of \$52,917,905.
- The School District had \$49,430,725 in expenses related to governmental activities; only \$2,263,066 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$48,888,176 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, 2015  
UNAUDITED (continued)**

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

**District-Wide Financial Statements**

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

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

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

Both of the district-wide financial statements distinguish functions of the Borough of Cliffside Park School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Cliffside Park School District include instruction, support services and special schools. The business-type activities of the Borough of Cliffside Park School District include the food service program.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Cliffside Park School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Cliffside Park School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (continued)**

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

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Cliffside Park School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

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

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (continued)**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (continued)**

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

The School District's net position was \$3,298,621 at June 30, 2015 and \$12,220,648 at June 30, 2014. 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 2015 compared to 2014 (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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>						
Current and Other Assets	9,039,035	8,572,264	174,784	324,811	9,213,819	8,897,075
Capital Assets	<u>7,849,799</u>	<u>6,949,744</u>	<u>3,257</u>	<u>13,566</u>	<u>7,853,056</u>	<u>6,963,310</u>
Total Assets	<u>16,888,834</u>	<u>15,522,008</u>	<u>178,041</u>	<u>338,377</u>	<u>17,066,875</u>	<u>15,860,385</u>
<b>Deferred Outflows</b>						
Deferred Outflows of Resources						
Related to PERS	<u>788,512</u>	_____	_____	_____	<u>788,512</u>	_____
Total Deferred Outflows	<u>788,512</u>	_____	_____	_____	<u>788,512</u>	_____
<b>Liabilities</b>						
Current Liabilities	575,235	78,755	12,828	28,445	588,063	107,200
Noncurrent Liabilities	<u>13,210,131</u>	<u>3,451,710</u>	_____	_____	<u>13,210,131</u>	<u>3,451,710</u>
Total Liabilities	<u>13,785,366</u>	<u>3,530,465</u>	<u>12,828</u>	<u>28,445</u>	<u>13,798,194</u>	<u>3,558,910</u>
<b>Deferred Inflow of Resources</b>						
Unamortized Bond Premium	70,724	80,827			70,724	80,827
Deferred Inflows of Resources						
Related to PERS	<u>687,848</u>	_____	_____	_____	<u>687,848</u>	_____
Total Deferred Inflows of Resources	<u>758,572</u>	<u>80,827</u>	_____	_____	<u>758,572</u>	<u>80,827</u>
<b>Net Position</b>						
Invested in Capital Assets,						
Net of Related Debt	5,979,075	4,723,841	3,257	13,566	5,982,332	4,737,407
Restricted	7,204,960	7,909,736			7,204,960	7,909,736
Unrestricted	<u>(10,050,627)</u>	<u>(722,861)</u>	<u>161,956</u>	<u>296,366</u>	<u>(9,888,671)</u>	<u>(426,495)</u>
Total Net Position	<u>3,133,408</u>	<u>11,910,716</u>	<u>165,213</u>	<u>309,932</u>	<u>3,298,621</u>	<u>12,220,648</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (continued)**

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

Table 2 below shows the changes in net position for fiscal year 2015 compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			788,698	1,069,212	788,698	1,069,212
Operating Grants and						
Contributions	2,263,066	2,042,296	977,965	935,822	3,241,031	2,978,118
Capital Grants and						
Contributions						
General Revenues:						
Taxes:						
Property Taxes	30,175,694	29,412,200			30,175,694	29,412,200
Federal and State Aid						
Restricted	12,149,173	7,355,462			12,149,173	7,355,462
Federal and State Aid						
Capital Outlays	24,102				24,102	
Tuition Received	5,969,338	5,626,526			5,969,338	5,626,526
Miscellaneous Income	<u>569,869</u>	<u>471,823</u>			<u>569,869</u>	<u>471,823</u>
Total Revenues and Transfers	<u>51,151,242</u>	<u>44,908,307</u>	<u>1,766,663</u>	<u>2,005,034</u>	<u>52,917,905</u>	<u>46,913,341</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (continued)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	20,167,606	17,227,778			20,167,606	17,227,778
Special Education	7,225,713	6,063,910			7,225,713	6,063,910
Other Special Education	975,861	973,023			975,861	973,023
Other Instruction	877,419	787,487			877,419	787,487
Support Services:						
Tuition	2,342,048	2,412,564			2,342,048	2,412,564
Student & Instruction Related Services	5,569,956	5,056,961			5,569,956	5,056,961
School Administrative Services	1,021,223	1,741,387			1,021,223	1,741,387
General Administrative Services	1,903,573	1,200,572			1,903,573	1,200,572
Central Services and Admin. Info. Tech.	822,333	901,454			822,333	901,454
Plant Operations and Maintenance	2,779,899	2,424,064			2,779,899	2,424,064
Pupil Transportation	1,375,200	1,217,939			1,375,200	1,217,939
Unallocated Benefits	3,884,814	3,387,615			3,884,814	3,387,615
Food Service			1,712,554	1,904,767	1,712,554	1,904,767
After School Program			198,828	178,120	198,828	178,120
Charter Schools	76,578	48,351			76,578	48,351
Interest on Long-Term Debt	85,877	98,004			85,877	98,004
Unallocated Depreciation	328,040	177,519			328,040	177,519
Capital Outlay - Nondepreciable	<u>11,275</u>	<u>1,408,966</u>	<u>          </u>	<u>          </u>	<u>11,275</u>	<u>1,408,966</u>
Total Expenses and Transfers	<u>49,447,415</u>	<u>45,127,594</u>	<u>1,911,382</u>	<u>2,082,887</u>	<u>51,358,797</u>	<u>47,210,481</u>
Increase or (Decrease) in Net Position	<u>1,703,827</u>	<u>(219,287)</u>	<u>(144,719)</u>	<u>(77,853)</u>	<u>1,559,108</u>	<u>(297,140)</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (continued)**

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

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$51,342,107. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$30,175,694 because some of the cost was paid by those who benefitted from the programs \$788,698, by other governments and organizations who subsidized certain programs with grants and contributions \$3,241,031, unrestricted federal and state aid \$12,149,173, federal and state aid capital outlay \$24,102, tuition received \$5,969,338, and by miscellaneous sources \$553,179.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2015, 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 2014</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$36,714,901	78.2%	\$1,204,352	3.39%	\$35,510,549
State Source	8,096,934	17.3%	466,930	6.12%	7,630,004
Federal Source	<u>2,108,413</u>	<u>4.5%</u>	<u>340,659</u>	19.27%	<u>1,767,754</u>
Total	<u>\$46,920,248</u>	<u>100.0%</u>	<u>\$2,011,941</u>	4.48%	<u>\$44,908,307</u>
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$21,368,766	46.0%	\$962,149	4.71%	\$20,406,617
Undistributed	23,442,224	50.4 %	520,778	2.27%	22,921,446
Debt Service	426,524	0.9 %	(1,963)	(0.46)%	428,487
Capital Outlay	<u>1,249,473</u>	<u>2.7%</u>	<u>(600,227)</u>	(32.45)%	<u>1,849,700</u>
Total	<u>\$46,486,987</u>	<u>100.0%</u>	<u>\$880,737</u>	1.93%	<u>\$45,606,250</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, 2015  
UNAUDITED (continued)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund, the special revenue fund and the debt service fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2015, the School District amended the special revenue fund by \$1,343,941 for increases in federal and decreases in state grants.

**General Fund**

The general fund actual revenue was \$44,274,069 including transfers. That amount is \$4,577,630 above the final amended budget of \$39,696,439. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,894,449 for TPAF pension and social security reimbursements, an excess in other state and federal aid of \$107,362, \$80,675 for a transfer from capital project fund, and a \$495,094 excess in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$43,756,605 including transfers which is \$771,758 above the final amended budget of \$44,528,363. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$3,894,499 for TPAF pension and social security reimbursements, and \$4,666,257 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$44,274,069 and total expenditures of \$43,756,605 with an ending fund balance of \$9,202,520 on the budgetary basis of accounting.

**Special Revenue Fund**

The special revenue fund actual revenue was \$2,262,657. That amount is \$171,266 below the final amended budget of \$2,433,923. 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 \$2,262,657, which is \$171,266 below the final amended budget of \$2,433,923. 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, 2015  
UNAUDITED (continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2015 the School District had \$18,312,942 invested in sites, buildings, equipment and construction in progress. Of this amount \$10,459,886 in depreciation has been taken over the years. We currently have a net book value of \$7,853,056. Total additions for the year were \$1,238,198, 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 2015 balances compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$188,668	\$188,668			\$188,668	\$188,668
Construction in Progress	561,220	561,220			561,220	561,220
Buildings and Improvements	5,774,087	5,741,257			5,774,087	5,741,257
Furniture, Equipment and Vehicles	442,751	458,599	\$3,257	\$13,566	446,008	472,165
Land Improvements	<u>883,073</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>883,073</u>	<u>                    </u>
	<u>\$7,849,799</u>	<u>\$6,949,744</u>	<u>\$3,257</u>	<u>\$6,949,744</u>	<u>\$7,853,056</u>	<u>\$6,963,310</u>

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

**Debt Administration**

At June 30, 2015, the District had \$13,210,131 of outstanding debt. Of this amount, \$1,237,085 is for compensated absences; \$1,800,000 of serial bonds for school construction and related refunding costs; and \$10,173,046 for net pension liability.

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

	<u>2015</u>	<u>2014</u>
2001 School Improvement Bonds	<u>\$1,800,000</u>	<u>\$2,135,000</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED (continued)**

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

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2015-2016 school year that is higher than the level of the 2014-2015 school year.

These factors were considered in preparing the Borough of Cliffside Park School District's budgets for the 2015-2016 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, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	6,263,325	206,269	6,469,594
Receivables, net	1,429,589	57,003	1,486,592
Internal balances	93,981	(93,981)	-
Inventory		5,493	5,493
Restricted assets:			
Capital reserve account - cash	1,252,140		1,252,140
Capital assets:			
Land and construction in progress	1,642,070		1,642,070
Other capital assets, net	6,207,729	3,257	6,210,986
Total Assets	<u>16,888,834</u>	<u>178,041</u>	<u>17,066,875</u>
Deferred Outflow of Resources:			
Deferred Outflows of Resources Related to PERS	<u>788,512</u>		<u>788,512</u>
Total Deferred Outflows	<u>788,512</u>	-	<u>788,512</u>
	<u>17,677,346</u>	<u>178,041</u>	<u>17,855,387</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	504,919	12,828	517,747
Payable to state government	34,048		34,048
Unearned revenue	36,268		36,268
Noncurrent liabilities:			
Due within one year	340,000		340,000
Due beyond one year	12,870,131		12,870,131
Total liabilities	<u>13,785,366</u>	<u>12,828</u>	<u>13,798,194</u>
Deferred Inflow of Resources:			
Unamortized Bond Premium	70,724		70,724
Deferred Inflows of Resources Related to PERS	<u>687,848</u>		<u>687,848</u>
Total Deferred Inflows	<u>758,572</u>	-	<u>758,572</u>
	<u>14,543,938</u>	<u>12,828</u>	<u>14,556,766</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	5,979,075	3,257	5,982,332
Restricted for:			
Debt service	31,025		31,025
Other purposes	7,173,935		7,173,935
Unrestricted (Deficit)	<u>(10,050,627)</u>	<u>161,956</u>	<u>(9,888,671)</u>
Total net position	<u>3,133,408</u>	<u>165,213</u>	<u>3,298,621</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, 2015

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	14,409,852	5,757,754			(20,167,606)		(20,167,606)
Special education	5,597,551	1,628,162			(5,398,584)		(5,398,584)
Other special instruction	680,349	295,512		1,827,129	(975,861)		(975,861)
Other instruction	681,014	196,405			(877,419)		(877,419)
Support services:							
Tuition	2,342,048				(2,342,048)		(2,342,048)
Health Services	364,664	153,950			(518,614)		(518,614)
Student & instruction related services	4,025,592	1,009,060		435,937	(4,598,715)		(4,598,715)
School administrative services	1,328,365	575,208			(1,903,573)		(1,903,573)
General administrative services	912,089	109,134			(1,021,223)		(1,021,223)
Central services and administrative information technology	683,263	139,070			(822,333)		(822,333)
Plant operations and maintenance	2,225,314	554,585			(2,779,899)		(2,779,899)
Pupil transportation	1,034,815	340,385			(1,375,200)		(1,375,200)
Unallocated benefits	3,884,814				(3,884,814)		(3,884,814)
Charter Schools	76,578				(76,578)		(76,578)
Capital outlay - non-depreciable	11,275				(11,275)		(11,275)
Interest on long-term debt	85,877				(85,877)		(85,877)
Unallocated depreciation/amortization	328,040				(328,040)		(328,040)
Total governmental activities	38,671,500	10,759,225	-	2,263,066	(47,167,659)	-	(47,167,659)
Business-type activities:							
Food Service	1,712,554		548,487	977,965		(186,102)	(186,102)
After School Program	198,828		240,211			41,383	41,383
Total business-type activities	1,911,382		788,698	977,965		(144,719)	(144,719)
Total primary government	40,582,882		788,698	3,241,031	(47,167,659)	(144,719)	(47,312,378)
General revenues:							
Taxes:							
Levied for general purposes					29,753,765		29,753,765
Taxes levied for debt service					421,929		421,929
Federal and State aid not restricted					12,149,173		12,149,173
Federal and State aid - Capital Outlay					24,102		24,102
Tuition received					5,969,338		5,969,338
Miscellaneous Income					553,179		553,179
Total general revenues, special items, extraordinary items and transfers					48,871,486		48,871,486
Change in Net Position					1,703,827	(144,719)	1,559,108
Net Position—beginning (restated)					1,429,581	309,932	1,739,513
Net Position—ending					3,133,408	165,213	3,298,621

