

**CLIFTON BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**CLIFTON, NEW JERSEY**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Clifton Board of Education**

**Clifton, New Jersey**

**For The Fiscal Year Ended June 30, 2021**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

**CLIFTON PUBLIC SCHOOLS**  
**745 CLIFTON AVE., P.O. BOX 2209, CLIFTON, NJ 07015-2209**  
**(973) 470 - 2288 • FAX (973) 773 - 8357**

January 31, 2022

Honorable President and  
Members of the Clifton Board of Education  
Clifton School District  
County of Passaic, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Clifton School District for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Clifton Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Clifton School District. All disclosures necessary to enable the reader to gain an understanding of the Clifton School District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Clifton School District's Organizational Chart, a list of consultants, advisors and roster of officials. The financial section includes the financial statements and schedules as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Clifton School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act as Amended and the United States Office of Management Uniform Guidance, and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, recommendations are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Clifton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Clifton Board of Education and all its schools constitute the District's reporting entity.

The Clifton School District provides a full range of educational services appropriate to grade levels Pre-K through 12, including regular, Bilingual/English as a Second Language, vocational, and special education for handicapped students. The Clifton School District completed the 2020-2021 fiscal year with an average daily enrollment of 10,954 for in-district students. The district also had 125 students in out-of-district placements, other LEA's and County Special Services.

2) **ECONOMIC CONDITION AND OUTLOOK:** The Clifton taxpayers continue to be the primary source of funding for the Clifton Public School District to utilize in providing a thorough and efficient education for all its students, addressing their many diversified needs. These needs include special education programs, bilingual/English as a Second Language programs, At Risk programs, vocational programs, etc. Developing and implementing future budgets will become more difficult if the following current factors remain in place:

- Under the state funding requirements, the increase to the district's tax levy is established at a maximum of 2.00%. With expenditures such as salary increases and health insurance costs exceeding 2.00%, it is difficult to balance the appropriation within the 2.00% maximum.
- State Aid is anticipated to increase along with the equalization of the School Funding Reform Act (SFRA) formula. The district is still severely under adequacy per the SFRA formula but in recent years the formula has been increasing. The district anticipates to be fully funded by 2024-2025.
- All employees currently contribute to their health insurance costs per the tier 4 rate of Chapter 78 or the rate associated with Chapter 44. The district must budget its share of the increase for health insurance as well as the employer contribution. In addition, the district must negotiate changes to health insurance plans in order to minimize the increases.
- A new factor effecting future budgets is the New Jersey Educators' Health Plan (NJEHP) which is known as Chapter 44. This will have a major impact on the appropriations of the budget since it will allow employees to opt into the NJEHP to contribute based on salary and not on a percentage on premium.

Given these factors above, it will become more and more difficult to provide budgets that will address the varied needs of the students attending the Clifton Public School District.

3. **MAJOR INITIATIVES:** The Clifton school district accomplished several initiatives during the 2020-2021 school year as follows:

- Maintained training and implementation of the Danielson Model using the Frontline Evaluation Platform to provide Danielson training and observation. Yearly continuation of the Frontline program subscription.
- Support Math Adoption of Envisions 2.0 in grade K-5 to strengthen Math program
- Supported full implementation of new Next Generation Science series in elementary grades and began to roll out of Defined STEM across all grade levels 3-12
- Added CHS Science staff to support district CHS STEM Academies.
- Added inclusion Kindergarten classes to reduce the number of self-contained Kindergarten classes to increase student access to the least restrictive environment.
- Continued intensive professional development and in-class coaching for Literacy interventions including Wilson FUNDATIONS, Orton Gillingham and Reading Recovery. Increased the number of teachers trained at Level 1 and Level 2. Yearly replacement of consumable components of Wilson Foundations materials for all teachers in Grade K to 3.
- Continued curricular and assessment revisions to align with New Jersey Student learning Standards, NJSLA Evidence statements, and pacing adjustments through teacher stipend positions after school and during the summer.
- Increased overall Internet bandwidth to classrooms [Local Funds and Federal E-Rate]
- Replaced 300 instructional computers and 120 printers throughout the district. [Local Funds]
- Purchased Chromebooks to go 1-1 for Grades 3-12. [Local funds, CARES Grant, and ESSER II Grant]
- Expanded Google Apps for Education and Google Classroom training. [Local funds + Federal ESEA Title funds]
- Implemented Defined STEM project-based learning program. [Local Funds]
- Implemented and expanded Imagine Math and Dreambox Math Programs. [Local Funds]

- Implemented MyOn reading program. [Local Funds]
- Maintained online learning systems in grades 3-11 to support differentiation of instruction, remediation, and enrichment using Study Island, Renaissance Learning, and other instructional technology products. [Local funds]
- Planned and implemented capital improvement projects as follows:
  - i) Completion of the School #1 and School #5 Electrical Upgrade.
  - ii) Completion of the School #15 Roof Replacement.
  - iii) Completion of the School #17 Building Management System Upgrade.
  - iv) Initial phase to begin the Clifton High School Tennis Court and Band Field Renovation.
  - v) Passed the largest Referendum in the State of New Jersey of \$168 million that will begin during the summer of 2022. The following projects were included:
    - a. HVAC upgrades to every educational space, electrical upgrades, boiler upgrades, security enhancements such as vestibules, Middle School Auditorium renovations, bathroom renovations, technology upgrades to further enhance internet access points, weight room expansion at the stadium, baseball field renovation to turf field with a new fieldhouse for Varsity and environmental considerations that come along with this massive construction proposal. The bond was sold in August 2021. The Board is hiring a Construction Manager and Construction Attorney soon. The bid packages will be advertised sometime in February 2022 for work to start in the summer 2022. The timeline for the project is estimated to end in the Fall of 2023. Unfortunately, due to our current economic climate the district is aware that the timeline for the project might be longer as well as the total cost may increase.

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

As a recipient of federal and state financial assistance, the Clifton School District is also 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 Clifton School District management.

As part of the Clifton School 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 if the Clifton School District has complied with applicable laws and regulations.

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the Clifton School 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 staying within or lower than the 2.00% tax levy cap. Annual appropriated budgets are adopted for the general fund, the grants and entitlements fund, and the repayment of the debt service fund. Project-length budgets are approved for capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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 included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2021.

**6) ACCOUNTING SYSTEM AND REPORTS:** The Clifton School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Clifton School District is organized on the basis of funds, which are explained in "Notes to the Financial Statements", Note 1.

**7) DEBT ADMINISTRATION:** At June 30, 2021 the Clifton School District's outstanding long-term debt issued included \$7,410,000 of one general obligation bond, to provide funds for acquisition and construction of major capital facilities.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 3. The Clifton School District has adopted 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 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.



9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard, theft insurance on property and contents, fidelity bonds, cyber security, student accident insurance, and workers compensation insurance.

10) **OTHER INFORMATION:** An Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, and Higgins LLP was selected by the Clifton Board of Education to conduct the independent audit. 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 as Amended and Uniform Guidance, and state Treasury Circular Letter 15-08 OMB. The auditor's report on the financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) **AWARDS:**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Clifton Board of Education for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

2) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Clifton School Board 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.

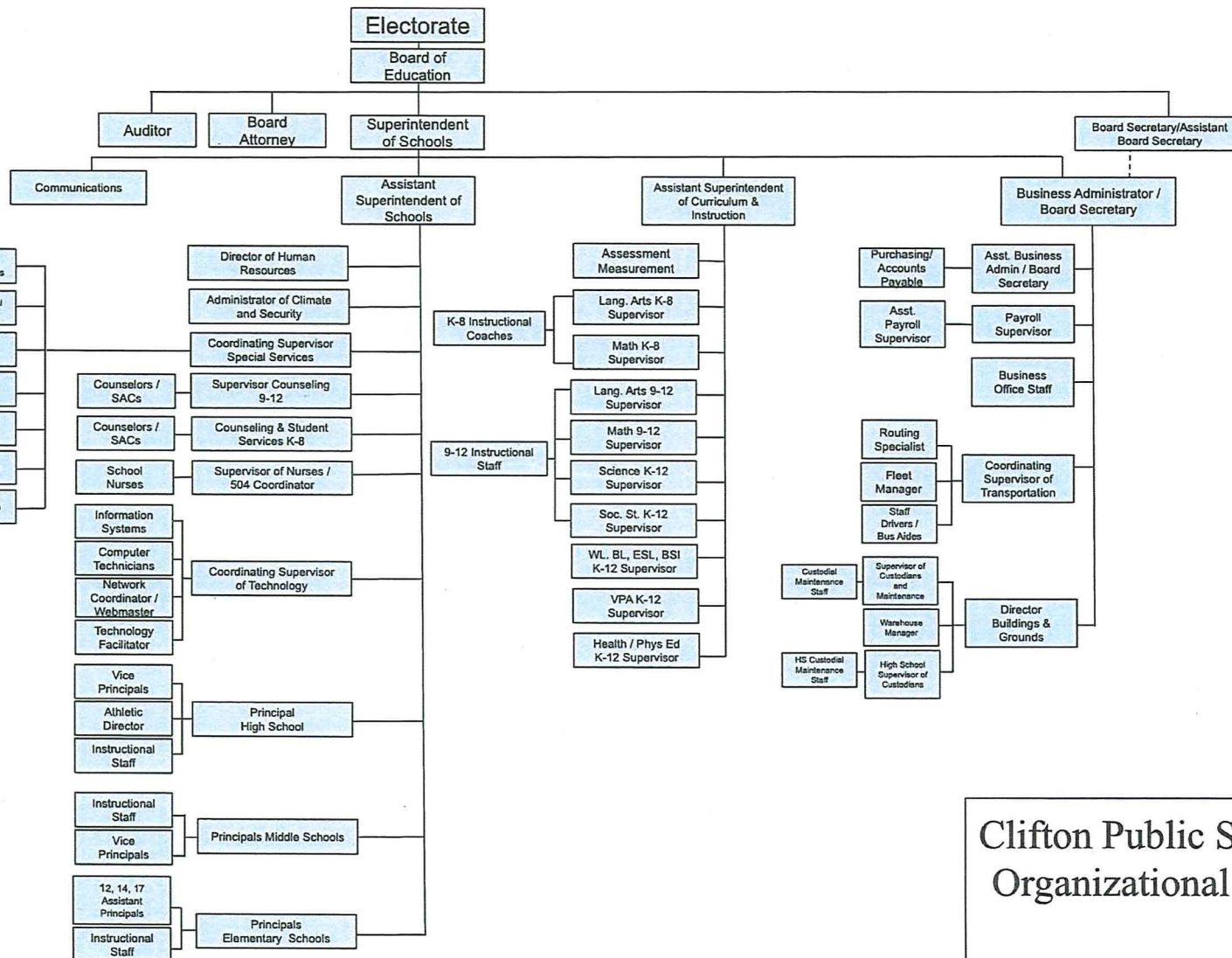
Respectfully submitted,



Danny Robertozzi  
Superintendent of Schools



Michael Ucci  
Board Secretary/  
Business Administrator



Clifton Public Schools  
Organizational Chart

# CLIFTON BOARD OF EDUCATION

Consultants and Advisors

## Architects

DiCara/Rubino Architects  
30 Galesi Drive  
Wayne, New Jersey 07470

## Audit Firm

Lerch, Vinci, & Higgins, LLP  
17-17 Route# 208  
Fair Lawn, New Jersey 07410

## Attorneys

Machado Law Group  
Isabel Machado, Esq.  
Clark Parkway Plaza  
136 Central Avenue, 2nd Floor  
Clark, New Jersey 07066

Adams, Gutierrez & Lattiboudere, LLC.  
1037 Raymond Blvd. Suite 900  
Newark, New Jersey 07102

## Official Depository

TD Bank  
101 Washington Street  
Hoboken, New Jersey 07030

CLIFTON BOARD OF EDUCATION  
745 CLIFTON AVENUE  
CLIFTON, NEW JERSEY 07013

ROSTER OF OFFICIALS

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Fahim Abedrabbo	Nov. 2023
Feras Awaad	Nov. 2023
Judith Bassford	Nov. 2021
Dana Beltran	Nov. 2022
Joe Canova	Nov. 2022
James Daley	Nov. 2022
Lucy Danny	Nov. 2021
Frank Kasper	Nov. 2021
Jim Smith	Nov. 2023

Other Officials

Danny Robertozzi, Superintendent of Schools

Mark Tietjen, Assistant Superintendent

Janina Kusielewicz, Assistant Superintendent of Curriculum and Instruction

Michael Ucci, Board Secretary/Business Administrator

Eric Thomasevich, Assistant Board Secretary/  
Assistant Business Administrator



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Clifton Board of Education

for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.

