

**CLIFTON BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2020**

**CLIFTON BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and  
Members of the Board of Trustees  
Clifton Board of Education  
Clifton, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Clifton Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 21, 2021.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Certified Public Accountant  
Public School Accountant

Fair Lawn, New Jersey  
January 21, 2021

**CLIFTON BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Chief School Administrator, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule, contained in the district's CAFR.

**Official Bonds** (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Michael Ucci	Board Secretary/School Business Administrator	\$605,000
Yusein Durakov	Assistant Board Secretary/ School Business Administrator ( 7/1/19-9/23/19)	\$10,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Zurich Insurance Co. covering all other employees with multiple coverage of \$500,000.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not reveal any discrepancies with respect to signatures, certification and approvals of supporting documentation.

**CLIFTON BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency account.

All payrolls tested were certified by the President of the Board and the Board Secretary/School Business Administrator and approved by the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholdings due to the general fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserve for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**Travel**

The District had an approved Board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

**Finding** – Our audit of travel reimbursements revealed there was one instance where an employee was reimbursed for in State lodging for two nights that was approved by the State for only one night and only if the individual resided more than 50 miles from the event location. A recommendation is not warranted as this was an isolated instance.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

**CLIFTON BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

**Board Secretary's Records**

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

The financial records, books of account and minutes maintained by the Board Secretary were in very good condition.

The Board Secretary's and Chief School Administrator's reports were presented monthly to the board and were submitted to the executive county superintendent as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36)..

The Board Secretary did file other financial reports with the Board which contained schedules similar to those reported in the State prescribed report.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

The pre-numbered contractual order system was followed.

**Chief School Administrator's Records**

The following items were noted during our review of the records of the Chief School Administrator.

The Chief School Administrator did perform cash reconciliations for the general operating account and payroll accounts (N.J.S.A. 18A:17-9).

All cash receipts were promptly deposited.

The Chief School Administrator's records were in agreement with the Board Secretary's records.

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund.

**Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)**

The E.S.E.A. financial exhibits are contained within the Special Revenue Fund of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, II, III and Title IV of the Elementary and Secondary Education Act.

Our examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

**CLIFTON BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

**I.D.E.A., Part B**

Separate accounting records were maintained for each approved project.

Grant application approvals and acceptance of grant funds were made by Board resolution.

**Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

Our audit of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

**Finding (CAFR Finding 2020-001)** - A review of the application for State Extraordinary Aid revealed there were certain costs claimed that did not agree to supporting documentation provided for audit.

**Recommendation** - Internal control procedures be reviewed and revised to ensure costs are accurately reported on the Application for State Extraordinary Aid.

**T.P.A.F. Reimbursements**

Our audit procedures included a test of the semi-monthly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

**T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

The reimbursement to the State for the TPAF/FICA payments made by the State on-behalf of the School District for those employees whose salaries are identified as being paid from Federal funds was made subsequent to the 90 days required by N.J.S.A. 18A:66-90.

**Nonpublic State Aid**

Project completion reports were finalized and transmitted to the Department by the due date.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000. The Board did not have a Qualified Purchasing Agent; therefore the District's bid threshold is \$29,000.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**CLIFTON BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Purchasing Programs (Continued)**

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The results of our examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the district purchase items through the use of State contracts.

**Finding** – Our audit noted several change orders that were not approved by Board resolution nor included in the Board minutes.

**Recommendation** – All change orders to original contract awards be approved by the Board and made part of the official minutes.

**Food Service Fund**

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the edit check worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal policy is uniformly administered through the school system. The required verification procedures for free and reduced price application were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Cash receipts and bank records were reviewed for timely deposit.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Cash receipts and bank records were reviewed for timely deposit.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.



**CLIFTON BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Food Service Fund (Continued)**

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC cost reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating result which guarantees that the Food Service will return a profit. The operating results provision has been met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation of least annually.

Net cash resources were not in excess of three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education. No exceptions were noted.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

**Student Activity/Athletic Accounts**

The Board has a policy which clearly established the regulation of student activity and athletic accounts.

Cash reports and cash disbursements were maintained in satisfactory condition.

**Finding** – Our audit of the High School Athletic Account revealed several instances where deposits were not made in a timely manner.

**Recommendation** – High School Athletic deposits be made in a timely manner.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, related services and bilingual education. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with immaterial exceptions. The information that was included on the workpapers was verified with isolated exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

**CLIFTON BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2019/20 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exception. The information that was included in the district workpapers was verified with no exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Our procedures included a review of the Schools Development Authority (SDA) grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve, and awarding of contracts for eligible facilities construction.

**Testing for Lead of all Drinking Water in Education Facilities**

The school district adhered to all requirements of N.J.A.C. 26-12 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Follow-Up on Prior Year Finding**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations.

Corrective action was taken on all prior year findings.

**Suggestions to Management**

- Unemployment and scholarship expenses be approved by the Board and made part of the monthly bills list.