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, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents					
Checking	6,232,300			31,025	6,263,325
Accounts Receivable -					
Interfunds	298,697				298,697
Intergovernmental - State	455,045				455,045
Intergovernmental - Federal	37,902	240,984			278,886
Intergovernmental - Other	695,658				695,658
Restricted cash and cash equivalents					
Capital reserve	<u>1,252,140</u>				<u>1,252,140</u>
Total assets	<u>8,971,742</u>	<u>240,984</u>	<u>-</u>	<u>31,025</u>	<u>9,243,751</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Intergovernmental accounts payable - State	34,048				34,048
Interfund payables		204,716			204,716
Unearned revenue		<u>36,268</u>			<u>36,268</u>
Total liabilities	<u>34,048</u>	<u>240,984</u>	<u>-</u>	<u>-</u>	<u>275,032</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	1,845,421				1,845,421
Excess Surplus - prior year - designated for subsequent year's expenditures	2,076,374				2,076,374
Capital reserve account	3,252,140				3,252,140
Assigned to:					
Year-end Encumbrances	1,186,625				1,186,625
Debt service fund				31,025	31,025
Unassigned:					
General Fund	<u>577,134</u>				<u>577,134</u>
Total Fund balances	<u>8,937,694</u>	<u>-</u>	<u>-</u>	<u>31,025</u>	<u>8,968,719</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,063,576 and the accumulated depreciation is \$10,210,319	7,849,799
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(36,302)
Accounts payable for subsequent Pension payment is not a payable in the funds	(468,617)
Bond issuance premiums are reported as revenues in the Governmental Funds in the year of the receipt. The original premium was \$202,066 and accumulated amortization is \$131,342.	(70,724)
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	788,512
Deferred inflows of resources related to PERS Pension Liability	(687,848)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	<u>(13,210,131)</u>
Net position of governmental activities	<u>3,133,408</u>

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

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Municipal tax levy	29,753,765			421,929	30,175,694
Tuition charges	5,969,338				5,969,338
Miscellaneous	553,179				553,179
Total - Local Sources	36,276,282	-	-	421,929	36,698,211
State sources	7,789,602	302,736		4,596	8,096,934
Federal sources	123,981	1,984,432			2,108,413
Total revenues	44,189,865	2,287,168	-	426,525	46,903,558
<b>EXPENDITURES</b>					
Current:					
Regular instruction	14,409,852				14,409,852
Special education instruction	3,770,422	1,827,129			5,597,551
Other special instruction	680,349				680,349
School sponsored/other instructional	681,014				681,014
Support services and undistributed costs:					
Tuition	2,342,048				2,342,048
Health services	364,664				364,664
Student & instruction related services	3,589,655	435,937			4,025,592
School administrative services	1,328,365				1,328,365
General administrative services	912,089				912,089
Central services & administrative information technology	683,263				683,263
Plant operations and maintenance	2,225,314				2,225,314
Pupil transportation	1,044,891				1,044,891
Unallocated benefits	6,528,231				6,528,231
On-behalf contributions	3,894,499				3,894,499
Transfer to Charter Schools	76,578				76,578
Debt service:					
Principal				335,000	335,000
Interest and other charges				91,524	91,524
Capital outlay	1,225,371	24,102			1,249,473
Total expenditures	43,756,605	2,287,168	-	426,524	46,470,297
Excess (Deficiency) of revenues	433,260	-	-	1	433,261
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	80,675			31,023	111,698
Transfers out			(111,698)		(111,698)
Total other financing sources and uses	80,675	-	(111,698)	31,023	-
Net change in fund balances	513,935	-	(111,698)	31,024	433,261
Fund balance—July 1	8,423,759		111,698	1	8,535,458
Fund balance—June 30	8,937,694	-	-	31,025	8,968,719

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, 2015**

<b>Total net change in fund balances - governmental funds (from B-2)</b>			433,261
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>			
	Depreciation expense	(338,143)	
	Depreciable Capital outlays	<u>1,238,198</u>	900,055
<p>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:</p>			
	General Bond Obligations	335,000	
	Capital Lease Obligations	<u>10,076</u>	345,076
<p>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. (+)</p>			
	General Bond Obligations - Prior Year	41,949	
	General Bond Obligations	<u>(36,302)</u>	5,647
<p>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 (+).</p>			
	Decrease in compensated absences payable		69,549
<p>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</p>			
	District Pension Contributions	447,932	
	Less: Pension Expense	<u>(507,796)</u>	(59,864)
	Increase in Pension Expense		
<p>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.</p>			
	Increase in On-behalf State Aid TPAF Pension		4,230,994
	Increase in On-behalf TPAF Pension Expense		(4,230,994)
<p>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 (+)</p>			
	Current Year Amortization		10,103
<b>Change in net position of governmental activities</b>			<u><u>1,703,827</u></u>

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, 2015**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	131,843	74,426	206,269
Accounts receivable:			
State	3,911		3,911
Federal	53,092		53,092
Inventories	5,493		5,493
Total current assets	194,339	74,426	268,765
Noncurrent assets:			
Capital assets:			
Equipment	249,366		249,366
Less accumulated depreciation	(246,109)		(246,109)
Total capital assets (net of accumulated depreciation)	3,257		3,257
Total assets	197,596	74,426	272,022
Current Liabilities:			
Interfunds Payable	93,981		93,981
Accounts Payable	12,828		12,828
Total Liabilities	106,809		106,809
<b>NET POSITION</b>			
Invested in capital assets net of related debt	3,257		3,257
Unrestricted	87,530	74,426	161,956
Total net position	90,787	74,426	165,213

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2015**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	543,975		543,975
Daily sales - non-reimbursable programs	4,512		4,512
Program Fees		240,211	240,211
Total operating revenues	<u>548,487</u>	<u>240,211</u>	<u>788,698</u>
Operating expenses:			
Cost of sales	660,652		660,652
Salaries	542,828	183,330	726,158
Employee Benefits	329,518	12,711	342,229
Supplies and materials	50,779	2,787	53,566
Purchased Services	69,093		69,093
Depreciation expense	10,309		10,309
Repairs and other expenses	49,375		49,375
Total Operating Expenses	<u>1,712,554</u>	<u>198,828</u>	<u>1,911,382</u>
Operating income (loss)	<u>(1,164,067)</u>	<u>41,383</u>	<u>(1,122,684)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	16,145		16,145
Snack program	46,091		46,091
Federal sources:			
National school lunch program	739,530		739,530
Breakfast program	107,227		107,227
U.S.D.A. Commodities	68,972		68,972
Total nonoperating revenues (expenses)	<u>977,965</u>		<u>977,965</u>
Income (loss) before contributions & transfers	<u>(186,102)</u>	<u>41,383</u>	<u>(144,719)</u>
Total net position—beginning	<u>276,889</u>	<u>33,043</u>	<u>309,932</u>
Total net position—ending	<u><u>90,787</u></u>	<u><u>74,426</u></u>	<u><u>165,213</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, 2015**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	608,682	240,211	848,893
Payments to suppliers	(1,543,122)	(198,828)	(1,741,950)
Net cash provided by (used for) operating activities	<u>(934,440)</u>	<u>41,383</u>	<u>(893,057)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	62,748		62,748
Federal Sources	855,694		855,694
Prior Year Interfund	11,577	(32,036)	(20,459)
Net cash provided by (used for) non-capital financing activities	<u>930,019</u>	<u>(32,036)</u>	<u>897,983</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,421)</u>	<u>9,347</u>	<u>4,926</u>
Balances—beginning of year	<u>136,264</u>	<u>65,079</u>	<u>201,343</u>
Balances—end of year	<u>131,843</u>	<u>74,426</u>	<u>206,269</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(1,164,067)	41,383	(1,122,684)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,309		10,309
Food Distribution Program	68,972		68,972
(Increase) decrease in accounts receivable, net	71,244		71,244
(Increase) decrease in inventories	737		737
Increase (decrease) in accounts payable	78,364		78,364
Total adjustments	<u>(934,441)</u>	<u>41,383</u>	<u>(893,058)</u>
Net cash provided by (used for) operating activities	<u>(934,441)</u>	<u>41,383</u>	<u>(893,058)</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, 2015**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>	<b>Agency Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	430,866	420	448,963
Total assets	430,866	420	448,963
<b>LIABILITIES</b>			
Payable to student groups			137,687
Due to State - Unemployment	423		
Payroll deductions and withholdings			311,276
Total liabilities	423		448,963
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	430,443		
Reserved for scholarships		420	
	430,443	420	

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, 2015**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Donations		14,265
Payroll withholdings	40,137	
Total Contributions	40,137	14,265
 <b>DEDUCTIONS</b>		
Unemployment Claims	34,648	
Scholarships awarded		14,250
Total deductions	34,648	14,250
Change in net position	5,489	15
Net position—beginning of the year	424,954	405
Net position—end of the year	430,443	420

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

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

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

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

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

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

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

The financial statements of the Board of Education of the Borough of Cliffside Park School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board’s accounting policies are described below.

**A. Basis of Presentation:**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**District-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

**GOVERNMENTAL FUNDS**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**GOVERNMENTAL FUNDS, (continued)**

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

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

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

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

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

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

**PROPRIETARY FUNDS**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**PROPRIETARY FUNDS, (continued)**

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

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

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

**B. Measurement Focus:**

**District-wide Financial Statements**

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

**Fund Financial Statements**

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

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**C. Basis of Accounting:**

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

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

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

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

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

**Expenses/Expenditures**

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

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**D. Budgets/Budgetary Control:**

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

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

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

**E. Encumbrances:**

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

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

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

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

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

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

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

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

**G. Tuition Revenues/Receivable:**

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

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**J. Short-Term Interfund Receivables/Payables:**

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

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**L. Compensated Absences, (continued):**

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**M. Unearned Revenue:**

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

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

**N. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**O. 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. This statement is effective for periods beginning after June 15, 2014.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**O. 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, 2015**

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

**P. 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.
- **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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**Q. 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.

**R. 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.

**S. 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.

**T. 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.

**U. 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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**V. Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**V. Recent Accounting Pronouncements: (continued)**

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2015, \$-0- of the District's bank balance of \$9,721,693 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**Concentration of Credit Risk**

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

**NOTE 4. RECEIVABLES:**

Receivables at June 30, 2015, 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	\$298,697	\$	\$
State Aid	455,045	3,911	458,956
Federal Aid	278,886	53,092	331,978
Other	<u>695,658</u>	<u>          </u>	<u>695,658</u>
Gross Receivables	1,728,286	57,003	1,486,592
Less: Allowance for Uncollectibles	<u>          </u>	<u>          </u>	<u>          </u>
Total Receivables, Net	<u><u>\$1,728,286</u></u>	<u><u>\$57,003</u></u>	<u><u>\$1,486,592</u></u>

**NOTE 5. INTERFUND BALANCE AND ACTIVITY:**

Balances due to/from other funds at June 30, 2015 consist of the following:

\$204,716	Due to the General Fund from the Special Revenue Fund to cover deficit in cash and expense reimbursements.
<u>93,981</u>	Due to the General Fund from the Food Service Fund for health insurance expense reimbursements.
<u><u>\$298,697</u></u>	

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 6. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>6/30/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2015</u>
<b>Governmental Activities</b>				
Capital assets that are not being depreciated:				
Land	\$188,668	\$892,182	\$	\$1,080,850
Construction in progress	<u>561,220</u>	<u>          </u>	<u>          </u>	<u>561,220</u>
Total capital assets not being depreciated	<u>749,888</u>	<u>892,182</u>	<u>          </u>	<u>1,642,070</u>
Building and building improvements	12,945,374	232,055	<u>          </u>	13,177,429
Machinery and equipment	1,906,106	113,961	<u>          </u>	2,020,067
Land Improvements	<u>1,224,010</u>	<u>          </u>	<u>          </u>	<u>1,224,010</u>
Totals at historical cost	<u>16,075,490</u>	<u>346,016</u>	<u>          </u>	<u>16,421,506</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,099,891)	(199,225)	<u>          </u>	(7,299,116)
Machinery and Equipment	(1,447,507)	(129,809)	<u>          </u>	(1,577,316)
Land Improvements	<u>(1,328,236)</u>	<u>(9,109)</u>	<u>          </u>	<u>(1,337,345)</u>
Total accumulated depreciation	<u>(9,875,634)</u>	<u>(338,143)</u>	<u>          </u>	<u>(10,213,777)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>6,199,856</u>	<u>7,873</u>	<u>          </u>	<u>6,207,729</u>
Governmental activities capital assets, net	<u>6,949,744</u>	<u>900,055</u>	<u>          </u>	<u>7,849,799</u>
Business-type activities:				
Equipment	249,366	<u>          </u>	<u>          </u>	249,366
Less accumulated depreciation for:				
Equipment	<u>(235,800)</u>	<u>(10,309)</u>	<u>          </u>	<u>(246,109)</u>
Business-type activities capital assets, net	<u>\$13,566</u>	<u>(\$10,309)</u>	<u>\$</u>	<u>\$3,257</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$42,182
Support Service:	
Student & Instruction Related Services	37,571
School Administration	560
Operations and Maintenance	6,152
Student Transportation	43,344
Unallocated Depreciation	199,225
Land Improvements	<u>9,109</u>
Total Depreciation Expense	<u>\$338,143</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

**Advance and Current Refundings of Debt**

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

Changes in long-term obligations for the fiscal year ended June 30, 2015 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	\$2,135,000	\$ _____	\$(335,000)	\$1,800,000	\$340,000
Total Bonds Payable	<u>2,135,000</u>	<u>_____</u>	<u>(335,000)</u>	<u>1,800,000</u>	<u>340,000</u>
Other Liabilities:					
Net Pension Liability PERS	10,481,135		(308,089)	10,173,046	
Obligations Under Capital Lease	10,076		(10,076)		
Compensated Absences Payable	<u>1,306,634</u>	<u>70,463</u>	<u>(140,012)</u>	<u>1,237,085</u>	
Total Other Liabilities	<u>11,797,845</u>	<u>70,463</u>	<u>(458,177)</u>	<u>11,410,131</u>	
	<u>\$13,932,845</u>	<u>\$70,463</u>	<u>(\$793,177)</u>	<u>\$13,210,131</u>	<u>\$340,000</u>