The district report meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

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W. Edward Chabal  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

---

David J. Lewis  
Executive Director

## **FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Clifton Board of Education  
Clifton, 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 Clifton Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education'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 misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clifton Board of Education as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Clifton Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clifton Board of Education's basic financial statements. The introductory section, individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Clifton Board of Education.

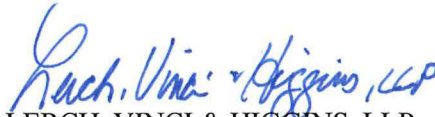
The individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



The introductory section, financial schedules and statistical section have not been subjected 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 them.

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

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2022 on our consideration of the Clifton 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clifton Board of Education's 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 Clifton Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 31, 2022

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **CLIFTON BOARD OF EDUCATION**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021**

This discussion and analysis of the Clifton School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2021. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

#### **Financial Highlights**

Key financial highlights for 2021 are as follows:

- District-Wide - Overall revenues were \$260,218,814. General revenues accounted for \$164,546,406 or 63 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$95,672,408 or 37 percent of total revenues.
- District-Wide - The School District had \$256,762,316 in expenses; only \$95,672,408 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and unrestricted state aid) of \$164,546,406 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Clifton Board of Education's governmental funds reported combined ending fund balances of \$12,777,946 a decrease of \$1,633,962 in comparison with the restated prior year fund balance.
- Fund Financials - At the end of June 30, 2021 and 2020, the unassigned fund balance (deficit) reported in the General Fund was \$2,650,799 and \$(903,043) respectively, an increase from the prior year of \$3,553,842.

## **CLIFTON BOARD OF EDUCATION**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021**

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Clifton Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Clifton Board of Education, reporting the Clifton Board of Education's operation in more detail than the district-wide statements.
  - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the Clifton Board of Education operates like a business.
  - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The following table summarizes the major features of the Clifton Board of Education's financial statements, including the portion of the Clifton Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

# CLIFTON BOARD OF EDUCATION

## Management’s Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise Fund
Required financial statements	Statements of net position Statement of activities	Balance sheet Statement of revenue, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows/inflows of resources and liability information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

### District-wide Statements

**District-wide.** The District-wide financial statements are designed to provide readers with a broad overview of the Clifton Board of Education’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Clifton Board of Education’s assets, deferred outflows/inflows of resource and liabilities, with the difference 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 District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District’s property tax base and the condition of the school buildings and other facilities.

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.

## CLIFTON BOARD OF EDUCATION

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

#### District-wide Statements (Continued)

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of these types of activities of the District's Food Service Fund and Integrated Summer Enrichment Experience Program.

#### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The district has two kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

## CLIFTON BOARD OF EDUCATION

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

#### Fund Financial Statements (Continued)

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

**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.

#### DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CLIFTON BOARD OF EDUCATION AS A WHOLE

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.

**Net Position.** The following table provides a summary of the school district's net position for fiscal years 2021 and 2020. For 2021 and 2020 they were \$37,096,112 and \$33,639,614, as restated respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CLIFTON BOARD OF EDUCATION**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CLIFTON BOARD OF EDUCATION AS A WHOLE (Continued)**

**Statement of Net Position  
As of June 30, 2021 and 2020**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>(Restated)</u>				<u>(Restated)</u>
<b>Assets</b>						
Current and Other Assets	\$ 22,342,635	\$ 16,337,905	\$ 2,923,680	\$ 1,206,301	\$ 25,266,315	\$ 17,544,206
Capital Assets	<u>67,967,778</u>	<u>68,806,974</u>	<u>1,093,032</u>	<u>364,249</u>	<u>69,060,810</u>	<u>69,171,223</u>
<b>Total Assets</b>	<u>90,310,413</u>	<u>85,144,879</u>	<u>4,016,712</u>	<u>1,570,550</u>	<u>94,327,125</u>	<u>86,715,429</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Refunding of Debt	88,645	133,446			88,645	133,446
Deferred Amounts on Net Pension Liability	<u>2,225,093</u>	<u>3,771,270</u>	<u>-</u>	<u>-</u>	<u>2,225,093</u>	<u>3,771,270</u>
<b>Total Deferred Outflows of Resources</b>	<u>2,313,738</u>	<u>3,904,716</u>	<u>-</u>	<u>-</u>	<u>2,313,738</u>	<u>3,904,716</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>92,624,151</u>	<u>89,049,595</u>	<u>4,016,712</u>	<u>1,570,550</u>	<u>96,640,863</u>	<u>90,620,145</u>
<b>Liabilities</b>						
Current Liabilities	9,639,532	2,019,338	47,069	167,016	9,686,601	2,186,354
Noncurrent Liabilities	<u>35,919,971</u>	<u>41,270,437</u>	<u>-</u>	<u>-</u>	<u>35,919,971</u>	<u>41,270,437</u>
<b>Total Liabilities</b>	<u>45,559,503</u>	<u>43,289,775</u>	<u>47,069</u>	<u>167,016</u>	<u>45,606,572</u>	<u>43,456,791</u>
<b>Deferred Inflows of Resources</b>						
Deferred Commodities Revenue			10,592	11,686	10,592	11,686
Deferred Amounts on Net Pension Liability	<u>13,927,587</u>	<u>13,512,054</u>	<u>-</u>	<u>-</u>	<u>13,927,587</u>	<u>13,512,054</u>
<b>Total Deferred Inflows of Resources</b>	<u>13,927,587</u>	<u>13,512,054</u>	<u>10,592</u>	<u>11,686</u>	<u>13,938,179</u>	<u>13,523,740</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>59,487,090</u>	<u>56,801,829</u>	<u>57,661</u>	<u>178,702</u>	<u>59,544,751</u>	<u>56,980,531</u>
<b>Net Position</b>						
Net Investment in Capital Assets	62,645,939	62,912,732	1,093,032	364,249	63,738,971	63,276,981
Restricted	7,820,729	8,075,631			7,820,729	8,075,631
Unrestricted	<u>(37,329,607)</u>	<u>(38,740,597)</u>	<u>2,866,019</u>	<u>1,027,599</u>	<u>(34,463,588)</u>	<u>(37,712,998)</u>
<b>Total Net Position</b>	<u>\$ 33,137,061</u>	<u>\$ 32,247,766</u>	<u>\$ 3,959,051</u>	<u>\$ 1,391,848</u>	<u>\$ 37,096,112</u>	<u>\$ 33,639,614</u>

**Governmental activities.** Governmental activities increased the District's net position by \$889,295. Key elements of this decrease are as follows.



**CLIFTON BOARD OF EDUCATION**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CLIFTON BOARD OF  
EDUCATION AS A WHOLE (Continued)**

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services and Sales	\$ 281,430	\$ 657,232	\$ 429,570	\$ 1,221,766	\$ 711,000	\$ 1,878,998
Operating Grants and Contributions	88,926,996	63,415,271	6,006,904	3,961,699	94,933,900	67,376,970
Capital Grants and Contributions	27,508	12,050			27,508	12,050
General Revenues						
Property Taxes	135,228,660	135,235,060			135,228,660	135,235,060
Unrestricted State Aid	28,448,145	25,716,578			28,448,145	25,716,578
Other	867,570	1,125,906	2,031	2,515	869,601	1,128,421
<b>Total Revenues</b>	<u>253,780,309</u>	<u>226,162,097</u>	<u>6,438,505</u>	<u>5,185,980</u>	<u>260,218,814</u>	<u>231,348,077</u>
<b>Expenses</b>						
Instruction						
Regular	110,982,264	98,143,128			110,982,264	98,143,128
Special	35,160,423	31,578,844			35,160,423	31,578,844
Other Instruction	12,682,097	11,928,546			12,682,097	11,928,546
School Sponsored Activities & Ath.	2,859,724	2,697,719			2,859,724	2,697,719
Support Services						
Student and Instruction Related Serv.	42,675,452	35,794,704			42,675,452	35,794,704
Educational Media/School Library	2,745,851	2,446,799			2,745,851	2,446,799
School Administrative Services	12,789,373	11,801,149			12,789,373	11,801,149
General Administrative Services	3,321,659	2,895,216			3,321,659	2,895,216
Plant Operations and Maintenance	17,928,160	17,465,497			17,928,160	17,465,497
Pupil Transportation	7,728,935	8,931,000			7,728,935	8,931,000
Central Services	3,507,364	3,299,653			3,507,364	3,299,653
Food Service			4,199,489	4,659,339	4,199,489	4,659,339
Other Programs			2,699	62,696	2,699	62,696
Interest on Long-Term Debt	178,826	343,184	-	-	178,826	343,184
<b>Total Expenses</b>	<u>252,560,128</u>	<u>227,325,439</u>	<u>4,202,188</u>	<u>4,722,035</u>	<u>256,762,316</u>	<u>232,047,474</u>
Change in Net Position	1,220,181	(1,163,342)	2,236,317	463,945	3,456,498	(699,397)
Transfers	(330,886)		330,886		-	-
Net Position, Beginning of Year	32,247,766	32,614,660	1,391,848	927,903	33,639,614	33,542,563
Prior Period Adjustment	-	796,448	-	-	-	796,448
<b>Net Position, End of Year</b>	<u>\$ 33,137,061</u>	<u>\$ 32,247,766</u>	<u>\$ 3,959,051</u>	<u>\$ 1,391,848</u>	<u>\$ 37,096,112</u>	<u>\$ 33,639,614</u>

## CLIFTON BOARD OF EDUCATION

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

**Governmental activities.** The District's total governmental revenues were \$253,780,309. The general revenues included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$164,544,375 or 65% of total revenues. Program revenues from state and federal sources and charges for services and sales amounted to \$89,255,934 or 35%.

The District's total governmental expenses were \$252,560,128 which are predominantly related to instruction and support services. Instruction totaled \$161,684,508 (64%), student support services totaled \$90,696,794 (36%) and interest on long-term debt total \$178,826 ( less than 1%) of total expenditures.

#### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2021 and 2020

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 110,982,264	\$ 98,143,128	\$ 79,952,900	\$ 78,379,095
Special Education	35,160,423	31,578,844	15,557,922	15,552,441
Other Instruction	12,682,097	11,928,546	7,234,666	6,928,239
School Sponsored Activities and Athletics	2,859,724	2,697,719	1,985,044	2,140,501
Support Services				
Student and Instruction Related Svcs.	42,675,452	35,794,704	23,703,408	23,129,987
Educational Media/School Library	2,745,851	2,446,799	1,930,297	1,909,027
General Administrative Services	3,321,659	2,895,216	3,185,461	2,886,270
School Administrative Services	12,789,373	11,801,149	8,798,483	8,983,664
Plant Operations and Maintenance	17,928,160	17,465,497	13,469,234	13,832,537
Pupil Transportation	7,728,935	8,931,000	4,101,908	5,873,954
Central Services	3,507,364	3,299,653	3,226,045	3,281,987
Interest on Long-Term Debt	178,826	343,184	178,826	343,184
	\$ 252,560,128	\$ 227,325,439	\$ 163,324,194	\$ 163,240,886

### Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2021 was \$4,202,188. These costs were funded by operating grants, charges for services and investment earnings. The operations resulted in an increase in net position of \$2,567,203.

### Major Enterprise Fund

#### Food Service Program

- Food service revenues were greater than expenses by \$2,198,716
- Charges for services represent 6 percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program, School Breakfast Program, and interest revenue.

# CLIFTON BOARD OF EDUCATION

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

### Non-Major Enterprise Funds

#### Integrated Summer Enrichment Experience Program.

- Revenues were greater than expenses by \$37,601.
- Charges for services represent 100 percent of revenue.
- Revenues are comprised of program fees.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$12,777,946. At June 30, 2020, the restated fund balance was \$14,411,908.

### The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$232,597,579 and expenditures and other financing uses amounted to \$234,231,541.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2021 and 2020.

	<b>Fiscal Year Ended June 30, 2021</b>	<b>Fiscal Year Ended June 30, 2020</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources	\$ 136,504,995	\$ 137,166,576	\$ (661,581)	-0.48%
State Sources	81,146,091	71,032,354	10,113,737	14.24%
Federal Sources	<u>12,232,136</u>	<u>7,610,073</u>	<u>4,622,063</u>	60.74%
Total	<u>\$ 229,883,222</u>	<u>\$ 215,809,003</u>	<u>\$ 14,074,219</u>	6.52%

**CLIFTON BOARD OF EDUCATION**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

**The District's Funds (Continued)**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2021 and 2020.

	<b>Fiscal Year Ended <u>June 30, 2021</u></b>	<b>Fiscal Year Ended <u>June 30, 2020</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Current:				
Instruction	\$ 145,890,115	\$ 136,365,207	\$ 9,524,908	6.98%
Support Services	79,907,568	75,186,715	4,720,853	6.28%
Capital Outlay	4,618,888	7,294,076	(2,675,188)	-36.68%
Debt Service				
Principal	1,459,394	1,493,648	(34,254)	-2.29%
Interest and Other Costs	<u>209,385</u>	<u>350,279</u>	<u>(140,894)</u>	-40.22%
Total	<u>\$ 232,085,350</u>	<u>\$ 220,689,925</u>	<u>\$ 11,395,425</u>	5.16%

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were related to:

- Increases in appropriations for under budgeted costs.
- Implementing budgets for specially funded projects, which include both Federal and State grants.
- Reinstating prior year purchase orders being carried over to the 2021 school year.

**Capital Assets**

At June 30, 2021 the District – Governmental Activities had invested \$67,967,778 in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. The following schedule compares to the June 30, 2021 and 2020 balances.

**CLIFTON BOARD OF EDUCATION**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

**Capital Assets (Continued)**

**Capital Assets as of June 30, 2021 and 2020  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 8,374,289	\$ 8,374,289			\$ 8,374,289	\$ 8,374,289
Land Improvements	3,623,035	3,619,285			3,623,035	3,619,285
Construction in Progress	2,025,755	1,741,710	\$ 765,400		2,791,155	1,741,710
Buildings and Improvements	129,193,272	126,112,196			129,193,272	126,112,196
Machinery, Equipment and Vehicles	<u>11,373,943</u>	<u>10,163,126</u>	<u>1,252,823</u>	<u>\$ 1,225,315</u>	<u>12,626,766</u>	<u>11,388,441</u>
Total	154,590,294	150,010,606	2,018,223	1,225,315	156,608,517	151,235,921
Less: Accumulated Depreciation	<u>86,622,516</u>	<u>81,203,632</u>	<u>925,191</u>	<u>861,066</u>	<u>87,547,707</u>	<u>82,064,698</u>
Total	<u>\$ 67,967,778</u>	<u>\$ 68,806,974</u>	<u>\$ 1,093,032</u>	<u>\$ 364,249</u>	<u>\$ 69,060,810</u>	<u>\$ 69,171,223</u>

Overall capital assets for Governmental Activities decreased \$839,196 (net of depreciation) from fiscal year 2020 to fiscal year 2021.

Additional information on Clifton Board of Education's capital assets can be found in the Notes to the Financial Statements of this report.

**Debt Administration**

At June 30, 2021, the District had \$35,919,971 of outstanding debt. This debt is comprised of serial bonds for various school improvements, capital leases for the acquisition of student transportation (buses), LED lighting project and phone equipment compensated absences and net pension liability.

**Long-term Liabilities**

**Long-Term Debt  
Outstanding Long-Term Liabilities  
As of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
General Obligation Bonds, Gross	\$ 3,287,512	\$ 4,154,374
Capital Leases	2,122,972	1,873,314
Compensated Absences Payable	4,279,549	5,030,181
Net Pension Liability	<u>26,229,938</u>	<u>30,212,568</u>
Total	<u>\$ 35,919,971</u>	<u>\$ 41,270,437</u>

Additional information on Clifton Board of Education's long-term debt can be found in the Notes to the Financial Statements of this report.

## **CLIFTON BOARD OF EDUCATION**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021**

#### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

- **Capital Needs**

During the past three school years, the district was able to place excess surplus in the capital reserve account in order to address capital projects to repair and/or replace roofs, windows, boilers, athletic fields, etc. in the district's aging facilities in order to maintain and improve the schools for educational programs.

- **State Aid**

Future budgets will continue to be affected by the availability of federal and state aid as well as changes to funding regulations established by new administration and/or legislation. As such, the district will strive to develop budgets to meet the needs of the diversified student population within the fiscal constraints existing.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Michael Ucci  
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Clifton, New Jersey 07015  
Telephone: 973-470-2288  
Fax: 973-773-8357  
Email: [mucci@cliftonschoools.net](mailto:mucci@cliftonschoools.net)

## **BASIC FINANCIAL STATEMENTS**

**CLIFTON BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,448,405	\$ 1,708,054	\$ 16,156,459
Receivables, net			
Receivables from Other Governments	7,908,082	696,433	8,604,515
Other	195,720	263,359	459,079
Internal Balances	(211,738)	211,738	-
Inventories		44,096	44,096
Restricted Assets			
Cash and Cash Equivalents with Fiscal Agent	2,166		2,166
Capital Assets, net			
Not Being Depreciated	10,400,044	765,400	11,165,444
Being Depreciated	<u>57,567,734</u>	<u>327,632</u>	<u>57,895,366</u>
 Total Assets	 <u>90,310,413</u>	 <u>4,016,712</u>	 <u>94,327,125</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	88,645		88,645
Deferred Amounts on Net Pension Liability	<u>2,225,093</u>	-	<u>2,225,093</u>
 Total Deferred Outflows of Resources	 <u>2,313,738</u>	 -	 <u>2,313,738</u>
 Total Assets and Deferred Outflows of Resources	 <u>92,624,151</u>	 <u>4,016,712</u>	 <u>96,640,863</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	7,499,161	900	7,500,061
Payable to State and Federal Government	158,167		158,167
Unearned Revenues	1,907,361	46,169	1,953,530
Accrued Interest Payable	74,843		74,843
Noncurrent Liabilities			
Due within one year	1,421,099		1,421,099
Due beyond one year	<u>34,498,872</u>	-	<u>34,498,872</u>
 Total Liabilities	 <u>45,559,503</u>	 <u>47,069</u>	 <u>45,606,572</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		10,592	10,592
Deferred Amounts on Net Pension Liability	<u>13,927,587</u>	-	<u>13,927,587</u>
 Total Deferred Inflows of Resources	 <u>13,927,587</u>	 <u>10,592</u>	 <u>13,938,179</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>59,487,090</u>	 <u>57,661</u>	 <u>59,544,751</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	62,645,939	1,093,032	63,738,971
Restricted for			
Capital Projects	6,287,959		6,287,959
Other Purposes	1,532,770		1,532,770
Unrestricted	<u>(37,329,607)</u>	<u>2,866,019</u>	<u>(34,463,588)</u>
 Total Net Position	 <u>\$ 33,137,061</u>	 <u>\$ 3,959,051</u>	 <u>\$ 37,096,112</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement



CLIFTON BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 110,982,264	\$ 267,163	\$ 30,762,201		\$ (79,952,900)		\$ (79,952,900)
Special Education	35,160,423	14,267	19,588,234		(15,557,922)		(15,557,922)
Other Instruction	12,682,097		5,447,431		(7,234,666)		(7,234,666)
School Sponsored Activities and Athletics	2,859,724		874,680		(1,985,044)		(1,985,044)
Support Services							
Student and Instruction Related Services	42,675,452		18,944,536	\$ 27,508	(23,703,408)		(23,703,408)
Educational Media/School Library	2,745,851		815,554		(1,930,297)		(1,930,297)
General Administrative Services	3,321,659		136,198		(3,185,461)		(3,185,461)
School Administrative Services	12,789,373		3,990,890		(8,798,483)		(8,798,483)
Plant Operations and Maintenance	17,928,160		4,458,926		(13,469,234)		(13,469,234)
Pupil Transportation	7,728,935		3,627,027		(4,101,908)		(4,101,908)
Central Services	3,507,364		281,319		(3,226,045)		(3,226,045)
Interest on Long-Term Debt	178,826	-	-	-	(178,826)	-	(178,826)
Total Governmental Activities	<u>252,560,128</u>	<u>281,430</u>	<u>88,926,996</u>	<u>27,508</u>	<u>(163,324,194)</u>	<u>-</u>	<u>(163,324,194)</u>
<b>Business-Type Activities</b>							
Food Service	4,199,489	389,270	6,006,904			\$ 2,196,685	2,196,685
Other Programs	<u>2,699</u>	<u>40,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,601</u>	<u>37,601</u>
Total Business-Type Activities	<u>4,202,188</u>	<u>429,570</u>	<u>6,006,904</u>	<u>-</u>	<u>-</u>	<u>2,234,286</u>	<u>2,234,286</u>
Total Primary Government	<u>\$ 256,762,316</u>	<u>\$ 711,000</u>	<u>\$ 94,933,900</u>	<u>\$ 27,508</u>	<u>(163,324,194)</u>	<u>2,234,286</u>	<u>(161,089,908)</u>
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes, Net					134,259,260		134,259,260
Property Taxes Levied for Debt Service					969,400		969,400
State Aid Unrestricted					28,448,145		28,448,145
Miscellaneous Income					867,570	2,031	869,601
Transfers					(330,886)	330,886	-
Total General Revenues					<u>164,213,489</u>	<u>332,917</u>	<u>164,546,406</u>
Change in Net Position					889,295	2,567,203	3,456,498
Net Position, Beginning of Year, as Restated					<u>32,247,766</u>	<u>1,391,848</u>	<u>33,639,614</u>
Net Position, End of Year					<u>\$ 33,137,061</u>	<u>\$ 3,959,051</u>	<u>\$ 37,096,112</u>