**CLIFTON BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Under (Over) Claim</u>
National School Lunch (High Rate)	Paid	217,917	100,933	100,933	-	\$ 0.33	-
	Reduced	66,468	30,751	30,751	-	2.85	-
	Free	<u>426,761</u>	<u>199,551</u>	<u>199,551</u>	-	3.25	-
	Total Lunch	<u>711,146</u>	<u>331,235</u>	<u>331,235</u>	-		-
National School Lunch HHFKA-PB Lunch Only		<u>711,146</u>	<u>331,235</u>	<u>331,235</u>	-	0.06	-
School Breakfast (Severe Needs Rate)	Paid	26,785	12,664	12,664	-	0.30	-
	Reduced	11,677	5,643	5,643	-	1.79	-
	Free	<u>99,458</u>	<u>46,871</u>	<u>46,871</u>	-	2.09	-
	Total Breakfast	<u>137,920</u>	<u>65,178</u>	<u>65,178</u>	-		-
School Snacks (At Risk/Area Eligible)	Paid						
	Reduced						
	Free	<u>13,960</u>	<u>6,928</u>	<u>6,928</u>	-	0.88	-
	Total Snacks	<u>13,960</u>	<u>6,928</u>	<u>6,928</u>	-		-
		<u><u>1,574,172</u></u>	<u><u>734,576</u></u>	<u><u>734,576</u></u>	-		<u><u>\$ -</u></u>

**CLIFTON BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 607,486
Due from Other Governments	426,124
Accounts Receivable	356,724
<b>Current Liabilities</b>	<u>(476,646)</u>
<b>Net Cash Resources</b>	<u>\$ 913,688</u>
 <b><u>Adjusted Total Operating Expense:</u></b>	
Total Operating Expenses	\$ 4,659,339
Less Depreciation	<u>(62,736)</u>
<b>Adjusted Total Operating Expense</b>	<u>\$ 4,596,603</u>
 <b><u>Average Monthly Operating Expense:</u></b>	 <u>\$ 459,660</u>
 <b><u>Three Times Monthly Average:</u></b>	 <u>\$ 1,378,981</u>
Total Net Cash Resources	\$ 913,688
Three Times Monthly Average	<u>1,378,981</u>
 Excess(Deficit) Cash Resources	 <u>\$ (465,293)</u>

**CLIFTON BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
AS OF OCTOBER 15, 2019**

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool - 3YR	61	-	61	-	-	-	19	-	19	-	-	-	-	-	-	-	-	
Full Day Preschool - 4 YR	276	-	276	-	-	-	41	-	41	-	-	-	-	-	-	-	-	
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	667	-	667	-	-	-	56	-	56	-	-	-	-	-	-	-	-	
One	700	-	700	-	-	-	43	-	43	-	-	-	-	-	-	-	-	
Two	690	-	690	-	-	-	58	-	58	-	-	-	-	-	-	-	-	
Three	679	-	679	-	-	-	38	-	38	-	-	-	-	-	-	-	-	
Four	658	-	658	-	-	-	29	-	29	-	-	-	-	-	-	-	-	
Five	709	-	709	-	-	-	39	-	39	-	-	-	-	-	-	-	-	
Six	679	-	679	-	-	-	309	-	309	-	-	-	-	-	-	-	-	
Seven	700	-	700	-	-	-	356	-	356	-	-	-	-	-	-	-	-	
Eight	700	-	700	-	-	-	344	-	344	-	-	-	-	-	-	-	-	
Nine	577	-	577	-	-	-	577	-	577	-	-	-	-	-	-	-	-	
Ten	621	-	621	-	-	-	621	-	621	-	-	-	-	-	-	-	-	
Eleven	629	-	629	-	-	-	629	-	629	-	-	-	-	-	-	-	-	
Twelve	616	-	616	-	-	-	616	-	616	-	-	-	-	-	-	-	-	
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	8,962	-	8,962	-	-	-	3,775	-	3,775	-	-	-	-	-	-	-	-	
Special Ed - Elementary	840	-	840	-	-	-	35	-	35	-	-	-	26	13	13	-	-	
Special Ed - Middle School	399	-	399	-	-	-	17	-	17	-	-	-	25	12	12	-	-	
Special Ed - High School	428	-	428	-	-	-	18	-	18	-	-	-	47	24	23	1	-	
Subtotal	1,667	-	1,667	-	-	-	70	-	70	-	-	-	98	49	48	1	-	
Co. Voc. - Regular																		
Co. Voc. Ft. Post Sec.																		
Totals	10,629	-	10,629	-	-	-	3,845	-	3,845	-	-	-	98	49	48	1	-	
Percentage Error					0.00%	0.00%					0.00%	0.00%					2.04%	