**A. Bonds Payable:**

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

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

A. Bonds Payable:, (continued)

Outstanding bonds payable at June 30, 2015, consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2015</u>
School Refunding Bonds 2006	\$3,680,000	08/15/2006	3.50%-5.00%	07/15/2019	<u>\$1,800,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$419,205	\$340,000	\$79,205
2017	414,250	350,000	64,250
2018	406,500	360,000	46,500
2019	398,250	370,000	28,250
2020	<u>389,500</u>	<u>380,000</u>	<u>9,500</u>
	<u>\$2,027,705</u>	<u>\$1,800,000</u>	<u>\$227,705</u>

**NOTE 8. OPERATING LEASES:**

The District has commitments to lease certain office equipment under operating leases that expire in 2016 and computer equipment that expire in 2015. Total operating lease payments made during the year ended June 30, 2015 were \$257,238. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$147,545
2017	133,955
2018	133,955
2019	133,955
2020	<u>44,652</u>
	<u>\$594,062</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS:**

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

**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.

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

**Contribution Requirements Fund Based Statements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

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

Year <u>Ending</u>	<u>PERS</u>
6/30/15	\$447,932
6/30/14	413,213
6/30/13	438,177

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 <u>Ending</u>	<u>Pension Contributions</u>	Post-Retirement <u>Medical Contributions</u>	NCGI <u>Premium</u>
6/30/15	\$900,021	\$1,531,578	\$64,752
6/30/14	702,292	1,253,133	61,989
6/30/13	1,123,492	1,337,226	59,111

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

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,398,148 during the year ended June 30, 2015 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, 2015, the District reported a liability of \$10,173,046 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, 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 school districts, actuarially determined. At June 30, 2014, the District's proportion was .054335243 percent, which was an increase of .0000050538 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$507,796. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$319,895	\$
Net difference between projected and actual earnings on pension plan investments		606,258
Changes in proportion and differences between District contributions and proportionate share of contributions		81,590
District contributions subsequent to the measurement date	<u>468,617</u>	<u>          </u>
Total	<u>\$788,512</u>	<u>\$687,848</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

The \$468,617 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, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(92,760)
2017	(92,760)
2018	(92,760)
2019	58,804
Thereafter	25,874

**Additional Information**

Local Group Collective balances at December 31, 2014 and 2013 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	.0543352543%	.0548406372%

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

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 average of the last five years of contributions made in relation to the last five years of recommended 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, 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, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$12,798,038	\$10,173,046	\$7,968,720

**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).

**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.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>96,558,753</u>
	<u>\$96,558,753</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. 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, 2014, the proportion of the TPAF net pension liability associated with the District was .1806634861%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$5,195,767 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

**Mortality Rates**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the table on the following page:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

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

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

**NOTE 10. POST-RETIREMENT BENEFITS:**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 11. DEFERRED COMPENSATION:**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	GALIC
Oppenheimer Funds	Security Benefit
First Investors	VALIC
MetLife	

**NOTE 12. RISK MANAGEMENT:**

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

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

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

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

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ -0-	\$40,137	\$34,648	\$430,443
2013-2014	150,000	38,525	14,172	424,954
2012-2013	140,000	55,080	24,005	250,601

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 13. CAPITAL RESERVE ACCOUNT:**

A capital reserve account was established by the Borough of Cliffside Park Board of Education by inclusion of \$200,000 on June 24, 2008 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of \$3,252,140 in the capital reserve account at June 30, 2015.

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, June 30, 2014	\$2,760,375
Increased by:	
Interest Earnings	2,088
Operating Transfer In	80,675
Board Resolution - June 25, 2015	<u>2,000,000</u>
Decreased by:	
Budget Appropriations	<u>(1,590,998)</u>
Ending balance, June 30, 2015	<u><u>\$3,252,140</u></u>

**NOTE 14. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$8,937,694 General Fund fund balance at June 30, 2015, \$1,186,625 is reserved for encumbrances; \$3,921,795 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$2,076,374 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$3,252,140 has been reserved in the Capital Reserve Account; and \$577,134 is unreserved and undesignated.

**Debt Service Fund** - The Debt Service Fund balance at June 30, 2015 of \$31,025 is unreserved and undesignated.

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 15. CALCULATION OF EXCESS SURPLUS:**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$3,921,795 of which \$1,845,421 is the result of current year operations.

**NOTE 16. INVENTORY:**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$3,764
Supplies	<u>1,729</u>
	<u>\$5,493</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**NOTE 17. RESTATEMENT:**

Net position for June 30, 2014 was restated in the amount of \$10,481,135 to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$11,910,716
Prior Period Adjustment for Net Pension Liability	<u>(10,481,135)</u>
Net Position at June 30, 2014 - Restated	<u>\$1,429,581</u>