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

**FUND FINANCIAL STATEMENTS**

**CLIFTON BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

	<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	\$ 14,421,467	\$ 26,938			\$ 14,448,405
Receivables, Net					
Receivables from Other Governments	538,246	7,369,836			7,908,082
Other	195,720				195,720
Due from Other Funds	4,193,034				4,193,034
Restricted Assets					
Cash and Cash Equivalents with Fiscal Agent	-	-	\$ 2,166	-	2,166
<b>Total Assets</b>	<u>\$ 19,348,467</u>	<u>\$ 7,396,774</u>	<u>\$ 2,166</u>	<u>\$ -</u>	<u>\$ 26,747,407</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Salaries	\$ 4,603,986	\$ 1,162,832	\$ 1,732,343		\$ 7,499,161
Due to Other Funds	303,378	4,099,228	2,166		4,404,772
Payable to Other Government		158,167			158,167
Unearned Revenue	-	1,907,361	-	-	1,907,361
<b>Total Liabilities</b>	<u>4,907,364</u>	<u>7,327,588</u>	<u>1,734,509</u>	<u>-</u>	<u>13,969,461</u>
<b>Fund Balances</b>					
<b>Restricted:</b>					
Excess Surplus - Designated for Subsequent Year's Expenditures	1,800,000				1,800,000
Capital Reserve	6,170,302				6,170,302
Capital Reserve- Designated for Subsequent Year's Expenditures	1,850,000				1,850,000
Maintenance Reserve	774,859				774,859
Capital Projects			(1,732,343)		(1,732,343)
Unemployment Compensation Reserve	206,074				206,074
Cocurricular Student Activities and Athletics		503,653			503,653
Scholarship Awards		48,184			48,184
<b>Assigned:</b>					
FFCRA/SEMI	36,111				36,111
Year End Encumbrances	952,958				952,958
<b>Unassigned</b>					
General Fund	2,650,799				2,650,799
Special Revenue Fund	-	(482,651)	-	-	(482,651)
<b>Total Fund Balances</b>	<u>14,441,103</u>	<u>69,186</u>	<u>(1,732,343)</u>	<u>-</u>	<u>12,777,946</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 19,348,467</u>	<u>\$ 7,396,774</u>	<u>\$ 2,166</u>	<u>\$ -</u>	<u>\$ 26,747,407</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CLIFTON BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

<b>Total Fund Balances (Exhibit B-1)</b>	<b>\$ 12,777,946</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$154,590,294 and the accumulated depreciation is \$86,622,516.</p>	67,967,778
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>	88,645
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>	
Deferred Outflows of Resources	\$ 2,225,093
Deferred Inflows of Resources	<u>(13,927,587)</u>
	(11,702,494)
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>	(74,843)
<p>Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>	
Bonds Payable, Including Original Issue Premium	(3,287,512)
Capital Leases Payable	(2,122,972)
Compensated Absences Payable	(4,279,549)
Net Pension Liability	<u>(26,229,938)</u>
	<u>(35,919,971)</u>
<b>Net position of governmental activities (Exhibit A-1)</b>	<b><u>\$ 33,137,061</u></b>

**CLIFTON BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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					
Property Tax Levy	\$ 134,259,260			\$ 969,400	\$ 135,228,660
Miscellaneous	<u>1,149,000</u>	<u>\$ 127,335</u>	<u>-</u>	<u>-</u>	<u>1,276,335</u>
Total - Local Sources	135,408,260	127,335	-	969,400	136,504,995
State Sources	76,085,183	5,060,908			81,146,091
Federal Sources	<u>416,492</u>	<u>11,815,644</u>	<u>-</u>	<u>-</u>	<u>12,232,136</u>
Total Revenues	<u>211,909,935</u>	<u>17,003,887</u>	<u>-</u>	<u>969,400</u>	<u>229,883,222</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	95,042,243	5,058,318			100,100,561
Special Education Instruction	29,169,715	2,697,104			31,866,819
Other Instruction	9,287,663	2,071,090			11,358,753
School-Sponsored Activities and Athletics	2,362,636	201,346			2,563,982
Support Services					
Student and Instruction Related Services	29,716,644	8,885,045			38,601,689
Educational Media/School Library	2,426,198				2,426,198
General Administrative Services	3,332,558				3,332,558
School Administrative Services	11,215,256				11,215,256
Plant Operations and Maintenance	13,336,298				13,336,298
Pupil Transportation	7,419,696				7,419,696
Central Services	3,575,873				3,575,873
Debt Service					
Principal	649,394			810,000	1,459,394
Interest and Other Charges	49,985			159,400	209,385
Capital Outlay	<u>2,746,728</u>	<u>-</u>	<u>\$ 1,872,160</u>	<u>-</u>	<u>4,618,888</u>
Total Expenditures	<u>210,330,887</u>	<u>18,912,903</u>	<u>1,872,160</u>	<u>969,400</u>	<u>232,085,350</u>
(Deficiency) of Revenues (Under) Expenditures	<u>1,579,048</u>	<u>(1,909,016)</u>	<u>(1,872,160)</u>	<u>-</u>	<u>(2,202,128)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Lease Proceeds	899,052			-	899,052
Transfer In		1,815,305			1,815,305
Transfer Out	<u>(2,118,683)</u>	<u>(27,508)</u>	<u>-</u>	<u>-</u>	<u>(2,146,191)</u>
Total Other Financing Sources (Uses)	<u>(1,219,631)</u>	<u>1,787,797</u>	<u>-</u>	<u>-</u>	<u>568,166</u>
Net Change in Fund Balances	359,417	(121,219)	(1,872,160)	-	(1,633,962)
Fund Balance, Beginning of Year, as Restated	<u>14,081,686</u>	<u>190,405</u>	<u>139,817</u>	<u>-</u>	<u>14,411,908</u>
Fund Balance, End of Year	<u>\$ 14,441,103</u>	<u>\$ 69,186</u>	<u>\$ (1,732,343)</u>	<u>\$ -</u>	<u>\$ 12,777,946</u>

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

**CLIFTON BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ (1,633,962)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 4,618,888	
Depreciation Expense	<u>(5,458,084)</u>	(839,196)

Some of the district assets acquired this year were financed with capital leases. The amount financed by the lease is reported in the governmental funds as a source of financing. On the other hand, the lease proceeds are not revenues in the statement of activities but rather constitute long-term liabilities in the statement of net position.

Capital Lease Proceeds		(899,052)
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In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or accrued during the year.

In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	750,632	
Decrease in Pension Expense	<u>2,020,920</u>	2,771,552

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. This amount is the net effect of these difference in the treatment of long term debt.

Principal Payments-		
Bonds	810,000	
Capital Leases	<u>649,394</u>	1,459,394

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium	56,862	
Amortization of Deferred Amount on Refunding	<u>(44,801)</u>	12,061

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details are as follows:

Decrease in accrued interest		<u>18,498</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 889,295**

**CLIFTON BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2021**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,614,098	\$ 93,956	\$ 1,708,054
Intergovernmental Receivable			
Federal	696,433		696,433
Other Receivables	263,359		263,359
Due from Other Funds	303,378		303,378
Inventories	44,096	-	44,096
	<u>2,921,364</u>	<u>93,956</u>	<u>3,015,320</u>
Total Current Assets			
Capital Assets			
Construction in Progress	765,400		765,400
Equipment	1,252,823		1,252,823
Less: Accumulated Depreciation	(925,191)	-	(925,191)
	<u>1,093,032</u>	<u>-</u>	<u>1,093,032</u>
Total Capital Assets, Net			
Total Assets	<u>4,014,396</u>	<u>93,956</u>	<u>4,108,352</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable		900	900
Due to Other Funds	91,640		91,640
Unearned Revenue	46,169	-	46,169
	<u>137,809</u>	<u>900</u>	<u>138,709</u>
Total Current Liabilities			
Total Liabilities	<u>137,809</u>	<u>900</u>	<u>138,709</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	10,592	-	10,592
	<u>148,401</u>	<u>900</u>	<u>149,301</u>
Total Liabilities and Deferred Inflows of Resources			
<b>NET POSITION</b>			
Investment in Capital Assets	1,093,032		1,093,032
Unrestricted	2,772,963	93,056	2,866,019
	<u>\$ 3,865,995</u>	<u>\$ 93,056</u>	<u>\$ 3,959,051</u>
Total Net Position			

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

**CLIFTON BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Program Fees		\$ 40,300	\$ 40,300
Daily Sales - Nonreimbursable	\$ 279,975		279,975
Special Functions - Nonreimbursable	100,683	-	100,683
Miscellaneous	<u>8,612</u>	<u>-</u>	<u>8,612</u>
Total Operating Revenues	<u>389,270</u>	<u>40,300</u>	<u>429,570</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable	1,950,969		1,950,969
Salaries and Employee Benefits	1,252,222		1,252,222
Purchased Services	703,508		703,508
Supplies and Materials	227,580	2,699	230,279
Miscellaneous	1,085		1,085
Depreciation	<u>64,125</u>	<u>-</u>	<u>64,125</u>
Total Operating Expenses	<u>4,199,489</u>	<u>2,699</u>	<u>4,202,188</u>
Operating Income/(Loss)	<u>(3,810,219)</u>	<u>37,601</u>	<u>(3,772,618)</u>
<b>NONOPERATING REVENUES</b>			
Federal Sources			
Seemless Summer Options Program	5,699,273		5,699,273
Food Distribution Program - Non Cash Assistance	307,631		307,631
Interest and Investment Revenue	<u>2,031</u>	<u>-</u>	<u>2,031</u>
Total Nonoperating Revenues	<u>6,008,935</u>	<u>-</u>	<u>6,008,935</u>
Change in Net Position	2,198,716	37,601	2,236,317
Operating Transfer In	330,886		330,886
Total Net Position, Beginning of Year	<u>1,336,393</u>	<u>55,455</u>	<u>1,391,848</u>
Total Net Position, End of Year	<u>\$ 3,865,995</u>	<u>93,056</u>	<u>\$ 3,959,051</u>

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



**CLIFTON BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 476,610	\$ 40,300	\$ 516,910
Cash Payments for Employees' Salaries and Benefits	(1,252,222)	-	(1,252,222)
Cash Payments to Suppliers for Goods and Services	<u>(2,665,381)</u>	<u>(1,799)</u>	<u>(2,667,180)</u>
Net Cash Provided by (Used by) Operating Activities	<u>(3,440,993)</u>	<u>38,501</u>	<u>(3,402,492)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from Federal Subsidy Reimbursements	5,428,964		5,428,964
Cash Payments to Other Funds	<u>(190,482)</u>	<u>-</u>	<u>(190,482)</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>5,238,482</u>	<u>-</u>	<u>5,238,482</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	<u>(792,908)</u>	<u>-</u>	<u>(792,908)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(792,908)</u>	<u>-</u>	<u>(792,908)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	<u>2,031</u>	<u>-</u>	<u>2,031</u>
Net Cash Provided by Investing Activities	<u>2,031</u>	<u>-</u>	<u>2,031</u>
Net Increase in Cash and Cash Equivalents	1,006,612	38,501	1,045,113
Cash and Cash Equivalents, Beginning of Year	<u>607,486</u>	<u>55,455</u>	<u>662,941</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,614,098</u>	<u>\$ 93,956</u>	<u>\$ 1,708,054</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES</b>			
Operating (Loss)	\$ (3,810,219)	\$ 37,601	\$ (3,772,618)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	64,125		64,125
Food Distribution Program- Non Cash Assistance	307,631		307,631
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable	93,365		93,365
Increase/(Decrease) in Accounts Payable	(114,822)	900	(113,922)
Increase/(Decrease) in Unearned Revenue	(6,025)		(6,025)
Increase/(Decrease) in Deferred Commodities Revenue	(1,094)		(1,094)
(Increase)/Decrease in Inventory	<u>26,046</u>	<u>-</u>	<u>26,046</u>
Total Adjustments	<u>369,226</u>	<u>900</u>	<u>370,126</u>
Net Cash Provided by (Used by) Operating Activities	<u>\$ (3,440,993)</u>	<u>\$ 38,501</u>	<u>\$ (3,402,492)</u>
<b>NON CASH INVESTING, INVESTING CAPITAL AND FINANCING ACTIVITIES VALUE RECEIVE - FOOD DISTRIBUTION PROGRAM</b>			
	\$ 306,537		

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

**NOTES TO THE FINANCIAL STATEMENTS**

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Clifton Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Clifton Board of Education this includes general operations, food service, summer enrichment, after school summer enrichment child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District does not have any Fiduciary Funds.