**CLIFTON BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
AS OF OCTOBER 15, 2019**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
	Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3YR												
Full Day Preschool - 4 YR												
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	413	413	-	5	5	-	33	33	-	4	3	1
One	437	437	-	5	5	-	42	42	-	6	5	1
Two	409	409	-	5	5	-	47	47	-	7	7	-
Three	411	411	-	5	5	-	53	53	-	7	7	-
Four	391	391	-	5	5	-	36	36	-	5	5	-
Five	396	396	-	4	4	-	26	26	-	4	4	-
Six	410	410	-	5	5	-	26	26	-	4	4	-
Seven	403	403	-	5	4	1	34	34	-	5	5	-
Eight	410	410	-	5	5	-	24	24	-	3	3	-
Nine	359	359	-	4	4	-	28	28	-	4	4	-
Ten	375	375	-	4	4	-	39	39	-	5	4	1
Eleven	357	357	-	4	3	1	31	31	-	4	4	-
Twelve	341	341	-	4	3	1	19	19	-	2	2	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	5,112	5,112	-	60	57	3	438	438	-	60	57	3
Special Ed - Elementary	553	553	-	6	6	-	13	13	-	1	1	-
Special Ed - Middle	275	275	-	3	3	-	6	6	-	1	1	-
Special Ed - High	283	283	-	3	3	-	4	5	(1)	1	1	-
Subtotal	1,111	1,111	-	12	12	-	23	24	(1)	3	3	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	6,223	6,223	-	72	69	3	461	462	(1)	63	60	3
Percentage Error			0.00%			4.17%			-0.22%			4.76%

**Transportation**

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools, col. 1	2,127				
Reg -SpEd, col. 4	291	291	-	7	7	-
Transported - Non-Public, col. 3	222	222	-	5	5	-
Special Ed Spec, col. 6	416	416	-	10	10	-
Totals	3,056	3,056	-	71	71	-
Percentage Error					0.00%	

**CLIFTON BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
AS OF OCTOBER 15, 2019**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindegarten	-	-	-	-	-	-
Full Day Kindergarten	20	20	-	6	6	-
One	12	12	-	4	4	-
Two	13	13	-	3	3	-
Three	13	13	-	3	3	-
Four	18	18	-	6	6	-
Five	5	5	-	1	1	-
Six	9	9	-	3	3	-
Seven	3	3	-	1	1	-
Eight	5	5	-	2	2	-
Nine	11	11	-	3	3	-
Ten	13	13	-	4	4	-
Eleven	18	18	-	7	7	-
Twelve	8	8	-	3	3	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>148</u>	<u>148</u>	<u>-</u>	<u>46</u>	<u>46</u>	<u>-</u>
Special Ed - Elementary	3	3	-	1	1	-
Special Ed - Middle	2	2	-	1	1	-
Special Ed - High	1	1	-	1	1	-
Subtotal	<u>6</u>	<u>6</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>154</u>	<u>154</u>	<u>-</u>	<u>49</u>	<u>49</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**CLIFTON BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2019-2020 Total General Fund Expenditures per the CAFR	\$	205,921,400
Increased by:		
Transfers to Special Revenue Fund		1,651,498
Decreased by:		
On-Behalf TPAF Pension & Social Security		26,747,275
Assets Acquired Under Capital Leases		518,375
		180,307,248
Adjusted 2019-2020 General Fund Expenditures		
2% of Adjusted 2019-2020 General Fund Expenditures		3,606,145
Increased by: Allowable Adjustment		5,318
		3,611,463
Maximum Unassigned Fund Balance	\$	3,611,463
Total General Fund - Fund Balance at June 30, 2020 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	18,390,795
Decreased by:		
Year End Encumbrances		1,417,907
Other Restricted Fund Balance		7,935,814
Assigned Fund Balance- Unreserved- Designated for Subsequent Year's Expenditures		3,625,611
		12,979,332
Total Unassigned Fund Balance	\$	5,411,463
<b>Restricted Fund Balance - Excess Surplus</b>	<b>\$</b>	<b>1,800,000</b>
<b><u>Recapitulation of Excess Surplus as of June 30, 2020</u></b>		
Excess Surplus- Designated for Subsequent Year's Expenditures Excess Surplus		1,800,000
<b>Total Excess Surplus</b>	<b>\$</b>	<b>1,800,000</b>
<b><u>Detail of Allowable Adjustments</u></b>		
Additional Nonpublic School Transportation Aid	\$	5,318
Total Adjustment	\$	5,318
<b><u>Detail of Other Restricted Fund Balance</u></b>		
Capital Reserve	\$	6,657,106
Maintenance Reserve		1,278,708
Total Other Restricted Fund Balance	\$	7,935,814



**CLIFTON BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that internal control procedures be reviewed and revised to ensure costs are accurately reported on the Application for State Extraordinary Aid.

**III. School Purchasing Program**

It is recommended that all change orders to original contract awards be approved by the Board and made part of the official minutes.

**IV. Food Service Fund**

There are none.

**V. Student Activity/Athletic Accounts**

- \* It is recommended that High School Athletic deposits be made in a timely manner.

**VI. Application for State School Aid**

There are none.

**VII. Pupil Transportation**

There are none.

**VIII. Facilities and Capital Assets**

There are none.

**IX. Miscellaneous**

There are none.

**X. Status of Prior Years' Audit Findings/Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all except the items denoted with an asterisk.

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.