**Borough of Cliffside Park School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 18. 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 19. SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through November 11, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2015**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	29,753,765		29,753,765	29,753,765	
Tuition	5,733,036		5,733,036	5,969,338	236,302
Transportation Fees from Other LEAs	275,787		275,787	388,833	113,046
Interest Earned on Capital Reserve Funds	1,200		1,200	2,088	888
Unrestricted Miscellaneous Revenues	17,400		17,400	162,258	144,858
<b>Total - Local Sources</b>	<u>35,781,188</u>		<u>35,781,188</u>	<u>36,276,282</u>	<u>495,094</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,350,696		1,350,696	1,350,696	
Equalization Aid	1,544,866		1,544,866	1,544,866	
Categorical Security Aid	358,736		358,736	358,736	
Categorical Transportation Aid	32,152		32,152	32,152	
Extraordinary Aid	250,000		250,000	294,718	44,718
Other State Aid	317,464		317,464	317,464	
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,531,578	1,531,578
On-behalf TPAF Pension (non-budgeted)				900,021	900,021
On-behalf TPAF NCGI Premium (non-budgeted)				64,752	64,752
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,398,148	1,398,148
<b>Total - State Sources</b>	<u>3,853,914</u>		<u>3,853,914</u>	<u>7,793,131</u>	<u>3,939,217</u>
Medicaid Administrative Claiming (MAC)				21,739	21,739
ARRA/SEMI Revenue				17,839	17,839
Special Education Medicaid Initiative	61,337		61,337	84,403	23,066
<b>Total - Federal Sources</b>	<u>61,337</u>		<u>61,337</u>	<u>123,981</u>	<u>62,644</u>
<b>TOTAL REVENUES</b>	<u>39,696,439</u>		<u>39,696,439</u>	<u>44,193,394</u>	<u>4,496,955</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	674,000	22,028	696,028	696,028	
Grades 1-5 - Salaries of Teachers	3,570,156	(255,438)	3,314,718	3,291,296	23,422
Grades 6-8 - Salaries of Teachers	2,139,750	195,389	2,335,139	2,333,189	1,950
Grades 9-12 - Salaries of Teachers	6,536,955	51,470	6,588,425	6,553,468	34,957
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	67,000		67,000	46,575	20,425
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	511,320	(162,288)	349,032	328,116	20,916
Other Purchased Services (400-500 series)	446,096	28,140	474,236	437,357	36,879
General Supplies	465,479	17,524	483,003	451,037	31,966
Textbooks	148,401	(8,598)	139,803	65,817	73,986
Other Objects	350,686	(31,940)	318,746	206,969	111,777
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>14,909,843</u>	<u>(143,713)</u>	<u>14,766,130</u>	<u>14,409,852</u>	<u>356,278</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	698,300	10,462	708,762	708,762	
Other Salaries for Instruction	243,202	(14,859)	228,343	228,343	
General Supplies	5,000		5,000		5,000
<b>Total Learning and/or Language Disabilities</b>	<u>946,502</u>	<u>(4,397)</u>	<u>942,105</u>	<u>937,105</u>	<u>5,000</u>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	135,200	250	135,450	135,450	
Other Salaries for Instruction	53,401	3,961	57,362	57,362	
<b>Total Behavioral Disabilities</b>	<u>188,601</u>	<u>4,211</u>	<u>192,812</u>	<u>192,812</u>	
<b>Multiple Disabilities</b>					
Salaries of Teachers	206,200	4,750	210,950	210,950	
Other Salaries for Instruction	86,803	64,026	150,829	150,829	
<b>Total Multiple Disabilities</b>	<u>293,003</u>	<u>68,776</u>	<u>361,779</u>	<u>361,779</u>	
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,124,076	78,494	1,202,570	1,202,570	
Other Salaries for Instruction	296,807	(90,085)	206,722	196,239	10,483
General Supplies	1,000		1,000		1,000
<b>Total Resource Room/Resource Center</b>	<u>1,421,883</u>	<u>(11,591)</u>	<u>1,410,292</u>	<u>1,398,809</u>	<u>11,483</u>
<b>Autism</b>					
Salaries of Teachers	217,900		217,900	217,900	
Other Salaries for Instruction	201,451	(21,440)	180,011	176,975	3,036
<b>Total Autism</b>	<u>419,351</u>	<u>(21,440)</u>	<u>397,911</u>	<u>394,875</u>	<u>3,036</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	242,905	7,700	250,605	250,605	
Other Salaries for Instruction	207,160	3,277	210,437	210,437	
Other Purchased Services (400-500 Series)	36,000		36,000	24,000	12,000
<b>Total Preschool Disabilities - Full-Time</b>	<u>486,065</u>	<u>10,977</u>	<u>497,042</u>	<u>485,042</u>	<u>12,000</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>3,755,405</u>	<u>46,536</u>	<u>3,801,941</u>	<u>3,770,422</u>	<u>31,519</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	868,300	(110,670)	757,630	679,976	77,654
General Supplies		375	375	373	2
<b>Total Bilingual Education - Instruction</b>	<u>868,300</u>	<u>(110,295)</u>	<u>758,005</u>	<u>680,349</u>	<u>77,656</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	194,425		194,425	151,890	42,535
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>194,425</u>		<u>194,425</u>	<u>151,890</u>	<u>42,535</u>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	345,311	(6,700)	338,611	300,040	38,571
Supplies and Materials	115,022	55,904	170,926	154,615	16,311
Transfers to Cover Deficit (Agency Funds)	60,000	14,469	74,469	74,469	
<b>Total School-Sponsored Athletics - Instruction</b>	<u>520,333</u>	<u>63,673</u>	<u>584,006</u>	<u>529,124</u>	<u>54,882</u>
<b>TOTAL INSTRUCTION</b>	<u>20,248,306</u>	<u>(143,799)</u>	<u>20,104,507</u>	<u>19,541,637</u>	<u>562,870</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Special	646,364	(45,543)	600,821	450,673	150,148
Tuition to County Voc. School Dist. - Regular	548,781		548,781	491,610	57,171
Tuition to County Voc. School Dist. - Special	94,965	45,543	140,508	128,152	12,356
Tuition to CSSD & Regional Day Schools	1,566,642	(361,218)	1,205,424	1,053,820	151,604
Tuition to Private Schools for the Handicapped - Within State	605,243		605,243	217,793	387,450
Tuition - State Facilities	60,000		60,000		60,000
<b>Total Undistributed Expenditures - Instruction:</b>	<u>3,521,995</u>	<u>(361,218)</u>	<u>3,160,777</u>	<u>2,342,048</u>	<u>818,729</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	354,242		354,242	354,242	
Other Purchased Services (400-500 series)	141,300	(102,013)	39,287	10,422	28,865
Supplies and Materials	42,987	(42,987)			
<b>Total Undistributed Expenditures - Health Services</b>	<u>538,529</u>	<u>(145,000)</u>	<u>393,529</u>	<u>364,664</u>	<u>28,865</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Svcs.</b>					
Salaries	374,200	(46,050)	328,150	296,500	31,650
Purchased Prof. Services-Educational Services	44,000	785,685	829,685	651,811	177,874
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Svcs</b>	<u>418,200</u>	<u>739,635</u>	<u>1,157,835</u>	<u>948,311</u>	<u>209,524</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	903,725	(33,570)	870,155	863,939	6,216
Salaries of Secretarial and Clerical Assistants	70,565	1,744	72,309	72,309	
<b>Total Undist. Expend. - Guidance</b>	<u>974,290</u>	<u>(31,826)</u>	<u>942,464</u>	<u>936,248</u>	<u>6,216</u>
<b>Undist. Expend. - Other Supp. Child Study Teams</b>					
Salaries of Other Professional Staff	807,663	11,262	818,925	818,925	
Salaries of Secretarial and Clerical Assistants	102,670		102,670	77,114	25,556
Other Purchased Professional and Technical Services	1,443,740	(660,231)	783,509	545,598	237,911
<b>Total Undist. Expend. - Other Supp. Serv. Students-Special</b>	<u>2,354,073</u>	<u>(648,969)</u>	<u>1,705,104</u>	<u>1,441,637</u>	<u>263,467</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	190,325	2,750	193,075	193,075	
Supplies and Materials	34,394	4,700	39,094	33,056	6,038
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>224,719</u>	<u>7,450</u>	<u>232,169</u>	<u>226,131</u>	<u>6,038</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	60,000	(3,600)	56,400	21,170	35,230
Other Purchased Services (400-500 series)	50,418		50,418	16,158	34,260
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>110,418</u>	<u>(3,600)</u>	<u>106,818</u>	<u>37,328</u>	<u>69,490</u>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	272,028		272,028	251,119	20,909
Legal Services	79,461		79,461	40,842	38,619
Audit Fees	90,000	(1,400)	88,600	40,650	47,950
Other Purchased Professional Services		1,400	1,400	1,400	
Purchased Technical Services	54,901		54,901	9,553	45,348
Communications/Telephone	181,384		181,384	63,895	117,489
Other Purch Services (400-500 Series)	463,724		463,724	420,451	43,273
Judgements against the School District	10,000	20,319	30,319	29,075	1,244
Misc. Expenditures	115,813	3,716	119,529	55,104	64,425
BOE Membership Dues and Fees	3,716	(3,716)			
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>1,271,027</u>	<u>20,319</u>	<u>1,291,346</u>	<u>912,089</u>	<u>379,257</u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2015**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	1,028,598	(13,081)	1,015,517	944,593	70,924
Salaries of Secretarial and Clerical Assistants	371,569	7,399	378,968	378,968	
Other Objects	12,328		12,328	4,804	7,524
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>1,412,495</b>	<b>(5,682)</b>	<b>1,406,813</b>	<b>1,328,365</b>	<b>78,448</b>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	323,741	5,071	328,812	320,002	8,810
Misc. Expenditures	38,000	10,722	48,722	46,437	2,285
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<b>361,741</b>	<b>15,793</b>	<b>377,534</b>	<b>366,439</b>	<b>11,095</b>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	209,000	11,285	220,285	220,285	
Supplies and Materials	53,399	180,000	233,399	29,563	203,836
Other Objects	163,000	(6,722)	156,278	66,976	89,302
<b>Total Undist. Expend. - Support Serv. - Administrative Information Technology</b>	<b>425,399</b>	<b>184,563</b>	<b>609,962</b>	<b>316,824</b>	<b>293,138</b>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Cleaning, Repair and Maintenance Services	220,321	68,390	288,711	237,481	51,230
General Supplies	29,631	34,712	64,343	54,726	9,617
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<b>249,952</b>	<b>103,102</b>	<b>353,054</b>	<b>292,207</b>	<b>60,847</b>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant (262)</b>					
Salaries	1,030,585	25,239	1,055,824	1,055,824	
Cleaning, Repair and Maintenance Services	196,962	(32,290)	164,672	97,346	67,326
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	36,000	(36,000)			
Insurance	170,495		170,495	109,712	60,783
General Supplies	159,255	32,700	191,955	180,733	11,222
Energy (Energy and Electricity)	322,000		322,000	275,671	46,329
Energy (Natural Gas)	215,932	27,485	243,417	194,300	49,117
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>2,131,229</b>	<b>17,134</b>	<b>2,148,363</b>	<b>1,913,586</b>	<b>234,777</b>
<b>Undist. Expend. - Security</b>					
Cleaning, Repair and Maintenance Services	25,000	11,596	36,596	19,096	17,500
General Supplies	25,000	(11,596)	13,404	425	12,979
<b>Total Undist. Expend. - Security</b>	<b>50,000</b>		<b>50,000</b>	<b>19,521</b>	<b>30,479</b>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries of Non-Instructional Aides	231,173	62,881	294,054	294,054	
Salaries for Pupil Trans (Bet. Home & Sch. ) - Sp Ed	460,461	(22,963)	437,498	437,498	
Salaries for Pupil Trans (Other than Bet. Home & Sch. )	101,000	1,550	102,550	51,678	50,872
Cleaning, Repair and Maintenance Services	130,049	52,846	182,895	164,320	18,575
Lease Purchase Payments - School Buses		10,502	10,502	10,502	
Contract Services (Sp. Ed. Students)-Joint Agreements	25,000		25,000	2,777	22,223
Misc. Purchased Services - Transportation	25,000	(14,000)	11,000	2,053	8,947
General Supplies	11,884	107,342	119,226	82,009	37,217
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>984,567</b>	<b>198,158</b>	<b>1,182,725</b>	<b>1,044,891</b>	<b>137,834</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	510,000	650	510,650	488,591	22,059
T.P.A.F. Contributions - ERIP	1,150		1,150		1,150
Other Retirement Contributions-PERS	500,000		500,000	447,932	52,068
Unemployment Compensation	180,000		180,000		180,000
Workmen's Compensation	288,000	24,486	312,486	238,726	73,760
Health Benefits	5,688,283	(113,925)	5,574,358	5,259,057	315,301
Other Employee Benefits		93,925	93,925	93,925	
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>7,167,433</b>	<b>5,136</b>	<b>7,172,569</b>	<b>6,528,231</b>	<b>644,338</b>
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				1,531,578	(1,531,578)
On-behalf TPAF Pension (non-budgeted)				900,021	(900,021)
On-behalf TPAF NCGI Premium (non-budgeted)				64,752	(64,752)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,398,148	(1,398,148)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>3,894,499</b>	<b>(3,894,499)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>7,167,433</b>	<b>5,136</b>	<b>7,172,569</b>	<b>10,422,730</b>	<b>(3,250,161)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>22,196,067</b>	<b>94,995</b>	<b>22,291,062</b>	<b>22,913,019</b>	<b>(621,957)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>42,444,373</b>	<b>(48,804)</b>	<b>42,395,569</b>	<b>42,454,656</b>	<b>(59,087)</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2015**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
School Buses-Special	95,000	(12,150)	82,850	39,891	42,959
Security		11,732	11,732	11,732	
<b>Total Undist. Expend.</b>	<u>95,000</u>	<u>(418)</u>	<u>94,582</u>	<u>51,623</u>	<u>42,959</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	75,350	69,465	144,815	106,153	38,662
Other Purchased Prof. and Tech. Services		24,137	24,137		24,137
Construction Services	1,853,839	(81,198)	1,772,641	1,048,644	723,997
Other Objects		12,150	12,150	12,150	
Assessment for Debt Service on SDA Funding	6,801		6,801	6,801	
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,935,990</u>	<u>24,554</u>	<u>1,960,544</u>	<u>1,173,748</u>	<u>786,796</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>2,030,990</u>	<u>24,136</u>	<u>2,055,126</u>	<u>1,225,371</u>	<u>829,755</u>
Transfer of Funds to Charter Schools	53,000	24,668	77,668	76,578	1,090
<b>TOTAL EXPENDITURES</b>	<u>44,528,363</u>		<u>44,528,363</u>	<u>43,756,605</u>	<u>771,758</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,831,924)</u>		<u>(4,831,924)</u>	436,789	5,268,713
<b>Other Financing Sources/(Uses):</b>					
Operating Transfers In:					
Capital Reserve - Transfer from Capital Projects				80,675	(80,675)
<b>Total Other Financing Sources/(Uses):</b>				<u>80,675</u>	<u>(80,675)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(4,831,924)		(4,831,924)	517,464	5,188,038
<b>Fund Balance, July 1</b>	8,685,056		8,685,056	8,685,056	
<b>Fund Balance, June 30</b>	<u>3,853,132</u>		<u>3,853,132</u>	<u>9,202,520</u>	<u>5,188,038</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(583,942)		(583,942)	(583,942)	
<b>Increase in Capital Reserve:</b>					
Principal				2,080,675	2,080,675
Interest Deposit to Capital Reserve	1,200		1,200	2,088	888
Withdrawal from Capital Reserve	(1,862,500)		(1,862,500)	(1,590,998)	271,502
<b>Budgeted Fund Balance</b>	<u>(2,386,682)</u>		<u>(2,386,682)</u>	<u>528,966</u>	<u>2,915,648</u>
	<u>(4,831,924)</u>		<u>(4,831,924)</u>	<u>436,789</u>	<u>5,268,713</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Legally Restricted - Excess Surplus				1,845,421	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,076,374	
Capital Reserve				3,252,140	
<b>Assigned Fund Balance:</b>					
Year-end Encumbrances				1,186,625	
Unassigned Fund Balance				841,960	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				<u>9,202,520</u>	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				264,826	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>8,937,694</u>	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	303,764	(1,028)	302,736	302,736	-
Federal Sources	786,218	1,344,969	2,131,187	1,943,231	(187,956)
<b>Total Revenues</b>	<b>1,089,982</b>	<b>1,343,941</b>	<b>2,433,923</b>	<b>2,245,967</b>	<b>(187,956)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	343,000	565,786	908,786	768,387	140,399
Other Salaries for Instruction	36,000	8,609	44,609	44,609	-
Purchased Professional and Technical Services		80,350	80,350	79,850	500
Other Purchased Services (400-500 series)	391,500	277,996	669,496	669,496	-
General Supplies	79,263	157,911	237,174	231,681	5,493
<b>Total instruction</b>	<b>849,763</b>	<b>1,090,652</b>	<b>1,940,415</b>	<b>1,794,023</b>	<b>146,392</b>
<b>Support services:</b>					
Salaries of Program Directors	28,000	90,244	118,244	113,460	4,784
Salaries of Secretarial and Clerical Assistants	8,736	(1,506)	7,230	7,230	-
Other Salaries	31,000	(312)	30,688	30,688	-
Personal Services - Employee Benefits		75,505	75,505	49,707	25,798
Other Purchased Professional Services		86,337	86,337	76,939	9,398
Travel		4,634	4,634	4,634	-
Other Purchased Services (400-500 series)		52,168	52,168	50,585	1,583
Supplies & Materials	172,483	(77,883)	94,600	94,599	1
<b>Total support services</b>	<b>240,219</b>	<b>229,187</b>	<b>469,406</b>	<b>427,842</b>	<b>41,564</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment		24,102	24,102	24,102	-
Noninstructional Equipment		-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>24,102</b>	<b>24,102</b>	<b>24,102</b>	<b>-</b>
Total Expenditures	1,089,982	1,343,941	2,433,923	2,245,967	187,956
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2015**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	44,193,394	2,245,967
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			75,975
Current Year			(34,774)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		261,297	
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).		(264,826)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	44,189,865	2,287,168
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	43,756,605	2,245,967
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			75,975
Current Year			(34,774)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	43,756,605	2,287,168

**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\**

	<b>2015</b>
Districts proportion of the net pension liability (asset)	0.0543352543%
District's proportionate share of the net pension liability (asset)	\$ 10,173,046
District's covered payroll - PERS	\$ 4,000,517
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	254.29%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

\* 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\**

	<b>2015</b>
Contractually required contribution	\$ 447,932.00
Contributions in relation to the contractually required contribution	\$ (447,932.00)
Contribution deficiency (excess)	\$ -
District's covered payroll - PERS	\$ 4,000,517
Contributions as a percentage of covered payroll	11.20%

\* 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\**

	<b>2015</b>
Districts proportion of the net pension liability (asset)	0.1806634861%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability Associated with the District (asset)	\$ 96,558,753
District's covered payroll - TPAF	\$ 18,509,605
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

\* 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, 2015**

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 (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. 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 (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

**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, 2015**

	<b>Total</b>						
	<b>Brought Forward (Ex. E-1a)</b>	<b>NCLB Title I</b>	<b>IDEA Part - B Basic</b>	<b>IDEA Part - B Preschool</b>	<b>Title II, Part A Training &amp; Recruiting</b>	<b>NCLB Title III</b>	<b>Totals 2015</b>
<b>REVENUES</b>							
State Sources	302,736						302,736
Federal Sources	591,368	553,172	638,649	26,281	67,578	66,183	1,943,231
<b>Total Revenues</b>	<b>894,104</b>	<b>553,172</b>	<b>638,649</b>	<b>26,281</b>	<b>67,578</b>	<b>66,183</b>	<b>2,245,967</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	435,417	286,441				46,529	768,387
Other Salaries for Instruction	44,609						44,609
Purchased Professional and Technical Services	79,850						79,850
Other Purchased Services (400-500 series)	4,566		638,649	26,281			669,496
General Supplies	76,052	118,758			20,776	16,095	231,681
<b>Total instruction</b>	<b>640,494</b>	<b>405,199</b>	<b>638,649</b>	<b>26,281</b>	<b>20,776</b>	<b>62,624</b>	<b>1,794,023</b>
<b>Support services:</b>							
Salaries of Program Directors	65,100	31,100			17,260		113,460
Salaries of Secretarial and Clerical Assistants	7,230						7,230
Other Salaries	30,688						30,688
Personal Services - Employee Benefits	20,536	24,292			1,320	3,559	49,707
Other Purchased Professional Services	59,489	17,450					76,939
Travel	4,634						4,634
Other Purchased Services (400-500 series)	30,590	6,819			13,176		50,585
Supplies & Materials	35,343	44,210			15,046		94,599
<b>Total support services</b>	<b>253,610</b>	<b>123,871</b>			<b>46,802</b>	<b>3,559</b>	<b>427,842</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	-	24,102					24,102
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>24,102</b>					<b>24,102</b>
<b>Total Expenditures</b>	<b>894,104</b>	<b>553,172</b>	<b>638,649</b>	<b>26,281</b>	<b>67,578</b>	<b>66,183</b>	<b>2,245,967</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>					<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2015

	21st Century Community Learning	ELAM	Instructional Improvement System	Preschool Education Aid	Total Carried Forward
<b>REVENUES</b>					
State Sources	425,883	18,210	147,275	302,736	302,736
Federal Sources					591,368
<b>Total Revenues</b>	<b>425,883</b>	<b>18,210</b>	<b>147,275</b>	<b>302,736</b>	<b>894,104</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	210,491	13,058	7,000	204,868	435,417
Other Salaries for Instruction				44,609	44,609
Purchased Professional and Technical Services	79,850				79,850
Other Purchased Services (400-500 series)	1,962		2,604		4,566
General Supplies	34,966		41,086		76,052
<b>Total instruction</b>	<b>327,269</b>	<b>13,058</b>	<b>50,690</b>	<b>249,477</b>	<b>640,494</b>
<b>Support services:</b>					
Salaries of Program Directors	45,901	3,858		15,341	65,100
Salaries of Secretarial and Clerical Assistants				7,230	7,230
Other Salaries				30,688	30,688
Personal Services - Employee Benefits	18,707	1,294	535		20,536
Other Purchased Professional Services	27,782		31,707		59,489
Travel	4,634				4,634
Other Purchased Services (400-500 series)	1,590		29,000		30,590
Supplies & Materials			35,343		35,343
<b>Total support services</b>	<b>98,614</b>	<b>5,152</b>	<b>96,585</b>	<b>53,259</b>	<b>253,610</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment					-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>425,883</b>	<b>18,210</b>	<b>147,275</b>	<b>302,736</b>	<b>894,104</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2015**