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. The District considers all of its governmental and the food service enterprise fund to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

The District reports the following non-major proprietary fund which is to be self-supporting through user charges:

The *integrated summer enrichment experience program fund* accounts for the activities of the District's summer academic enrichment programs and additional after care program during the summer which provides enriching student academics and child care.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. *Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**3. *Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by Lease-Purchase Agreements for capital projects.

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-25
Machinery, Equipment and Vehicles	5-20

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.



**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***6. Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. The first item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

***7. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused personal, and sick leave benefits. A long-term liability of accumulated personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated personal and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

***8. Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

***9. Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred inflows of resources or deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2D).

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note E).

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Unemployment Compensation Reserve* – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

*Student Activities* – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

*Scholarship Awards* – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

FFCRA/SEMI – Represents amounts received from the State of New Jersey during fiscal year 2020/2021 for Special Education Medicaid Incentive (SEMI) claims. This amount may be appropriated for used in the 2021/2022 fiscal year.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

11. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification 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. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the board for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**3. *Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the integrated summer enrichment experience enterprise fund, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 8, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required. On June 6, 2018, the Board adopted a resolution to move its annual election to the third Tuesday in April from November beginning with the 2019/2020 budget year. On December 12, 2019, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law, therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$20,559,065. The increase was funded by the additional appropriation of capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Custodial Services			
Other Purchased Property Services	\$152,284	\$215,490	(\$63,206)

The above variance was offset with other available resources.

**C. Deficit Fund Equity**

The District has an accumulated deficit in fund balance of \$1,732,343 in the Capital Projects Fund as of June 30, 2021. This deficit is the result expenditures for the 2021 referendum capital project. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Deficit Fund Equity (Continued)**

The District has an unassigned fund deficit of \$482,651 in the Special Revenue Fund as of June 30, 2021 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2020/2021 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the Special Revenue Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The Districts deficit in the GAAP (fund) financial statements of \$482,651 in the Special Revenue Fund is equal to the delayed state aid payments at June 30, 2021.

**D. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve 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 amounts 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. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 6,657,106
Increased by:		
Interest Earnings	\$ 8,743	
Deposits Approved by Board Resolution	2,924,702	
Unexpended Capital Outlay Balance	<u>408,997</u>	
		<u>3,342,442</u>
		9,999,548
Decreased by:		
Withdrawals Approved in District Budget		<u>1,979,246</u>
Balance, June 30, 2021		<u>\$ 8,020,302</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$1,850,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, June 30, 2020		\$ 1,278,708
Increased by:		
Interest Earnings	\$ 5,151	
Deposits Approved by Board Resolution	<u>750,000</u>	
		<u>755,151</u>
		2,033,859
Decreased by:		
Withdrawals Approved in District Budget		<u>1,259,000</u>
Balance, June 30, 2021		<u>\$ 774,859</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$8,234,661. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$1,800,000. This amount was designated and appropriated in the 2021/2022 original budget certified for taxes.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$16,158,625 and bank and brokerage firm balances of the Board's deposits amounted to \$21,070,874. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 21,070,874</u>
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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 Board does not have a policy for custodial credit risk. As of June 30, 2021 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.



**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

As of June 30, 2021, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board 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.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2021 for the district’s individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts			\$ 263,359	\$ 263,359
Intergovernmental				
Federal		\$ 7,369,836	696,433	8,066,269
State	\$ 538,246			538,246
Local	195,720	-	-	195,720
	<u>733,966</u>	<u>7,369,836</u>	<u>959,792</u>	<u>9,063,594</u>
Net Total Receivables	<u>\$ 733,966</u>	<u>\$ 7,369,836</u>	<u>\$ 959,792</u>	<u>\$ 9,063,594</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 137,795
Reserve for Encumbrances	<u>1,769,566</u>
 Total Unearned Revenues for Governmental Funds	 <u>\$ 1,907,361</u>

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2021</u>
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 8,374,289				\$ 8,374,289
Construction in Progress	<u>1,741,710</u>	<u>\$ 3,156,123</u>	<u>-</u>	<u>\$ (2,872,078)</u>	<u>2,025,755</u>
Total Capital Assets, Not Being Depreciated	<u>10,115,999</u>	<u>3,156,123</u>	<u>-</u>	<u>(2,872,078)</u>	<u>10,400,044</u>
Capital Assets, Being Depreciated:					
Land Improvements	3,619,285	3,750			3,623,035
Building and Building Improvements	126,112,196	208,998		2,872,078	129,193,272
Machinery and Equipment	<u>10,163,126</u>	<u>1,250,017</u>	<u>\$ (39,200)</u>	<u>-</u>	<u>11,373,943</u>
Total Capital Assets Being Depreciated	<u>139,894,607</u>	<u>1,462,765</u>	<u>(39,200)</u>	<u>2,872,078</u>	<u>144,190,250</u>
Less Accumulated Depreciation for:					
Land Improvements	(1,687,003)	(136,375)			(1,823,378)
Building and Building Improvements	(72,182,468)	(4,619,635)			(76,802,103)
Machinery and Equipment	<u>(7,334,161)</u>	<u>(702,074)</u>	<u>39,200</u>	<u>-</u>	<u>(7,997,035)</u>
Total Accumulated Depreciation	<u>(81,203,632)</u>	<u>(5,458,084)</u>	<u>39,200</u>	<u>-</u>	<u>(86,622,516)</u>
Total Capital Assets, Being Depreciated, Net	<u>58,690,975</u>	<u>(3,995,319)</u>	<u>-</u>	<u>2,872,078</u>	<u>57,567,734</u>
Governmental Activities Capital Assets, Net	<u>\$ 68,806,974</u>	<u>\$ (839,196)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,967,778</u>

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance July 1, 2020	Increases	Decreases	Balance, June 30, 2021
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	-	\$ 765,400	\$ -	\$ 765,400
Total Capital Assets Not Being Depreciated	-	765,400	-	765,400
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 1,225,315	27,508	-	1,252,823
Total Capital Assets Being Depreciated	1,225,315	27,508	-	1,252,823
Less Accumulated Depreciation for:				
Machinery and Equipment	(861,066)	(64,125)	-	(925,191)
Total Accumulated Depreciation	(861,066)	(64,125)	-	(925,191)
Total Capital Assets, Being Depreciated, Net	364,249	(36,617)	-	327,632
Business-Type Activities Capital Assets, Net	<u>\$ 364,249</u>	<u>\$ 728,783</u>	<u>\$ -</u>	<u>\$ 1,093,032</u>

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental activities:</b>	
Instruction	
Regular	\$ 81,549
Total Instruction	81,549
Support Services	
Student and instruction related services	129,416
General administration services	22,721
School administration services	9,903
Operations and maintenance of plant	402,826
Student transportation	4,810,735
Central Services	934
Total Support Services	5,376,535
Total depreciation expense - governmental activities	<u>\$ 5,458,084</u>
<b>Business-type activities:</b>	
Food Service Fund	<u>\$ 64,125</u>

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Electrical Upgrades at School #1 and School #5	\$ 372,151	\$ 118,606
Boiler Replacement at School #1	548,485	2,515
Cafeteria Kitchen Upgrades at Clifton High School	306,358	<u>2,929,938</u>
		<u>\$ 3,051,059</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2021, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 4,099,228
General Fund	Capital Projects Fund	2,166
General Fund	Food Service Fund	91,640
Food Service Fund	General Fund	<u>303,378</u>
Total		<u>\$ 4,496,412</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund Transfers**

	Transfer In:		
	Special Revenue <u>Fund</u>	Food Service <u>Fund</u>	<u>Total</u>
Transfer Out:			
General Fund	\$ 1,815,305	\$ 303,378	\$ 2,118,683
Special Revenue Fund	<u>                  -</u>	<u>          27,508</u>	<u>          27,508</u>
Total transfers out	<u>\$ 1,815,305</u>	<u>\$ 330,886</u>	<u>\$ 2,146,191</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Operating Leases**

The District leases copies under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$295,695. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 295,695
2023	295,695
2024	<u>49,282</u>
Total	<u>\$ 640,672</u>

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases**

The District is leasing student transportation buses, CEO lighting project and phone system totaling \$3,945,747 under capital leases. The leases are for terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 654,836
2023	716,516
2024	389,169
2025	294,963
2026	<u>160,985</u>
Total minimum lease payments	2,216,469
Less: amount representing interest	<u>93,497</u>
Present value of minimum lease payments	<u>\$ 2,122,972</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2021 are comprised of the following issues:

\$7,410,000, 2013 Refunding Bonds, due in an annual installment of \$770,000 to \$805,000 through March 1, 2025 interest at 4.00%	<u>\$ 3,175,000</u>
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**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 805,000	\$ 127,000	\$ 932,000
2023	800,000	94,800	894,800
2024	800,000	62,800	862,800
2025	<u>770,000</u>	<u>30,800</u>	<u>800,800</u>
	<u>\$ 3,175,000</u>	<u>\$ 315,400</u>	<u>\$ 3,490,400</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 417,841,607
Less: Net Debt	<u>3,175,000</u>
Remaining Borrowing Power	<u>\$ 414,666,607</u>

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance, <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2021</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 3,985,000		\$ 810,000	\$ 3,175,000	\$ 805,000
Deferred Amounts					
Add: Original Issue Premium	<u>169,374</u>	<u>-</u>	<u>56,862</u>	<u>112,512</u>	<u>-</u>
Total Bonds Payable	4,154,374	-	866,862	3,287,512	805,000
Capital Leases	1,873,314	\$ 899,052	649,394	2,122,972	616,099
Compensated Absences	5,030,181		750,632	4,279,549	
Net Pension Liability	<u>30,212,568</u>	<u>-</u>	<u>3,982,630</u>	<u>26,229,938</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 41,270,437</u>	<u>\$ 899,052</u>	<u>\$ 6,249,518</u>	<u>\$ 35,919,971</u>	<u>\$ 1,421,099</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, the liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Pooled Insurance Program of New Jersey (PIPNJ or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.



**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

PIPNJ provide its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance Group are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ -	\$ 607,439	\$ 677	\$ 257,212	\$ 206,074
2020		383,249	2,853	375,825	205,397
2019		275,809	2,692	248,991	195,120

**B. Contingent Liabilities**

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.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

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

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Plan Amendments**

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 1,759,585	\$ 20,704,195	\$ 133,750
2020	1,630,996	15,476,424	143,673
2019	1,732,088	13,776,177	102,175

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$6,139 and \$7,373, respectively for PERS and the State contributed \$14,778, \$15,727 and \$17,742, respectively for TPAF for Long Term Disability Insurance Premium (LTDDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$5,538,098 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$26,229,938 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was 0.16084 percent, which was a decrease of 0.00683 percent from its proportionate share measured as of June 30, 2019 of 0.16767 percent.

CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$261,334 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 477,604	\$ 92,760
Changes of Assumptions	850,929	10,982,723
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	896,560	
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	<u>-</u>	<u>2,852,104</u>
Total	<u>\$ 2,225,093</u>	<u>\$ 13,927,587</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (4,379,336)
2023	(3,870,195)
2024	(2,310,430)
2025	(957,009)
2026	(185,524)
Thereafter	<u>-</u>
	<u>\$ (11,702,494)</u>

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.



CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

*Discount Rate*

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

*Discount Rate (Continued)*

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of Net Pension Liability*

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ 33,019,116	\$ 26,229,938	\$ 20,469,135

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

*Pension Plan Fiduciary Net Position*

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$28,383,710 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$456,445,258. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was 0.69317 percent, which was an increase of 0.00709 percent from its proportionate share measured as of June 30, 2019 of 0.68608 percent.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

\* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	<b>1% Decrease (4.40%)</b>	<b>Current Discount Rate (5.40%)</b>	<b>1% Increase (6.40%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 536,148,412</u>	<u>\$ 456,445,258</u>	<u>\$ 390,265,166</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.



**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$6,488,372, \$5,741,470 and \$6,248,851, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$22,705,944. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$419,649,813. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.61886 percent, which was an increase of 0.01599 percent from its proportionate share measured as of June 30, 2019 of 0.60288 percent.

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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

**CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ <u>251,574,607</u>
Changes Recognized for the Fiscal Year:	
Service Cost	11,736,770
Interest on the Total OPEB Liability	9,092,989
Differences Between Expected and Actual Experience	77,674,168
Changes of Assumptions	76,655,600
Gross Benefit Payments	(7,305,758)
Contributions from the Member	221,437
<b>Net Changes</b>	<u>\$ 168,075,206</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>419,649,813</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020.

CLIFTON BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 505,909,510	\$ 419,649,813	\$ 352,203,037

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 338,755,481	\$ 419,649,813	\$ 515,976,983

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Clifton Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**NOTE 5 RESTATEMENT**

On July 1, 2020, the Clifton Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Clifton Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$796,448 from \$31,451,318 as previously reported to \$32,247,766 as of June 30, 2020.

**Governmental Funds**

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$796,448 from \$13,615,460 as previously reported to \$14,411,908 as of June 30, 2020. General Fund fund balance increased by \$205,397 from \$13,876,289 as previously reported to \$14,081,686 as of June 30, 2020. Special Revenue Fund fund balance increased \$591,051 from \$(400,646) as previously reported to \$190,405 as of June 30, 2020.

**Fiduciary Funds**

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$257,581 from \$257,581 as previously reported to \$0 as of June 30, 2020.

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**BUDGETARY COMPARISON SCHEDULES**

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 134,259,260		\$ 134,259,260	\$ 134,259,260	
Interest Earned on Maintenance Reserve	5,000		5,000	5,151	\$ 151
Interest Earned on Capital Reserve	35,000		35,000	8,743	(26,257)
Interest Earned on Unemployment Funds				677	677
Tuition	-		-	281,430	281,430
Miscellaneous	850,000	-	850,000	852,999	2,999
Sub-Total Local Sources	<u>135,149,260</u>	<u>-</u>	<u>135,149,260</u>	<u>135,408,260</u>	<u>259,000</u>
State Sources					
Special Education Aid	7,350,637		7,350,637	7,350,637	-
Equalization Aid	33,999,975	\$ (5,318,566)	28,681,409	28,681,409	
Security Aid	3,571,640		3,571,640	3,571,640	-
Transportation Aid	3,020,309		3,020,309	3,020,309	-
Extraordinary Aid	625,000		625,000	2,249,661	1,624,661
Extraordinary Aid - Additional Prior Year Amount				65,508	65,508
Nonpublic Transportation Aid	-		-	227,070	227,070
On-behalf TPAF Pension Contrib. (Non-budgeted)					
Normal				20,317,625	20,317,625
NCGI				386,570	386,570
Post-Retirement Medical Contribution				6,488,372	6,488,372
Long-Term Disability Insurance				14,778	14,778
Reimbursed TPAF Social Security Contr. (Non-budgeted)	-	-	-	5,538,098	5,538,098
Sub-Total State Sources	<u>48,567,561</u>	<u>(5,318,566)</u>	<u>43,248,995</u>	<u>77,911,677</u>	<u>34,662,682</u>
Federal Sources					
FFCRA - Medicaid Reimbursement				36,111	36,111
Medicaid Reimbursement	314,077	-	314,077	380,381	66,304
Sub-Total Federal Sources	<u>314,077</u>	<u>-</u>	<u>314,077</u>	<u>416,492</u>	<u>102,415</u>
Total Revenues	<u>184,030,898</u>	<u>(5,318,566)</u>	<u>178,712,332</u>	<u>213,736,429</u>	<u>35,024,097</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	2,567,776	\$ (254,103)	2,313,673	2,313,669	4
Grades 1-5	16,946,160	(150,966)	16,795,194	16,458,583	336,611
Grades 6-8	11,825,787	26,013	11,851,800	11,371,582	480,218
Grades 9-12	14,248,809	(1,051,442)	13,197,367	12,894,708	302,659
Regular Programs - Home Instruction					
Salaries of Teachers	175,000	-	175,000	91,067	83,933
Purchased Professional-Educational Services	30,000	4,000	34,000	33,826	174
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	257,400	-	257,400	152,816	104,584
Purchased Technical Services	535,502	(2,500)	533,002	427,377	105,625
Other Purchased Services	5,000	-	5,000	334	4,666
General Supplies	3,758,898	(691,160)	3,067,738	2,839,936	227,802
Textbooks	549,995	222,500	772,495	770,765	1,730
Other Objects	500	-	500	-	500
Total Regular Programs	<u>50,900,827</u>	<u>(1,897,658)</u>	<u>49,003,169</u>	<u>47,354,663</u>	<u>1,648,506</u>
Special Education					
Cognitive - Moderate					
Salaries of Teachers	170,238	-	170,238	168,758	1,480
Other Purchased Services	1,500	-	1,500	-	1,500
General Supplies	791	-	791	-	791
Total Cognitive - Moderate	<u>172,529</u>	<u>-</u>	<u>172,529</u>	<u>168,758</u>	<u>3,771</u>

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	\$ 2,679,100	\$ 4,293	\$ 2,683,393	\$ 2,519,555	\$ 163,838
Other Salaries for Instruction	807,788	(14,644)	793,144	786,495	6,649
General Supplies	9,814	-	9,814	7,608	2,206
Total Learning/Language Disabilities	<u>3,496,702</u>	<u>(10,351)</u>	<u>3,486,351</u>	<u>3,313,658</u>	<u>172,693</u>
Behavioral Disabilities					
Salaries of Teachers	582,191	(54,863)	527,328	243,899	283,429
Other Salaries for Instruction	206,089	(3,403)	202,686	169,725	32,961
Other Purchased Services	1,210	1	1,211	-	1,211
General Supplies	2,697	-	2,697	1,826	871
Total Behavioral Disabilities	<u>792,187</u>	<u>(58,265)</u>	<u>733,922</u>	<u>415,450</u>	<u>318,472</u>
Multiple Disabilities					
Salaries of Teachers	877,626	(104,073)	773,553	661,584	111,969
Other Purchased Services	500	-	500	-	500
General Supplies	938	-	938	938	-
Total Multiple Disabilities	<u>879,064</u>	<u>(104,073)</u>	<u>774,991</u>	<u>662,522</u>	<u>112,469</u>
Resource Room/Resource Center					
Salaries of Teachers	7,051,458	520,513	7,571,971	7,571,888	83
General Supplies	8,000	1,000	9,000	8,787	213
Total Resource Room/Resource Center	<u>7,059,458</u>	<u>521,513</u>	<u>7,580,971</u>	<u>7,580,675</u>	<u>296</u>
Autism					
Salaries of Teachers	640,275	115,417	755,692	749,603	6,089
Other Salaries for Instruction	347,646	(7,524)	340,122	249,065	91,057
Purchased Technical Services	481	-	481	-	481
General Supplies	3,899	-	3,899	2,112	1,787
Total Autism	<u>992,301</u>	<u>107,893</u>	<u>1,100,194</u>	<u>1,000,780</u>	<u>99,414</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	-	50,500	50,500	50,427	73
Other Salaries for Instruction	-	29,492	29,492	29,281	211
General Supplies	-	8,250	8,250	7,219	1,031
Total Preschool Handicapped - Part - Time	<u>-</u>	<u>88,242</u>	<u>88,242</u>	<u>86,927</u>	<u>1,315</u>
Preschool Expansion					
Purchased Professional Educational Services	-	104,230	104,230	54,836	49,394
Total Preschool Expansion	<u>-</u>	<u>104,230</u>	<u>104,230</u>	<u>54,836</u>	<u>49,394</u>
Home Instruction					
Purchased Professional Educational Services	106,000	(106,000)	-	-	-
Total Home Instruction	<u>106,000</u>	<u>(106,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Education	<u>13,498,241</u>	<u>543,189</u>	<u>14,041,430</u>	<u>13,283,606</u>	<u>757,824</u>
Basic Skills/Remedial					
Salaries of Teachers	2,475,221	527	2,475,748	2,329,511	146,237
General Supplies	8,815	-	8,815	7,679	1,136
Total Basic Skills/Remedial	<u>2,484,036</u>	<u>527</u>	<u>2,484,563</u>	<u>2,337,190</u>	<u>147,373</u>

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Bilingual Education</b>					
Salaries of Teachers	\$ 2,811,718	\$ (21,254)	\$ 2,790,464	\$ 2,790,105	\$ 359
Other Salaries for Instruction	191,814	-	191,814	184,152	7,662
Purchased Professional/Educational Services	13,500	-	13,500	10,362	3,138
General Supplies	40,000	-	40,000	18,253	21,747
Textbooks	27,000	-	27,000	16,291	10,709
<b>Total Bilingual Education</b>	<b>3,084,032</b>	<b>(21,254)</b>	<b>3,062,778</b>	<b>3,019,163</b>	<b>43,615</b>
<b>School Sponsored Co-Curricular Activities</b>					
Salaries	387,708	-	387,708	310,838	76,870
Purchased Professional and Technical Services		2,500	2,500	-	2,500
Purchased Services	150,595	(2,500)	148,095	78,829	69,266
Supplies and Materials	6,250	-	6,250	-	6,250
Other Objects	26,850	-	26,850	105	26,745
<b>Total School Sponsored Co-Curricular Activities</b>	<b>571,403</b>	<b>-</b>	<b>571,403</b>	<b>389,772</b>	<b>181,631</b>
<b>School Sponsored Athletics</b>					
Salaries	972,029	(50,000)	922,029	874,453	47,576
Purchased Services	79,750	(17,895)	61,855	36,928	24,927
Supplies and Materials	133,000	-	133,000	131,061	1,939
Other Objects	186,000	(40,000)	146,000	51,849	94,151
<b>Total School Sponsored Athletics</b>	<b>1,370,779</b>	<b>(107,895)</b>	<b>1,262,884</b>	<b>1,094,291</b>	<b>168,593</b>
<b>Total - Instruction</b>	<b>71,909,318</b>	<b>(1,483,091)</b>	<b>70,426,227</b>	<b>67,478,685</b>	<b>2,947,542</b>
<b>Undistributed Expenditures</b>					
<b>Instruction</b>					
Tuition Other LEA's Within the State - Regular	175,736	(48,000)	127,736	37,403	90,333
Tuition Other LEA's Within the State - Special	69,127	(26,867)	42,260		42,260
Tuition to County Vocational School - Regular	8,291,038	(176,000)	8,115,038	8,084,091	30,947
Tuition to County Vocational School - Special	75,316	950	76,266	76,263	3
Tuition to CSSD & Regional Day Schools	1,192,400	121,642	1,314,042	1,267,228	46,814
Tuition for Private Schools for the Disabled - Within State	6,221,883	(1,311,954)	4,909,929	4,617,389	292,540
Tuition- State Facilities	88,997	-	88,997	88,997	-
Tuition - Other	-	51,792	51,792	51,792	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>16,114,497</b>	<b>(1,388,437)</b>	<b>14,726,060</b>	<b>14,223,163</b>	<b>502,897</b>
<b>Attendance and Social Work Services</b>					
Salaries	309,299	-	309,299	308,024	1,275
Purchased Professional/Technical Services	50,500	-	50,500	45,135	5,365
	1,000	-	1,000	-	1,000
Supplies and Materials	5,850	10,750	16,600	15,126	1,474
<b>Total Attendance and Social Work Services</b>	<b>366,649</b>	<b>10,750</b>	<b>377,399</b>	<b>368,285</b>	<b>9,114</b>
<b>Health Services</b>					
Salaries	1,921,250	(121,934)	1,799,316	1,694,576	104,740
Purchased Professional and Technical Services	62,500	8,000	70,500	32,718	37,782
Other Purchased Services	8,500	(8,000)	500	-	500
Supplies and Materials	31,000	62,500	93,500	90,865	2,635
<b>Total Health Services</b>	<b>2,023,250</b>	<b>(59,434)</b>	<b>1,963,816</b>	<b>1,818,159</b>	<b>145,657</b>