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	204,868	204,868	
Other salaries for instruction	44,609	44,609	
<b>Total instruction</b>	<u>249,477</u>	<u>249,477</u>	
<b>Support services:</b>			
Salaries of Program Directors	15,341	15,341	
Salaries of Sec. and Clerical Assistants	7,230	7,230	
Other Salaries	30,688	30,688	
<b>Total support services</b>	<u>53,259</u>	<u>53,259</u>	
<b>Total expenditures</b>	<u>302,736</u>	<u>302,736</u>	

**Summary of Location Totals**

Total revised 2014-15 Preschool Education Aid	302,736
Add: Actual Preschool Education Aid Carryover (June 30, 2014)	65,167
Add: Budgeted Transfer from the General Fund 2014-15	
Total Preschool Education Aid Funds Available for 2014-15 Budget	<u>367,903</u>
Less: 2014-15 Budgeted Preschool Education Aid (prior year budgeted carryover)	<u>302,736</u>
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2015	<u>65,167</u>
Add: June 30, 2015 Unexpended Preschool Education Aid 2014-15 Carryover - Preschool Education Aid/Preschool	<u>65,167</u>

**CAPITAL PROJECTS FUND**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance-Budgetary Basis**  
**Fiscal Year Ended June 30, 2015**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	(38,225)
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	-
	(38,225)

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	-
Total expenditures	-

Excess (deficiency) of revenues over (under) expenditures	(38,225)
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**Other Finance Sources (Uses)**

Transfers out	(111,698)
Total other financing sources (uses)	(111,698)

Net change in fund balance	(149,923)
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Fund balance - beginning	149,923
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Fund balance - ending	-
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**CLIFFSIDE PARK BOARD OF EDUCATION  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis  
Construction of Additions to School #6  
Fiscal Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	
Bond proceeds and transfers	5,400,000		5,400,000	5,400,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>5,400,000</u>	<u>-</u>	<u>5,400,000</u>	<u>5,400,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	5,368,977		5,368,977	5,400,000
Equipment purchases			-	
	<u>5,368,977</u>	<u>-</u>	<u>5,368,977</u>	<u>5,400,000</u>
<b>Other Financing Sources/(Uses)</b>				
Operating Transfer Out			(31,023)	
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(31,023)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,023</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	7/15/1999			
Bonds authorized	5,400,000			
Bonds issued	5,400,000			
Original authorization cost	5,400,000			
Additional authorized cost				
Revised authorized cost	5,400,000			
Percentage increase over original authorized cost	-			
Percentage completion	99%			
Original target completion date	June-03			
Revised target completion date	June-03			

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Boiler Replacement**  
**Fiscal Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	272,048	(38,225)	233,823	272,048
Bond proceeds and transfers			-	
Transfers from Capital Reserve	408,072		408,072	408,072
Transfers from Capital Outlay			-	
	<u>680,120</u>	<u>(38,225)</u>	<u>641,895</u>	<u>680,120</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	561,220		561,220	680,120
Equipment purchases				
	<u>561,220</u>	<u>-</u>	<u>561,220</u>	<u>680,120</u>
<b>Other Financing Sources/(Uses)</b>				
Operating Transfer Out			80,675	
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>80,675</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>118,900</u>	<u>(38,225)</u>	<u>-</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date	N/A			
Bond authorization date	8/6/2010			
Bonds authorized				
Bonds issued				
Original authorization cost	680,120			
Additional authorized cost	(38,225)			
Revised authorized cost	641,895			
Percentage increase over original authorized cost	(0.06)			
Percentage completion	87%			
Original target completion date	Oct. 2011			
Revised target completion date	Oct. 2011			

CLIFFSIDE PARK BOARD OF EDUCATION  
 Capital Projects Fund  
 Summary Statement of Project Expenditures  
 Fiscal Year Ended June 30, 2015

Project Title/Issue	Date	Appropriations	Expenditures to Date		Operating Transfer Out	Unexpended Balance June 30, 2015
			Prior Years	Current Year		
Construction Additions to School #6	July 15, 1999	5,400,000	5,368,977		31,023	-
Boiler Replacement	Aug. 6, 2010	680,120	561,220		118,900	-
		<u>6,080,120</u>	<u>5,930,197</u>	-		<u>-</u>

**PROPRIETARY FUNDS**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	131,843	74,426	206,269
Accounts receivable:			
State	3,911		3,911
Federal	53,092		53,092
Inventories	5,493		5,493
Total current assets	194,339	74,426	268,765
Noncurrent assets:			
Capital assets:			
Equipment	249,366		249,366
Less accumulated depreciation	(246,109)		(246,109)
Total capital assets (net of accumulated depreciation)	3,257	-	3,257
Total assets	197,596	74,426	272,022
Current Liabilities:			
Interfunds Payable	93,981		93,981
Accounts Payable	12,828		12,828
Total Liabilities	106,809	-	106,809
<b>NET POSITION</b>			
Invested in capital assets net of related debt	3,257	-	3,257
Unrestricted	87,530	74,426	161,956
Total net position	90,787	74,426	165,213

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2015**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	543,975		543,975
Daily sales - non-reimbursable programs	4,512		4,512
Program Fees		240,211	240,211
Total operating revenues	<u>548,487</u>	<u>240,211</u>	<u>788,698</u>
Operating expenses:			
Cost of sales	660,652		660,652
Salaries	542,828	183,330	726,158
Employee Benefits	329,518	12,711	342,229
Supplies and materials	50,779	2,787	53,566
Purchased Services	69,093		69,093
Depreciation expense	10,309		10,309
Repairs and other expenses	49,375		49,375
Total Operating Expenses	<u>1,712,554</u>	<u>198,828</u>	<u>1,911,382</u>
Operating income (loss)	<u>(1,164,067)</u>	<u>41,383</u>	<u>(1,122,684)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	16,145		16,145
Snack program	46,091		46,091
Federal sources:			
National school lunch program	739,530		739,530
Breakfast program	107,227		107,227
U.S.D.A. Commodities	68,972		68,972
Total nonoperating revenues (expenses)	<u>977,965</u>	<u>-</u>	<u>977,965</u>
Income (loss) before contributions & transfers	<u>(186,102)</u>	<u>41,383</u>	<u>(144,719)</u>
Total net position—beginning	<u>276,889</u>	<u>33,043</u>	<u>309,932</u>
Total net position—ending	<u>90,787</u>	<u>74,426</u>	<u>165,213</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, 2015**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	608,682	240,211	848,893
Payments to suppliers	(1,543,122)	(198,828)	(1,741,950)
Net cash provided by (used for) operating activities	<u>(934,440)</u>	<u>41,383</u>	<u>(893,057)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	62,748		62,748
Federal Sources	855,694		855,694
Prior Year Interfund	11,577	(32,036)	(20,459)
Net cash provided by (used for) non-capital financing activities	<u>930,019</u>	<u>(32,036)</u>	<u>897,983</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,421)</u>	<u>9,347</u>	<u>4,926</u>
Balances—beginning of year	<u>136,264</u>	<u>65,079</u>	<u>201,343</u>
Balances—end of year	<u>131,843</u>	<u>74,426</u>	<u>206,269</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(1,164,067)	41,383	(1,122,684)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	10,309		10,309
Food Distribution Program	68,972		68,972
(Increase) decrease in accounts receivable, net	71,244		71,244
(Increase) decrease in inventories	737		737
Increase (decrease) in accounts payable	78,364		78,364
Total adjustments	<u>(934,441)</u>	<u>41,383</u>	<u>(893,058)</u>
Net cash provided by (used for) operating activities	<u>(934,441)</u>	<u>41,383</u>	<u>(893,058)</u>

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

**FIDUCIARY FUND**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	430,866	420	448,963
Total assets	430,866	420	448,963
<b>LIABILITIES</b>			
Payable to student groups			137,687
Due to State - Unemployment	423		
Payroll deductions and withholdings			311,276
Total liabilities	423	-	448,963
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	430,443		
Reserved for scholarships		420	
	430,443	420	

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2015**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Donations		14,265
Payroll withholdings	40,137	
Total Contributions	40,137	14,265
 <b>DEDUCTIONS</b>		
Unemployment Claims	34,648	
Scholarships awarded		14,250
Total deductions	34,648	14,250
Change in net position	5,489	15
Net position—beginning of the year	424,954	405
Net position—end of the year	430,443	420

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Elementary Schools:				
School #3	18,642	23,082	28,340	13,384
School #4	4,807	31,237	29,745	6,299
School #5	5,977	9,860	7,346	8,491
School #6	3,762	7,632	6,290	5,104
Total Elementary Schools	<u>33,188</u>	<u>71,811</u>	<u>71,721</u>	<u>33,278</u>
Middle School:				
School #6 - Middle	4,996	18,690	19,188	4,498
Student Council	887	26,476	25,634	1,729
Total Middle Schools	<u>5,883</u>	<u>45,166</u>	<u>44,822</u>	<u>6,227</u>
High School:				
High School	76,404	174,572	181,741	69,235
Athletic	5,576	79,438	64,576	20,438
Project Graduation	4,666	32,695	28,852	8,509
Total High Schools	<u>86,646</u>	<u>286,705</u>	<u>275,169</u>	<u>98,182</u>
Total All Schools	<u><u>125,717</u></u>	<u><u>403,682</u></u>	<u><u>391,712</u></u>	<u><u>137,687</u></u>

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Net Payroll	-	14,975,214	14,975,214	-
Payroll Deductions and Withholdings	299,416	13,975,181	13,963,321	311,276
Due to Other Funds	1,050		1,050	-
	<u>300,466</u>	<u>28,950,395</u>	<u>28,939,585</u>	<u>311,276</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, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u> <u>Amount</u>				
School District Bonds Refunding - 2006	July 15, 2006	3,680,000	7/15/2015 7/15/2016 7/15/2017 7/15/2018 7/15/2019	3.65 3.65 5.00 5.00 5.00	2,135,000	335,000	1,800,000
					\$ 2,135,000	335,000	1,800,000

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Capital Leases Payable**  
**Fiscal Year Ended June 30, 2015**

<u>Issue</u>	<u>Amount of Loan</u>	<u>Principal Payment Date</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2014</u>	<u>Retired</u>
2010 24 Passenger Bus	48,400			10,076	10,076
				\$ 10,076	10,076

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	421,929	-	421,929	421,929	-
State Sources:					
Debt Service Aid Type II	4,596	-	4,596	4,596	-
Total - State Sources	4,596	-	4,596	4,596	-
<b>Total Revenues</b>	<b>426,525</b>	<b>-</b>	<b>426,525</b>	<b>426,525</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	91,524	-	91,524	91,524	-
Redemption of Principal	335,000	-	335,000	335,000	-
Total Regular Debt Service	426,524	-	426,524	426,524	-
<b>Total expenditures</b>	<b>426,524</b>	<b>-</b>	<b>426,524</b>	<b>426,524</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	-	1	1	-
Other Financing Sources:					
Operating Transfers In:					
Excess Bond Proceeds - Capital Projects Fund	-	-	-	31,023	31,023
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	1	-	1	31,024	31,023
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	2	-	2	31,025	31,023
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Operating Transfers In	1	-	1	31,023	31,023
Budgeted Fund Balance	-	-	-	1	-

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

### Financial Trends

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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 3,873,386	\$ 3,766,968	\$ 3,504,723	\$ 3,505,327	\$ 3,568,379	\$ 4,199,337	\$ 4,179,066	\$ 4,275,454	\$ 4,723,841	\$ 5,979,075
Restricted	10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062	7,909,736	7,204,960
Unrestricted	165,291	837,425	1,361,376	(323,165)	(1,069,576)	(332,676)	(516,963)	(636,513)	(722,861)	(10,050,627)
<b>Total governmental activities net position</b>	<b>\$ 4,038,687</b>	<b>\$ 4,658,504</b>	<b>\$ 5,204,787</b>	<b>\$ 5,500,137</b>	<b>\$ 4,792,376</b>	<b>\$ 7,137,663</b>	<b>\$ 8,463,380</b>	<b>\$ 12,130,003</b>	<b>\$ 11,910,716</b>	<b>\$ 3,133,408</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt			\$ 4,068	\$ 5,234	\$ 48,946	\$ 38,318	\$ 27,689	\$ 20,128	\$ 13,566	\$ 3,257
Restricted										
Unrestricted	172,280	135,833	67,314	68,999	77,074	273,330	436,810	367,657	296,366	161,956
<b>Total business-type activities net position</b>	<b>\$ 172,280</b>	<b>\$ 135,833</b>	<b>\$ 71,382</b>	<b>\$ 74,233</b>	<b>\$ 126,020</b>	<b>\$ 311,648</b>	<b>\$ 464,499</b>	<b>\$ 387,785</b>	<b>\$ 309,932</b>	<b>\$ 165,213</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 3,873,386	\$ 3,766,968	\$ 3,508,791	\$ 3,510,561	\$ 3,617,325	\$ 4,237,655	\$ 4,206,755	\$ 4,295,582	\$ 4,737,407	\$ 5,982,332
Restricted	10	54,111	338,688	2,317,975	2,293,573	3,271,002	4,801,277	8,491,062	7,909,736	7,204,960
Unrestricted	337,571	973,258	1,428,690	(254,166)	(992,502)	(59,346)	(80,153)	(268,856)	(426,495)	(9,888,671)
<b>Total district net position</b>	<b>\$ 4,210,967</b>	<b>\$ 4,794,337</b>	<b>\$ 5,276,169</b>	<b>\$ 5,574,370</b>	<b>\$ 4,918,396</b>	<b>\$ 7,449,311</b>	<b>\$ 8,927,879</b>	<b>\$ 12,517,788</b>	<b>\$ 12,220,648</b>	<b>\$ 3,298,621</b>

Source: CAFR Schedule A-1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 17,199,226	\$ 18,303,906	\$ 16,839,644	\$ 17,500,839	\$ 17,621,066	\$ 17,744,712	\$ 17,971,833	\$ 17,888,947	\$ 17,227,778	\$ 20,167,606
Special education	5,738,920	6,223,934	3,363,762	3,787,841	3,800,012	4,075,643	4,667,377	4,523,963	6,063,910	7,225,713
Other special education	1,048,032	779,957	611,346	625,896	887,456	751,847	804,050	793,949	973,023	975,861
Other instruction	894,939	842,381	844,526	965,266	734,748	730,640	562,083	704,952	787,487	877,419
Support Services:										
Tuition	4,048,070	4,466,064	2,054,178	1,958,454	1,891,441	1,662,115	1,552,981	1,660,412	2,412,564	2,342,048
Student & instruction related services	973,848	1,063,066	4,866,404	4,286,179	4,761,630	4,600,551	4,368,088	4,373,317	5,056,961	5,553,266
General administrative services	1,632,440	1,852,429	1,693,371	1,924,975	1,683,523	1,336,229	1,301,866	1,206,620	1,200,572	1,021,223
School administrative services	395,010	554,673	579,607	589,144	628,335	658,999	727,758	774,908	901,454	822,333
Central services and administrative information technology										
Business administrative services	2,946,820	3,156,552	2,938,403	3,333,162	3,104,869	2,934,424	2,510,835	2,674,999	2,424,064	2,779,899
Plant operations and maintenance	799,673	778,549	943,570	932,372	1,038,296	1,103,550	1,047,315	1,090,420	1,217,939	1,375,200
Pupil transportation			2,458,264	2,362,021	3,432,153	2,364,279	2,974,168	4,036,579	3,387,615	3,884,814
Unallocated Benefits						11,177	30,224	51,535	48,351	76,578
Charter Schools						139,132	127,668	109,596	98,004	85,877
Interest on long-term debt	224,624	282,043	258,335	254,233	337,078	294,713	295,163	299,391	177,519	328,040
Unallocated depreciation						513,578	144,431	5,200	1,408,966	11,275
Capital Outlay - nondepreciable						260,034				
Total governmental activities expenses	<u>35,901,602</u>	<u>38,303,554</u>	<u>38,627,011</u>	<u>39,617,069</u>	<u>41,824,392</u>	<u>40,693,861</u>	<u>41,095,278</u>	<u>41,969,185</u>	<u>45,127,594</u>	<u>49,430,725</u>
Business-type activities:										
Food service	848,011	1,063,941	1,199,595	1,257,122	1,457,507	1,383,115	1,436,373	1,823,487	1,904,767	1,712,554
After School Program						177,538	280,725	173,750	178,120	198,828
Academy/ School										
Total business-type activities expense	<u>848,011</u>	<u>1,063,941</u>	<u>1,199,595</u>	<u>1,257,122</u>	<u>1,457,507</u>	<u>1,560,653</u>	<u>1,717,098</u>	<u>1,997,237</u>	<u>2,082,887</u>	<u>1,911,382</u>
Total district expenses	<u>\$ 36,749,613</u>	<u>\$ 39,367,495</u>	<u>\$ 39,826,606</u>	<u>\$ 40,874,191</u>	<u>\$ 43,281,899</u>	<u>\$ 42,254,514</u>	<u>\$ 42,812,376</u>	<u>\$ 43,966,422</u>	<u>\$ 47,210,481</u>	<u>\$ 51,342,107</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 3,916,272	\$ 4,045,074	\$ 5,539,912	\$ 6,329,138	\$ 5,743,912	\$ 6,922,484	\$ 5,914,129	\$ 6,714,158	\$ 5,626,526	\$ 5,969,338
Pupil transportation	946,011	948,845								
Business and other support services	16,200	16,200	8,100							
Operating grants and contributions	8,051,115	8,688,078	4,247,991	1,849,270	2,304,165	1,720,569	1,426,555	1,890,253	2,042,296	2,263,066
Capital grants and contributions	173,736	310,062				360,862	49,863	42,233		
Total governmental activities program revenues	<u>13,103,334</u>	<u>14,008,259</u>	<u>9,796,003</u>	<u>8,178,408</u>	<u>8,048,077</u>	<u>9,003,915</u>	<u>7,390,547</u>	<u>8,646,644</u>	<u>7,668,822</u>	<u>8,232,404</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-type activities:</b>										
Charges for services										
Food service	497,839	602,942	684,899	703,926	756,143	771,777	769,016	836,286	868,831	548,487
After School Program						181,625	279,213	181,957	200,381	240,211
Academy School						792,879	821,720	902,280	935,822	977,965
Operating grants and contributions	437,148	424,552	450,245	556,047	753,151					
Capital grants and contributions	934,987	1,027,494	1,135,144	1,259,973	1,509,294	1,746,281	1,869,949	1,920,523	2,005,034	1,766,663
Total business type activities program revenues	\$ 14,038,321	\$ 15,035,753	\$ 10,931,147	\$ 9,438,381	\$ 9,557,371	\$ 10,750,196	\$ 9,260,496	\$ 10,567,167	\$ 9,673,856	\$ 9,999,067
Total district program revenues										
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (22,798,268)	\$ (24,295,295)	\$ (28,831,008)	\$ (31,438,661)	\$ (33,776,315)	\$ (31,689,946)	\$ (33,704,731)	\$ (33,322,541)	\$ (37,458,772)	\$ (41,198,321)
Business-type activities	86,976	(36,447)	(64,451)	2,851	51,787	185,628	152,851	(76,714)	(77,853)	(144,719)
Total district-wide net expense	\$ (22,711,292)	\$ (24,331,742)	\$ (28,895,459)	\$ (31,435,810)	\$ (33,724,528)	\$ (31,504,318)	\$ (33,551,880)	\$ (33,399,255)	\$ (37,536,625)	\$ (41,343,040)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 22,195,851	\$ 23,525,325	\$ 24,028,200	\$ 24,989,328	\$ 25,788,901	\$ 27,336,235	\$ 27,882,960	\$ 28,419,932	\$ 28,988,330	\$ 29,753,765
Taxes levied for debt service	448,022	441,357	426,053	377,867	420,341	421,176	420,854	420,186	423,870	421,929
Federal and State Aid - Restricted	366,575	367,137								
Federal and State Aid - Not Restricted			4,650,550	6,215,308	5,424,373	5,590,059	6,325,802	7,466,294	7,355,462	12,149,173
Federal and State Aid - Capital Outlay										24,102
Investment earnings	91,145	188,266		17,920						
Miscellaneous income	199,379	393,027	394,785	133,588	993,934	687,763	400,832	682,752	471,823	553,179
Transfers	(50,000)									
Total governmental activities	23,250,972	24,915,112	29,499,588	31,734,011	32,627,549	34,035,233	35,030,448	36,989,164	37,239,485	42,902,148
Business-type activities:										
Transfers	50,000									
Total business-type activities	50,000									
Total district-wide	\$ 23,300,972	\$ 24,915,112	\$ 29,499,588	\$ 31,734,011	\$ 32,627,549	\$ 34,035,233	\$ 35,030,448	\$ 36,989,164	\$ 37,239,485	\$ 42,902,148
<b>Change in Net Position</b>										
Governmental activities	\$ 452,704	\$ 619,817	\$ 668,580	\$ 295,350	\$ (1,148,766)	\$ 2,345,287	\$ 1,325,717	\$ 3,666,623	\$ (219,287)	\$ 1,703,827
Business-type activities	136,976	(36,447)	(64,451)	2,851	51,787	185,628	152,851	(76,714)	(77,853)	(144,719)
Total district	\$ 589,680	\$ 583,370	\$ 604,129	\$ 298,201	\$ (1,096,979)	\$ 2,530,915	\$ 1,478,568	\$ 3,589,909	\$ (297,140)	\$ 1,559,108

Source: CAFR Schedule A-2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 248,387	\$ 446,745	\$ 1,685,611	\$ 2,233,065	\$ 1,784,563					
Unreserved	629,745	1,022,176	632,072	399,782	399,306					
Restricted						2,803,366	4,056,497	5,820,621	7,173,451	7,173,935
Committed						346,210	245,783			
Assigned						2,735	370,245	2,568,077	633,921	1,186,625
Unassigned						1,012,722	720,148	742,339	616,387	577,134
Total general fund	\$ 878,132	\$ 1,468,921	\$ 2,317,683	\$ 2,632,847	\$ 2,183,869	\$ 4,165,033	\$ 5,392,673	\$ 9,131,037	\$ 8,423,759	\$ 8,937,694
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund			(32,863)							
Capital projects fund			84,587	84,587	47,351					
Debt service fund			54,101							
Unreserved	(1,395)	49,380								
Assigned, reported in:										
Special revenue fund							26,388			
Capital projects fund						118,691	102,363	102,363	111,698	
Debt service fund							1	1	1	31,025
Permanent fund										
Total all other governmental funds	\$ (1,395)	\$ 49,380	\$ 105,825	\$ 84,587	\$ 47,351	\$ 118,691	\$ 128,752	\$ 102,364	\$ 111,699	\$ 31,025

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	\$ 22,643,873	\$ 23,966,682	\$ 24,454,253	\$ 25,367,195	\$ 26,209,242	\$ 27,757,411	\$ 28,303,814	\$ 28,840,118	\$ 29,412,200	\$ 30,175,694
Tuition	4,862,283	4,993,919	5,539,912	6,329,138	5,743,912	6,922,484	5,914,129	6,714,158	5,626,526	5,969,338
Transportation	16,200	16,200	8,100	-	-	-	-	-	-	-
Miscellaneous	290,524	581,293	394,785	151,508	993,934	687,763	421,830	682,752	471,823	553,179
State sources	6,419,968	7,748,650	7,328,908	7,008,171	6,081,801	6,122,991	6,471,378	7,697,950	7,630,004	8,096,934
Federal sources	2,171,458	1,616,627	1,569,633	1,056,407	1,646,737	1,548,499	1,309,842	1,700,830	1,767,754	2,108,413
Total revenue	36,404,306	38,923,371	39,293,591	39,912,419	40,673,626	43,039,148	42,420,993	45,633,808	44,908,307	46,903,538
<b>Expenditures</b>										
Instruction										
Regular instruction	17,184,794	18,391,821	13,920,802	13,978,849	14,106,514	13,623,401	13,848,957	14,750,608	13,827,871	14,409,852
Special education instruction	5,738,775	6,226,466	2,585,092	2,864,561	2,911,280	2,998,317	3,438,197	3,594,285	5,145,616	5,597,551
Other special instruction	1,051,850	825,254	469,649	473,370	715,984	553,109	592,390	630,857	770,854	680,349
Other instruction	897,023	843,037	695,121	784,632	566,130	577,589	445,548	590,264	662,276	681,014
Support Services:										
Tuition	4,047,225	4,462,377	2,054,178	1,958,454	1,891,441	1,662,115	1,940,155	1,660,412	2,412,564	2,342,048
Student & instruction related services	980,989	1,063,066	1,297,613	3,505,836	3,926,255	3,684,454	3,115,043	3,669,891	4,276,931	4,390,256
School Administrative services	1,603,206	1,844,181	785,851	856,452	762,244	1,230,755	1,192,744	1,126,401	1,379,738	1,328,365
General administrative services										
Business and other support services										
Central services and administrative information technology	408,469	554,673	447,125	446,580	486,891	488,719	541,295	656,821	760,258	683,263
Plant operations and maintenance	2,624,238	2,809,298	2,553,836	2,895,927	2,676,161	2,498,369	2,113,738	2,382,366	2,141,377	2,223,314
Pupil transportation	796,110	764,446	690,463	758,501	918,529	920,778	870,874	928,143	1,012,812	1,044,891
Unallocated benefits			5,823,670	6,852,710	6,909,221	7,858,312	7,903,934	6,001,160	6,356,332	6,528,231
On-behalf contributions			2,337,780	2,356,734	2,545,763	2,521,679	3,077,562	3,889,672	3,412,401	3,894,499
Charter Schools	354,871	187,398	165,011	186,607	741,073	11,177	30,224	51,535	48,351	76,578
Capital outlay										
Debt service:										
Principal	275,791	312,066	260,000	280,000	280,000	290,000	300,000	310,000	325,000	335,000
Interest and other charges	228,500	164,397	170,839	157,514	145,738	133,763	125,437	114,763	103,487	91,524
Bond issuance costs		95,860								
Advance refunding exorow		165,688								
Total expenditures	36,191,861	38,710,028	38,390,384	39,808,794	41,177,114	41,490,314	41,183,294	41,923,832	45,606,250	46,470,297
Excess (Deficiency) of revenues over (under) expenditures	212,445	213,343	905,207	103,625	(501,488)	1,548,834	1,237,699	3,711,976	(697,943)	433,261
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	71,258	166,673	-	-	-	-	-	-	-	-
Proceeds of refunding debt	-	3,680,000	-	-	-	-	-	-	-	-
Payment to refunding debt escrow agent	-	(3,570,000)	-	-	-	-	-	-	-	-
Original issue premium	-	151,548	-	-	-	-	-	-	-	-
Transfers in	(50,000)	2,214,710	-	43,352	-	408,072	-	-	-	111,698
Transfers out	21,258	(2,214,710)	-	-	-	(408,072)	-	-	-	(111,698)
Total other financing sources (uses)		428,221		43,352						
Net change in fund balances:	\$ 233,703	\$ 641,564	\$ 905,207	\$ 146,977	\$ (501,488)	\$ 1,548,834	\$ 1,237,699	\$ 3,711,976	\$ (697,943)	\$ 433,261
Debt service as a percentage of noncapital expenditures	1.4%	1.2%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation		Refunds	Rent	Restitution	Misc.	Total
			Fees						
2006	91,145	4,862,283	16,200					199,379	5,169,007
2007	188,266	4,993,919	16,200					393,027	5,591,412
2008	107,283	5,539,912	8,100		57,414	25,000	59,400	145,688	5,942,797
2009	17,920	6,329,138	-					133,588	6,480,646
2010		5,743,912			532,227			461,707	6,737,846
2011	13,320	6,922,484	334,731		59,854	50,000		229,858	7,610,247
2012	6,193	5,914,129	290,940		55,614	10,015		38,070	6,314,961
2013	6,815	6,714,158	275,639		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			134,035	6,522,517