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Speech OT/PT and Related Services					
Salaries	\$ 2,559,571	\$ 100,539	\$ 2,660,110	\$ 2,490,374	\$ 169,736
Purchased Technical Services	175,000	100,952	275,952	275,670	282
Supplies and Materials	8,237	4,200	12,437	12,294	143
<b>Total Speech, OT/PT &amp; Related Serv.</b>	<b>2,742,808</b>	<b>205,691</b>	<b>2,948,499</b>	<b>2,778,338</b>	<b>170,161</b>
Other Support Services - Students Extra Serv.					
Salaries	3,345,746	-	3,345,746	3,319,507	26,239
Purchased Professional/Educational Services	1,579,520	-	1,579,520	1,275,860	303,660
Supplies and Materials	800	-	800	-	800
Other Objects	5,000	-	5,000	-	5,000
<b>Total Other Support Serv. - Students Extra Serv.</b>	<b>4,931,066</b>	<b>-</b>	<b>4,931,066</b>	<b>4,595,367</b>	<b>335,699</b>
Guidance					
Salaries of Other Professional Staff	2,905,624	(92,398)	2,813,226	2,737,272	75,954
Salaries of Secretarial and Clerical Staff	327,769	44,500	372,269	368,015	4,254
Other Salaries	32,500	-	32,500	31,745	755
Purchased Professional/Educational Services	-	2,500	2,500	200	2,300
Other Purchased Professional/Technical Services	28,000	-	28,000	25,733	2,267
Other Purchased Services	6,000	-	6,000	858	5,142
Supplies and Materials	22,000	(2,500)	19,500	12,702	6,798
<b>Total Guidance</b>	<b>3,321,893</b>	<b>(47,898)</b>	<b>3,273,995</b>	<b>3,176,525</b>	<b>97,470</b>
Child Study Teams					
Salaries of Other Professional Staff	3,675,636	(209,027)	3,466,609	3,435,554	31,055
Salaries of Secretarial and Clerical Staff	219,763	-	219,763	213,742	6,021
Purchased Professional/Educational Services	55,000	15,000	70,000	52,160	17,840
Other Purchased Professional/Technical Services	25,000	-	25,000	12,435	12,565
Miscellaneous Purchased Services	5,500	-	5,500	225	5,275
Supplies and Materials	47,500	7,800	55,300	55,275	25
<b>Total Child Study Teams</b>	<b>4,028,399</b>	<b>(186,227)</b>	<b>3,842,172</b>	<b>3,769,391</b>	<b>72,781</b>
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	965,655	(190,688)	774,967	774,965	2
Salaries of Facilitators, Math& Literary Coaches	123,155	36,725	159,880	159,880	-
Purchased Professional/Education Services	156,000	(32,845)	123,155	122,901	254
Supplies and Materials	10,000	-	10,000	5,791	4,209
<b>Total Improvement of Instruction Services/ Other Support Services-Instructional Staff</b>	<b>1,254,810</b>	<b>(186,808)</b>	<b>1,068,002</b>	<b>1,063,537</b>	<b>4,465</b>
Educational Media Services/School Library					
Salaries	1,228,709	(26,728)	1,201,981	1,201,686	295
Salaries of Technology Coordinators	118,539	(35,110)	83,429	79,438	3,991
Purchased Professional/Technical Services	122,000	-	122,000	87,815	34,185
Other Purchased Services	1,000	-	1,000	-	1,000
Supplies and Materials	171,727	(33,500)	138,227	107,652	30,575
<b>Total Educational Media Services/School Library</b>	<b>1,641,975</b>	<b>(95,338)</b>	<b>1,546,637</b>	<b>1,476,591</b>	<b>70,046</b>
Instructional Staff Training Services					
Salaries of Other Professional Staff	180,000	104,610	284,610	284,609	1
Other Purchased Prof. and Tech. Services	150,000	-	150,000	144,803	5,197
Other Purchased Services	1,000	-	1,000	-	1,000
<b>Total Instructional Staff Training Services</b>	<b>331,000</b>	<b>104,610</b>	<b>435,610</b>	<b>429,412</b>	<b>6,198</b>

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Support Services General Administration					
Salaries	\$ 831,700	\$ (19,025)	\$ 812,675	\$ 809,014	\$ 3,661
Legal Services	300,000	(77,000)	223,000	139,296	83,704
Audit Fees	60,000	76,225	136,225	68,224	68,001
Other Purchased Professional Services	195,000	15,870	210,870	194,645	16,225
Purchased Technical Services	118,000	727	118,727	118,454	273
Communications/Telephone	417,500	(161,438)	256,062	256,062	-
BOE Other Purchased Services	9,000	-	9,000	950	8,050
Misc. Purchased Services	893,620	91,000	984,620	962,720	21,900
General Supplies	14,000	-	14,000	6,440	7,560
BOE In-House Training/Meeting Supplies	1,500	-	1,500	57	1,443
Judgements Against the School Entity	125,262	(100,000)	25,262	9,331	15,931
Miscellaneous Expenditures	7,500	-	7,500	7,047	453
BOE Membership Dues and Fees	27,500	-	27,500	26,729	771
<b>Total Support Services General Administration</b>	<b>3,000,582</b>	<b>(173,641)</b>	<b>2,826,941</b>	<b>2,598,969</b>	<b>227,972</b>
School Administration					
Salaries of Principals/Assistant Principals	3,797,064	(64,260)	3,732,804	3,732,663	141
Salaries of Other Professional Staff	920,307	184,015	1,104,322	1,103,770	552
Salaries of Secretarial and Clerical Assistants	1,448,342	65,900	1,514,242	1,432,707	81,535
Other Salaries	93,202	(93,201)	1	-	1
Purchased Professional and Technical Services	141,300	(21,500)	119,800	100,752	19,048
Other Purchased Services	20,000	31,714	51,714	43,661	8,053
Supplies and Materials	172,683	-	172,683	154,752	17,931
Other Objects	1,000	-	1,000	78	922
<b>Total School Administration</b>	<b>6,593,898</b>	<b>102,668</b>	<b>6,696,566</b>	<b>6,568,383</b>	<b>128,183</b>
Central Services					
Salaries	1,278,278	18,401	1,296,679	1,296,456	223
Purchased Technical Services	84,500	(18,500)	66,000	49,410	16,590
Other Purchased Professional Services	-	3,500	3,500	3,500	-
Miscellaneous Purchased Services	4,500	-	4,500	1,488	3,012
Supplies and Materials	23,000	18,500	41,500	41,396	104
Interest on Lease Purchase Agreements	1,125	1,125	1,125	1,121	4
Miscellaneous Expenditures	4,500	1,138	5,638	5,497	141
<b>Total Central Services</b>	<b>1,394,778</b>	<b>24,164</b>	<b>1,418,942</b>	<b>1,398,868</b>	<b>20,074</b>
Administrative Information Technology					
Salaries	337,133	37,486	374,619	374,576	43
Purchased Technical Services	653,145	(5,800)	647,345	542,509	104,836
Supplies and Materials	64,250	(9,500)	54,750	14,644	40,106
<b>Total Administrative Information Technology</b>	<b>1,054,528</b>	<b>22,186</b>	<b>1,076,714</b>	<b>931,729</b>	<b>144,985</b>
Required Maintenance for School Facilities					
Salaries	638,267	111,500	749,767	747,606	2,161
Cleaning, Repair and Maintenance Services	620,000	12,809	632,809	614,120	18,689
General Supplies	280,000	-	280,000	276,261	3,739
<b>Total Required Maintenance for School Facilities</b>	<b>1,538,267</b>	<b>124,309</b>	<b>1,662,576</b>	<b>1,637,987</b>	<b>24,589</b>

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 4,535,981	\$ 89,200	\$ 4,625,181	\$ 4,462,134	\$ 163,047
Purchased Professional and Technical Services	340,000	1,147,409	1,487,409	728,880	758,529
Cleaning, Repair and Maintenance Services	263,700	10,765	274,465	258,547	15,918
Rental of Land/Bldg. Other than Lease Pur.Agrmt.	130,407	-	130,407	130,407	-
Other Purchased Property Services	5,000	147,284	152,284	215,490	(63,206)
Insurance	174,229	-	174,229	165,803	8,426
Miscellaneous Purchased Services	7,000	-	7,000	5,732	1,268
General Supplies	430,000	(173,255)	256,745	227,384	29,361
Energy (Natural Gas)	600,000	(155,000)	445,000	444,048	952
Energy (Electricity)	1,250,000	(235,000)	1,015,000	1,014,548	452
Other Objects	25,000	-	25,000	11,056	13,944
<b>Total Custodial Services</b>	<b>7,761,317</b>	<b>831,403</b>	<b>8,592,720</b>	<b>7,664,029</b>	<b>928,691</b>
Care & Upkeep of Grounds					
Salaries	263,314	(205,000)	58,314	57,053	1,261
Cleaning, Repair and Maintenance Services	30,000	7,236	37,236	27,556	9,680
General Supplies	30,000	20,900	50,900	49,103	1,797
Other Objects	-	1,425	1,425	1,425	-
<b>Total Care &amp; Upkeep of Grounds</b>	<b>323,314</b>	<b>(175,439)</b>	<b>147,875</b>	<b>135,137</b>	<b>12,738</b>
Security					
Purchased Professional and Technical Services	60,000	1,200	61,200	50,175	11,025
Cleaning, Repair and Maintenance Services	75,000	-	75,000	50,379	24,621
General Supplies	100,000	-	100,000	97,279	2,721
<b>Total Security</b>	<b>235,000</b>	<b>1,200</b>	<b>236,200</b>	<b>197,833</b>	<b>38,367</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	1,119,207	(270,284)	848,923	791,800	57,123
Salaries for Pupil Transportation (Between Home and School) - Regular	793,427	-	793,427	787,069	6,358
Salaries for Pupil Transportation (Between Home and School) - Special	635,775	-	635,775	578,628	57,147
Salaries for Pupil Transportation (Other Than Between Home and School)	162,388	23,000	185,388	94,505	90,883
Management Fee - ESC & CTSA Transportation	116,000	200	116,200	93,994	22,206
Other Purchased Professional/Technical Services	58,500	-	58,500	37,443	21,057
Cleaning, Repair and Maintenance Services	10,000	(200)	9,800	(4,391)	14,191
Lease Purchase Payments - School Buses	395,770	78,915	474,685	474,684	1
Contracted Services-Aid in Lieu of Payments- Non-Public Schools	850,000	(409,286)	440,714	440,454	260
Contracted Services (Other than Between Home & School)- Vendors	87,000	-	87,000	1,671	85,329
Contracted Services (Regular Students) - ESCs& CTAs	947,843	629,750	1,577,593	1,347,370	230,223
Contracted Services (Spl. Ed. Students) - ESCs& CTAs	2,181,214	(695,000)	1,486,214	1,437,560	48,654
Miscellaneous Purchased Services - Transportation	46,925	-	46,925	38,415	8,510
General Supplies	295,432	(111,000)	184,432	83,188	101,244
Transportation Supplies	8,150	36,000	44,150	14,887	29,263
<b>Total Student Transportation Services</b>	<b>7,707,631</b>	<b>(717,905)</b>	<b>6,989,726</b>	<b>6,217,277</b>	<b>772,449</b>