Source: District Records

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

Year Ended Dec. 31,	Total Assessed Value				Less: Tax-Exempt Property	Net Valuation		Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Commercial	Industrial		Apartment	Taxable			
2005	\$ 15,412,600	\$ 2,034,533,200	\$ 143,532,900	\$ 9,905,100	\$ 207,879,600	\$ 2,411,263,400	\$ -	0.738	\$ 2,497,757,535	96.54%
2006	\$ 12,183,200	\$ 2,056,357,500	\$ 142,889,400	\$ 9,526,700	\$ 205,896,500	\$ 2,426,853,300	\$ -	0.959	\$ 2,860,388,344	84.84%
2007	\$ 9,532,300	\$ 2,090,836,700	\$ 141,369,500	\$ 6,232,400	\$ 205,131,300	\$ 2,453,102,200	\$ -	0.985	\$ 2,456,887,669	99.85%
2008	\$ 7,707,000	\$ 2,105,334,300	\$ 135,715,000	\$ 5,502,700	\$ 203,663,400	\$ 2,457,922,400	\$ -	1.012	\$ 3,597,734,318	68.42%
2009	\$ 7,248,200	\$ 2,124,563,400	\$ 135,464,800	\$ 5,502,700	\$ 202,084,300	\$ 2,474,863,400	\$ -	1.091	\$ 3,543,171,541	69.97%
2010	\$ 7,226,900	\$ 2,118,923,500	\$ 135,279,300	\$ 4,602,900	\$ 203,430,400	\$ 2,469,463,000	\$ -	1.091	\$ 3,507,065,519	70.54%
2011	\$ 7,345,100	\$ 2,287,332,400	\$ 180,014,700	\$ 6,158,500	\$ 257,428,300	\$ 2,738,279,000	\$ -	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	\$ -	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	\$ 2,750,705,100	\$ -	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	1.120	\$ 2,901,874,485	94.70%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Cliffside Park Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation		Borough of Cliffside Park	Bergen County	
		Debt Service <sup>b</sup>	Total Direct			
2006	0.96		0.96	0.8	0.22	1.98
2007	0.99		0.99	0.81	0.24	2.04
2008	1.01		1.01	0.83	0.27	2.114
2009	1.04		1.04	0.28	0.88	2.203
2010	1.08	0.01	1.09	0.91	0.28	2.28
2011	1.00	0.02	1.02	0.85	0.23	2.093
2012	1.02	0.02	1.04	0.86	0.24	2.138
2013	1.06	0.02	1.06	0.87	0.25	2.181
2014	1.065	0.02	1.085	0.88	0.247	2.212
2015	1.1	0.02	1.12	0.867	0.253	2.275

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

Source: District Records and Municipal Tax Collector

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

**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	2014				2005			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		
Briarcliff Corp.	\$ 71,500,000	1	2.60%	\$ 32,500,000	1	1.35%		
Palisadium Mgmt. Corp.	\$ 12,550,500	3	0.46%	\$ 5,232,700	3	0.22%		
Cliff Lane/Palisade Ave, LLC	\$ 14,238,200	2	0.52%	\$ 5,492,085	2	0.23%		
T&F Realty	\$ 6,250,000	4	0.23%	\$ 3,510,000	4	0.15%		
Savoy Plaza	\$ 5,664,800	5	0.21%	\$ 3,412,600	5	0.14%		
Carlton Corp.	\$ 4,700,500	6	0.17%	\$ 2,375,000	7	0.10%		
Robert Apartments, LLC	\$ 3,375,000	7	0.12%	\$ 3,250,000	6	0.13%		
Timmes Realty Assoc.	\$ 3,690,500	8	0.13%	\$ 1,985,600	8	0.08%		
G&N Realty	\$ 3,300,000	9	0.12%	\$ 1,956,200	9	0.08%		
Verizon - New Jersey	\$ 5,421,709	10	0.20%	\$ 1,715,000	10	0.07%		
<b>Total</b>	<b>\$ 130,691,209</b>		<b>4.76%</b>	<b>\$ 61,429,185</b>		<b>2.55%</b>		
			Net Assessed Valuation:	\$ 2,748,092,917			\$ 2,411,263,400	

Source: Municipal Tax Assessor.

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

<u>Fiscal Year Ended</u>	<u>District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2006	\$22,643,873	\$22,643,873	100.00%	\$ -
2007	\$23,966,682	\$23,966,682	100.00%	\$ 520,561
2008	\$24,028,200	\$24,028,200	100.00%	\$ -
2009	\$25,367,195	\$25,367,195	100.00%	\$ -
2010	\$26,209,242	\$26,209,242	100.00%	\$ -
2011	\$26,983,327	\$26,983,327	100.00%	\$ -
2012	\$28,303,814	\$28,049,175	99.10%	\$ 254,639
2013	\$28,840,118	\$28,840,118	100.00%	\$ -
2014	\$29,412,200	\$29,412,200	100.00%	\$ -
2015	\$30,175,694	\$30,175,694	100.00%	\$ -

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds/Loans <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	4,305,000	93,156	-	-	4,398,156	1.43%	\$ 63,103
2007	4,180,000	182,763	-	-	4,362,763	1.55%	\$ 67,544
2008	3,920,000	147,301	-	-	4,067,301	1.66%	\$ 67,331
2009	3,640,000	143,987	-	-	3,783,987	1.69%	\$ 63,874
2010	3,360,000	212,214	-	-	3,572,214	1.79%	\$ 63,885
2011	3,070,000	136,962	-	-	3,206,962	2.10%	\$ 67,248
2012	2,770,000	73,192	-	-	2,843,192	2.44%	\$ 69,281
2013	2,460,000	37,734	-	-	2,497,734	2.78%	\$ 69,495
2014	2,135,000	10,076	-	-	2,145,076	Not Available	Not Available
2015	1,800,000	-	-	-	1,800,000	Not Available	Not Available

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

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

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

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

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2006	\$ -	-	-	0.00%	\$ -
2007	\$ 4,535,000	-	4,535,000	0.18%	\$ 67
2008	\$ 4,305,000	-	4,305,000	0.18%	\$ 64
2009	\$ 3,640,000	-	3,640,000	0.15%	\$ 57
2010	\$ 3,360,000	-	3,360,000	0.14%	\$ 53
2011	\$ 3,070,000	-	3,070,000	0.11%	\$ 46
2012	\$ 2,770,000	-	2,770,000	0.10%	\$ 40
2013	\$ 2,460,000	-	2,460,000	0.09%	\$ 35
2014	\$ 2,135,000	-	2,135,000	Not Available	Not Available
2015	\$ 1,800,000	-	1,800,000	Not Available	Not Available

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

**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, 2015**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2015</b>			
<b>Net overlapping debt of School District:</b>			
Borough of Cliffside Park	100.000%	\$ 43,049,019	
County of Bergen - City's Share	1.693%	\$ 14,730,194	
Bergen County Utility Authority-City's Share	3.214%	<u>\$ 6,726,515</u>	
<b>Subtotal, overlapping debt</b>			<u>\$ 64,505,728</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 66,305,728</u></u>

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2015**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 98,895,964	\$ 85,881,738	129,350,228	139,070,215	141,777,632	137,376,426	136,555,831	129,402,916	124,625,084	116,825,618
Total net debt applicable to limit	<u>4,305,000</u>	<u>4,180,000</u>	<u>3,920,000</u>	<u>3,640,000</u>	<u>3,360,000</u>	<u>3,070,000</u>	<u>2,770,000</u>	<u>2,460,000</u>	<u>2,135,000</u>	<u>1,800,000</u>
Legal debt margin	<u>\$ 94,590,964</u>	<u>\$ 81,701,738</u>	<u>\$ 125,430,228</u>	<u>\$ 135,430,215</u>	<u>\$ 138,417,632</u>	<u>\$ 134,306,426</u>	<u>\$ 133,785,831</u>	<u>\$ 126,942,916</u>	<u>\$ 122,490,084</u>	<u>\$ 115,025,618</u>
Total net debt applicable to the limit as a percentage of debt limit	4.87%	4.87%	3.03%	2.62%	2.37%	2.23%	2.03%	1.90%	1.71%	1.54%

Equalized valuation basis	2014	\$ 2,912,091,637
	2013	\$ 2,889,246,778
	2012	2,960,582,945
	[A]	<u>\$ 8,761,921,360</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,920,640,453
Debt limit (4 % of average equalization value)	[B]	116,825,618 <sup>a</sup>
Net bonded school debt	[C]	1,800,000
Legal debt margin	[B-C]	<u>\$ 115,025,618</u>

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

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	22,499	\$ 1,419,754,397	63,103	4.10%
2007	22,599	\$ 1,526,426,856	67,544	4.50%
2008	22,772	\$ 1,533,261,532	67,331	4.00%
2009	22,994	\$ 1,468,718,756	63,874	5.20%
2010	23,624	\$ 1,509,219,240	63,885	9.20%
2011	23,790	\$ 1,599,829,920	67,248	9.40%
2012	24,488	\$ 1,696,553,128	69,281	9.60%
2013	25,257	\$ 1,755,235,215	69,495	8.30%
2014	25,503	Not Available	Not Available	5.10%
2015	Not Available	Not Available	Not Available	Not Available

**Source:**

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

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

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

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

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

<u>Employer</u>	<u>2015</u>			<u>2006</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**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Instruction										
Regular	220	220	220	209	194	183	183	204	207	212
Special education	15	15	15	33	31	30	30	33	27	26
Support Services:										
Student & instruction related services	70	70	70	65	64	62	62	71	82	87
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	7	7	7	7	7	7	7	7	7	7
Central services	6	6	6	6	6	6	6	6	6	6
Plant operations and maintenance	5	5	5	5	5	5	5	5	5	5
Pupil transportation	32	32	32	46	46	48	48	52	52	62
Food Service	21	21	21	22	22	22	22	23	23	24
<b>Total</b>	<b>377</b>	<b>377</b>	<b>377</b>	<b>394</b>	<b>376</b>	<b>364</b>	<b>364</b>	<b>402</b>	<b>410</b>	<b>430</b>

**Source:** District Personnel Records

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

\*-Note: FTE calculation: EXAMPLE: 2 PART TIME = 1 FTE

\*-Instruction = teachers (222) + administrators (12) = 234 total (207 Regular, 27 Spec. Ed.)

\*-Student AND instruction related services: Aides

\*-School Admin. Svs.: principals and vice principals

\*-Central Svs. = Board office (excluding superintendent): superintendent=Gen.Admin.Svs.

\*-Plant Operations: Head Custodians

\*-Pupil Transportation includes: bus drivers, custodians, secretaries

\*-Food Service: food service workers + 4FTE lunch aides (work 2-3 hours/day)

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	2,606.0	35,353,445	13,566	5.60%	276	1:22	1:24	1:22	2,606	2,448	1.88%	93.94%
2007	2,572.0	37,784,619	14,691	14.35%	243	1:22	1:24	1:22	2,573	2,419	0.59%	94.01%
2008	2,587.0	37,794,534	14,609	7.69%	238	1:22	1:24	1:22	3,596	3,367	37.99%	93.63%
2009	2,661.0	39,184,350	14,725	0.24%	242	1:22	1:24	1:22	2,622	2,468	1.90%	94.13%
2010	2,772.0	40,040,303	14,445	-1.13%	225	1:22	1:24	1:22	2,708	2,558	-24.69%	94.46%
2011	2,779.0	40,130,193	14,441	-1.93%	213	1:22	1:25	1:23	2,755	2,589	5.07%	93.97%
2012	2,810.0	40,598,752	14,448	0.02%	209	1:23	1:25	1:24	2,760	2,611	1.92%	94.60%
2013	2,839.0	40,934,418	14,419	-0.15%	225	1:24	1:25	1:24	2,850	2,674	3.47%	93.80%
2014	2,901.0	39,379,734	13,575	-5.85%	234	1:23	1:24	1:23	2,910	2,771	2.09%	95.22%
2015	2,968.0	44,794,300	15,092	11.18%	238	1:23	1:24	1:23	2,957	2,815	1.62%	95.20%

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

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

a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4, 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). J-12

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

District Buildings	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Elementary</b>										
School #3										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	275	275	224	224	266	263	328	319	333	346
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	300	300	273	273	299	296	496	478	493	502
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	125	125	138	138	156	156	203	211	229	246
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	371	371	286	286	289	283	346	381	364	380
<b>Middle School</b>										
Middle School										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	350	350	296	296	360	354	352	359	378	376
<b>High School</b>										
High School										
Square Feet	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563	112,563
Capacity (students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,125	1,125	1,052	1,052	1,104	1,103	1,035	1,091	1,104	1,118
<b>Other</b>										
ELC										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity (students)	375	375	375	375	375	375	375	375	375	375
Enrollment	298	298	298	298	298	298	298	298	298	323

Number of Schools at June 30, 2014  
 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)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ELC	N/A	77,763	74,339	37,828	22,700	12,145	16,197	-	-	-	-
School #3	N/A	22,000	21,031	10,702	19,563	12,355	20,446	32,232	29,895	41,217	63,045
School #4	N/A	25,250	24,138	12,282	28,542	10,499	26,764	50,494	35,929	37,615	47,463
School #5	N/A	22,500	21,509	10,945	27,190	22,897	19,497	5,940	53,704	38,822	26,834
School #6	N/A	81,000	77,434	39,403	47,885	44,939	50,709	53,910	47,292	42,563	97,501
High School	N/A	110,500	105,635	39,012	32,105	42,168	25,770	45,256	54,095	56,236	57,364
Grand Total		\$ 339,013	\$ 324,086	\$ 150,172	\$ 177,985	\$ 145,003	\$ 159,383	\$ 187,832	\$ 220,915	\$ 216,453	\$ 292,207

\*-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, 2015**  
**Unaudited**

Company	Type of Coverage	Coverage	Deductible
	School package policy:		
	New Jersey School Boards Association Insurance Group		
	Property - Blanket Building and Contents	\$ 350,000,000	\$ 5,000
	Comprehensive General Liability	11,000,000	
	Comprehensive Automobile Liability	11,000,000	
	Computers and schedule equipment -		
	Data Processing Equipment	2,000,000	1,000
	School Board legal liability -		
	Professional Errors and Omissions	11,000,000	10,000
	Public Employees' Faithful Performance Blanket		
	Position Bond - Treasurer	275,000	1,000
	Position Bond - Board Secretary	50,000	500
	Public Employee Dishonesty with Faithful Performance	100,000	1,000
	Flood Zones	75,000,000	500,000
	Earthquake	50,000,000	500,000
	Terrorism	1,000,000	
	Pollution	250,000	

Source: District Records

**SINGLE AUDIT SECTION**

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

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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

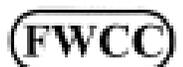
Honorable President and  
Members of the Board of Education  
Borough of Cliffside Park School District  
County of Bergen, New Jersey

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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2015.

### ***Internal Control Over Financial Reporting***

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

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



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

***Compliance and Other Matters***

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

We noted certain matters that were required to be reported to the Board of Education of the Borough of Cliffside Park School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 11, 2015.

***Purpose of this Report***

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

*Steven D. Wielkocz*

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Licensed Public School Accountant  
No. 816

*Ferraioli, Wielkocz, Cerullo & Cova, P.A.*

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

November 11, 2015

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

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

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

## **Report on Compliance for Each Major Federal and State Program**

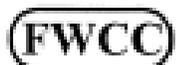
We have audited the Board of Education of the Borough of Cliffside Park School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Cliffside Park Board of Education's major federal and state programs for the year ended June 30, 2015. The Borough of Cliffside Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## **Management's Responsibility**

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

## **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Borough of Cliffside Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred



to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Cliffside Park Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Cliffside Park Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Cliffside Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. 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 subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of the Borough of Cliffside Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Cliffside Park Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Cliffside Park Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questions costs as item 2015-001 that we consider to be a significant deficiency.

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

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

We have audited the financial statements of the Borough of Cliffside Park Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated November 11, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Steven D. Wielkatz*

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No. 816

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Certified Public Accountants  
Pompton Lakes, New Jersey

November 11, 2015

CLIFFSIDE PARK  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards  
Year ended June 30, 2015

Federal CFDA Number	Federal Grantor/Pass-through Grantor Program Title	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Educator												
Passed-through State Department of Education												
General Fund:												
93.778	Medicaid Administrative Claiming (MAC)	7/1/14 - 6/30/15	21,739			21,739	21,739					
93.778	Medical Assistance Program (SEMI)	7/1/14 - 6/30/15	84,403			46,501	84,403			(37,902)		
93.778	ARRA - Medical Assistance Program (SEMI)	10/1/08-12/31/10	17,839			17,839	17,839					
	Total General Fund					86,079	123,981			(37,902)		
U.S. Department of Educator												
Passed-through State Department of Education												
Special Revenue Fund:												
84.010A	Title I	7/1/14 - 6/30/15	552,189	(90,917)	(90,917)	512,904	561,475	25,769		(113,719)		
84.010A	Title I	7/1/13 - 6/30/14	396,977	(90,917)	90,917	512,904	561,475	25,769		(113,719)		
84.027	I.D.E.A. Part B	7/1/14 - 6/30/15	638,649		(132,450)	761,906	638,649			(9,193)		
84.027	I.D.E.A. Part B	7/1/13 - 6/30/14	532,549	(132,450)	132,450	26,281	26,281					
84.173	I.D.E.A. Part B Preschool	7/1/14 - 6/30/15	14,491			33,050	19,610	1,400				
84.173	ELAM	9/1/12 - 8/31/13	75,000	(14,840)		821,237	684,540	1,400		(9,193)		
	Total			(147,290)								
84.367A	Title IIA	7/1/14 - 6/30/15	64,286	(10,217)	(10,217)	49,338	61,674	368		(22,185)		
84.367A	Title IIA	7/1/13 - 6/30/14	61,582	(10,217)	10,217	49,338	61,674	368		(22,185)		
84.365A	Title III	7/1/14 - 6/30/15	66,494	(16,083)	(16,083)	62,054	74,009	9,480		(18,558)		
84.365A	Title III	7/1/13 - 6/30/14	67,731	(16,083)	16,083	62,054	74,009	9,480		(18,558)		
84.287C	21st Century Community Learning Center:	7/1/14 - 6/30/15	500,000	(62,811)	(62,811)	429,460	444,343	27,839		(49,855)		
84.287C	21st Century Community Learning Center:	7/1/13 - 6/30/14	500,000	(62,811)	62,811	429,460	444,343	27,839		(49,855)		
84.416	Instructional Improvement System - Race to the Top	7/1/14-11/30/15	150,000			119,801	147,275			(27,474)		
	Total Special Revenue Fund			(327,318)		1,994,794	1,973,316	64,856		(240,984)		

**CLIFFSIDE PARK  
BOARD OF EDUCATION**

**Schedule of Expenditures of Federal Awards**

Year ended June 30, 2015

Federal Grantor/Pass-through Grantor: Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture Passed-through State Department of Education Enterprise Fund:												
USDA Commodities:												
National Breakfast Program	10.565	7/1/14 - 6/30/15	\$ 68,972			68,972	68,972					
National Breakfast Program	10.553	7/1/14 - 6/30/15	107,227			99,953	107,227			(7,274)		
National Breakfast Program	10.553	7/1/13 - 6/30/14	124,256	(10,830)		10,830						
National School Lunch Program	10.555	7/1/14 - 6/30/15	739,530			693,712	739,530			(45,818)		
National School Lunch Program	10.555	7/1/13 - 6/30/14	697,668	(51,199)		51,199						
<b>Total Enterprise Fund</b>				<b>(62,029)</b>		<b>924,666</b>	<b>915,729</b>			<b>(53,092)</b>		
<b>Total Federal Financial Assistance</b>				<b>\$ (389,347)</b>		<b>3,005,539</b>	<b>3,013,026</b>	<b>64,856</b>		<b>(331,978)</b>		

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, 2015

State/Local Grantor/Program Title	Grant or Project Number	Grant Period	Balance at June 30, 2014					Balance at June 30, 2015					MEMO				
			Award Amount	Deferred Revenue (Accrs Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable		Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>																	
<b>General Fund:</b>																	
Equalization Aid	495-034-5120-078	7/1/14-6/30/15	1,544,866				1,431,345	1,544,866									
Transportation Aid	495-034-5120-014	7/1/14-6/30/15	32,152				29,789	32,152									
Special Education Aid	495-034-5120-089	7/1/14-6/30/15	1,350,696				1,251,443	1,350,696									
Security Aid	495-034-5120-084	7/1/14-6/30/15	358,736				332,375	358,736									
Under Adequacy Aid	495-034-5120-083	7/1/14-6/30/15	268,344				248,626	268,344									
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	24,560				22,755	24,560									
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	24,560				22,755	24,560									
Extraordinary Aid	100-034-5120-473	7/1/14-6/30/15	294,718	(513,223)			313,232	294,718	(294,718)								
Reimbursed TPAF Social Security	495-034-5094-003	7/1/14-6/30/15	1,398,148	(138,729)			1,262,035	1,398,148	(136,113)								
Reimbursed TPAF Social Security	495-034-5094-003	7/1/13-6/30/14	1,394,987	(451,952)			5,053,075	5,296,780	(430,831)								
<b>Total General Fund</b>																	
<b>Special Revenue Fund:</b>																	
Preschool Education Aid	495-034-5120-086	7/1/14-6/30/15	302,736				65,167	302,736									
Preschool Education Aid	495-034-5120-086	7/1/13-6/30/14	306,568	34,511			(65,167)										
N.J. Nonpublic Textbook Aid	100-034-5120-064	7/1/13-6/30/14	494		220		30,656										
N.J. Nonpublic Technology Aid	100-034-5120-064	7/1/13-6/30/14	180		5												
N.J. Nonpublic Nursing Services	100-034-5120-070	7/1/13-6/30/14	695		695												
<b>Total Special Revenue Fund</b>																	
<b>Debt Service Fund:</b>																	
Debt Service Aid Type II	100-034-5120-067	7/1/14-6/30/15	4,596				4,596	4,596									
<b>Total Debt Service Fund</b>																	
<b>Enterprise Fund:</b>																	
National School Lunch Program (State Share)	100-010-3350-023	7/1/14-6/30/15	16,145				15,139	16,145	(1,006)								
National School Lunch Program (State Share)	100-010-3350-023	7/1/13-6/30/14	16,730	(2,108)			2,108										
National School Snack Program (State Share)	100-010-3350-021	7/1/14-6/30/15	46,091				43,186	46,091	(2,905)								
National School Snack Program (State Share)	100-010-3350-024	7/1/13-6/30/14	38,640	(2,316)			2,316										
<b>Total Enterprise Fund</b>																	
<b>Total State Financial Assistance Subject to OMB 04-04</b>																	
On-Behalf TPAF Contributions Not Subject to OMB 04-04																	
On-Behalf TPAF - Post Retirement Medical	495-034-5094-001	7/1/14-6/30/15	1,531,578				1,531,578	1,531,578									
On-Behalf TPAF Pension	495-034-5094-006	7/1/14-6/30/15	900,021				900,021	900,021									
On-Behalf TPAF NCGI Premium	495-034-5094-007	7/1/14-6/30/15	64,752				64,752	64,752									
<b>Total State Financial Assistance</b>																	

CLIFFSIDE PARK  
BOARD OF EDUCATION

Schedule of Expenditures of State and Local Awards

Year ended June 30, 2015

State/Local Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014				Balance at June 30, 2015				MEMO										
				Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)		Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures						
Local Awards:																						
Special Revenue Fund																						
NYSBAG Safety Grant Program 2011		7/1/11-6/30/12	21,283	283											283						21,000	
NYSBAG Safety Grant Program 2014		7/1/14-6/30/15	16,690	1,092			16,690	16,690							1,092						16,690	
Laura Bush Foundation		7/1/11-6/30/12	5,000																		3,908	
Total Local Awards				1,375	920		16,690	16,690				920	(434,742)	36,268	1,375						41,598	
Total State/Local Financial Assistance				\$ (420,490)	920		7,936,579	8,179,389				920	(434,742)	36,268							(295,100)	24,184,214

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

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,529) for the general fund and \$41,201 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	\$123,981	\$7,789,602	\$	\$7,913,583
Special Revenue Fund	1,984,432	302,736	16,690	2,303,858
Debt Service Fund		4,596		4,596
Food Service Fund	<u>915,729</u>	<u>62,236</u>		<u>977,965</u>
Total Financial Awards	<u>\$3,024,142</u>	<u>\$8,159,170</u>	<u>\$16,690</u>	<u>\$11,200,002</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015. 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, 2015.

**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 \$2,496,351 of on-behalf payments is excluded from major program determination.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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 section .510(a) of Circular A-133? \_\_\_\_\_ yes     X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555/10.533</u> (A)	<u>National School Lunch Program/ National School Breakfast Program</u>

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

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

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

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

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

**State Awards**

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

Auditee qualified as low-risk auditee?                                       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 04-04?                                     \_\_\_\_\_ yes       X   no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089/ 495-034-5120-084/ 495-034-5120-078/ 495-034-5120-083/ 495-034-5120-098/ <u>495-034-5120-097</u> (A)	State Aid Public Cluster: Special Education Categorical Aid/ Security Aid/Equalization Aid/Under Adequacy Aid/PARCC Readiness Aid/Per <u>Pupil Growth Aid</u>
<u>495-034-5094-003</u> (A)	<u>Reimbursed TPAF Social Security Contribution</u>
<u>495-034-5120-086</u> (A)	<u>Extraordinary Aid</u>

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

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

*Section II – Financial Statement Findings*

NONE

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

**STATE AWARDS**

**Finding 15-001**

**Information on the state program:**

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(078/083/084/089/097/098) Grant Period 7/1/14-6/30/15

**Criteria or specific requirement:**

N.J.S.A. 18A:22-8.1 requires County superintended approval for line-item transfers from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

**Condition:**

The district did not obtain approval from the executive county superintendent for line-item transfers from general fund appropriation accounts as required by N.J.S.A. 18A:22-8.1.

**Questioned Costs:**

None

**Context:**

Line-item transfers were made from general fund appropriation accounts which on a cumulative basis exceeded 10 percent of the original budget. Also transfers were made in excess of county superintendent approved amounts.

**Effect:**

By not obtaining county superintendent approval prior to line-item transfers, the district is not in compliance with the specific grant requirements.

**Cause:**

Approval from the executive county superintendent for line-item transfers was not obtained for items which exceeded 10 percent of the amount of the account included in the budget certified for taxes. Also transfers were made in excess of the approved amount.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

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

**Recommendation:**

That approval from the executive superintendent be obtained for line-item transfers from an advertised appropriation account as defined under N.J.A.C. 6A:23A-13.3(e) which on a cumulative bases exceed 10 percent of the amount included in the original budget.

**Management's response:**

More care will be taken in the future to ensure executive county superintendent approval is obtained for all required transfers in accordance with N.J.S.A. 18A:22-8.1.

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Status of Prior Year Findings**

None