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Unallocated Benefits					
Social Security Contributions	\$ 2,150,000	\$ 5,000	\$ 2,155,000	\$ 2,062,275	\$ 92,725
Other Retirement Contributions - PERS	1,964,694	(181,287)	1,783,407	1,779,144	4,263
Other Retirement Contributions - Regular		145,001	145,001	133,750	11,251
Unemployment Compensation		3,056	3,056	3,055	1
Workmen's Compensation	594,169	7,104	601,273	601,273	-
Health Benefits	30,575,484	(1,868,500)	28,706,984	28,704,971	2,013
Tuition Reimbursement	70,000	8,725	78,725	78,723	2
Other Employee Benefits	3,325,000	2,083,725	5,408,725	5,335,519	73,206
<b>Total Unallocated Benefits</b>	<b>38,679,347</b>	<b>202,824</b>	<b>38,882,171</b>	<b>38,698,710</b>	<b>183,461</b>
Interest - Deposit to Maintenance Reserve	5,000	-	5,000	-	5,000
On-behalf TPAF Pension Contr. (Non-budgeted)					
Normal				20,317,625	(20,317,625)
NCGI				386,570	(386,570)
Post-Retirement Medical Costs				6,488,372	(6,488,372)
Long-Term Disability Insurance				14,778	(14,778)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	5,538,098	(5,538,098)
<b>Total Undistributed Expenditures</b>	<b>105,050,009</b>	<b>(1,401,322)</b>	<b>103,648,687</b>	<b>132,493,133</b>	<b>(28,844,446)</b>
<b>Total Current Expenditures</b>	<b>176,959,327</b>	<b>(2,884,413)</b>	<b>174,074,914</b>	<b>199,971,818</b>	<b>(25,896,904)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Instruction					
Grades 1-5		85,063	85,063	85,002	61
Grades 6-8	60,352	167,629	227,981	216,229	11,752
Grades 9-12	240,000	(23,441)	216,559	216,559	-
School-Sponsored and Other Instructional Program	26,000	12,346	38,346	36,477	1,869
Undistributed Expenditures					
Health Services		6,000	6,000		6,000
General Administration	70,400	-	70,400	6,535	63,865
Required Maintenance of School Facilities	76,293	63,787	140,080	63,787	76,293
Non Instructional Equipment					
Lease Purchase Agreement - Principal		78,915	78,915		78,915
Student Transportation Services		254,164	254,164	128,344	125,820
School Buses - Regular	57,500	(57,500)			-
School Buses - Special	57,500	(21,415)	36,085	-	36,085
<b>Total Equipment</b>	<b>588,045</b>	<b>565,548</b>	<b>1,153,593</b>	<b>752,933</b>	<b>400,660</b>
Facilities Acquisition and Construction Services					
Other Purchased Prof. and Tech. Services	85,500	91,581	177,081	85,715	91,366
Construction Services	1,175,000	243,842	1,418,842	1,009,029	409,813
Supplies		40,000	40,000		40,000
Assessment for Debt Service on SDA Funding	130,701	-	130,701	130,701	-
<b>Total Facilities Acquis. and Const. Services</b>	<b>1,391,201</b>	<b>375,423</b>	<b>1,766,624</b>	<b>1,225,445</b>	<b>541,179</b>



**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY (Continued)</b>					
Assets Acquired Under Capital Leases (Non-Budgeted)					
Undistributed Expenditures					
Student Transportation	-	-	-	\$ 899,052	\$ (899,052)
Total Assets Acquired Under Capital Leases (Non-Budgeted)	-	-	-	899,052	(899,052)
Interest Deposit to Capital Reserve	\$ 35,000	-	\$ 35,000	-	35,000
Total Capital Outlay	2,014,246	\$ 940,971	2,955,217	2,877,430	77,787
Transfer Funds to Charter School	7,683,131	(201,492)	7,481,639	7,481,639	-
Total Expenditures	186,656,704	(2,144,934)	184,511,770	210,330,887	(25,819,117)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,625,806)	(3,173,632)	(5,799,438)	3,405,542	9,204,980
Other Financing Sources					
Capital Leases (Non-Budgeted)	-	-	-	899,052	899,052
Transfer Out - Food Service Fund		(303,500)	(303,500)	(303,378)	122
Transfer Out - Special Revenue Fund - Co-Curricular Activities and Athletics		(46,000)	(46,000)	(46,000)	-
Transfer Out - Special Revenue Fund - Preschool Aid	(1,769,305)	-	(1,769,305)	(1,769,305)	-
Total Other Financing Sources	(1,769,305)	(349,500)	(2,118,805)	(1,219,631)	899,174
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,395,111)	(3,523,132)	(7,918,243)	2,185,911	10,104,154
Fund Balances, Beginning of Year, as Restated	18,596,192	-	18,596,192	18,596,192	-
Fund Balances, End of Year	\$ 14,201,081	\$ (3,523,132)	\$ 10,677,949	\$ 20,782,103	\$ 10,104,154
<b>Recapitulation</b>					
<b>Restricted Fund Balance</b>					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 1,800,000	
Capital Reserve				6,170,302	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,850,000	
Maintenance Reserve				774,859	
Unemployment Compensation Reserve				206,074	
<b>Assigned Fund Balance</b>					
Year-End Encumbrances				952,958	
FFCRA/SEMI				36,111	
<b>Unassigned Fund Balance</b>				8,991,799	
<b>Budgetary Fund Balance</b>				20,782,103	
Reconciliation to Governmental Funds statements (GAAP):					
Last State Aid Payments not recognized on GAAP Basis				6,341,000	
<b>Fund Balances Per Governmental Funds (GAAP)</b>				\$ 14,441,103	

**CLIFTON BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 5,467,777	\$ (187,792)	\$ 5,279,985	\$ 5,142,913	\$ (137,072)
Federal	6,087,890	18,070,501	24,158,391	13,585,210	(10,573,181)
Local Sources					
Miscellaneous	-	135,922	135,922	127,335	(8,587)
<b>Total Revenues</b>	<b>11,555,667</b>	<b>18,018,631</b>	<b>29,574,298</b>	<b>18,855,458</b>	<b>(10,718,840)</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	5,482,949	73,646	5,556,595	4,207,776	1,348,819
Other Salaries for Instruction	446,274	190,960	637,234	590,352	46,882
Purchased Professional/Technical Services		131,690	131,690	99,530	32,160
Purchased Professional/Educational Services		50,858	50,858	19,623	31,235
Other Purchased Services	1,000	2,000	3,000	-	3,000
Tuition	2,314,356	299,791	2,614,147	2,487,713	126,434
General Supplies	30,091	2,677,737	2,707,828	2,414,363	293,465
School Sponsored Co-Curricular Activities and Athletics - Non Budget		189,640	189,640	201,346	(11,706)
Other Objects	-	21,447	21,447	7,155	14,292
<b>Total Instruction</b>	<b>8,274,670</b>	<b>3,637,769</b>	<b>11,912,439</b>	<b>10,027,858</b>	<b>1,884,581</b>
<b>Support Services</b>					
Salaries		596,768	596,768	256,722	340,046
Salaries of Supervisors of Instruction		206,963	206,963	206,963	-
Salaries of Principal, Asst. Principals & Directors	107,213	(7,074)	100,139	51,546	48,593
Salaries of Other Professional Staff	90,669	265,213	355,882	355,882	-
Salaries of Secretarial and Clerical Asst.	40,663	49,329	89,992	98,211	(8,219)
Other Salaries	63,189	(10,606)	52,583	52,583	-
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists	124,708	(4,218)	120,490	120,490	-
Salaries of Literacy/Math Coach	541,307	(240,904)	300,403	300,403	-
Salaries of Technology Coordinator		98,829	98,829	98,829	-
Personal Services- Employee Benefits	927,101	2,525,533	3,452,634	2,642,544	810,090
Purchased Professional/Technical Services		155,985	155,985	23,080	132,905
Purchased Prof./Educational Services		2,781,925	2,781,925	2,338,469	443,456
Purchased Educational Services - Contracted Pre-K	724,220	(724,220)	-	-	-
Purchased Educational Services - Head Start	1,499,025	(1,499,025)	-	-	-
Other Purchased Professional - Education Services	444,905	(444,905)	-	-	-
Other Purchased Professional Services	2,000	(2,000)	-	-	-
Other Purchased Professional and Technical Services	58,704	56,599	115,303	71,400	43,903
Cleaning, Repair and Maintenance Services	10,000	49,089	59,089	59,089	-
Rentals	258,940	50,676	309,616	309,616	-
Other Purchased Services		260,088	260,088	30,676	229,412
Travel		17,788	17,788	1,873	15,915
Supplies and Materials	126,564	1,924,424	2,050,988	1,825,660	225,328
Textbooks	31,094	11,243	42,337	37,009	5,328
Scholarships Awarded - Non-Budget	-	4,000	4,000	4,000	-
<b>Total Support Services</b>	<b>5,050,302</b>	<b>6,121,500</b>	<b>11,171,802</b>	<b>8,885,045</b>	<b>2,286,757</b>
<b>Facilities Acquisition and Construction</b>					
Buildings		5,540,796	5,540,796		5,540,796
Instructional Equipment		5,000	5,000	-	5,000
Non Instructional Equipment	-	2,759,566	2,759,566	1,769,566	990,000
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>8,305,362</b>	<b>8,305,362</b>	<b>1,769,566</b>	<b>6,535,796</b>
<b>Total Expenditures</b>	<b>13,324,972</b>	<b>18,064,631</b>	<b>31,389,603</b>	<b>20,682,469</b>	<b>10,707,134</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,769,305)	(46,000)	(1,815,305)	(1,827,011)	(11,706)
<b>Other Financing Sources/(Uses)</b>					
Budgeted Transfer from General Fund	1,769,305	46,000	1,815,305	1,815,305	-
Operating Transfer Out				(27,508)	(27,508)
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>591,051</b>	<b>-</b>	<b>591,051</b>	<b>591,051</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 591,051</b>	<b>\$ -</b>	<b>\$ 591,051</b>	<b>\$ 551,837</b>	<b>\$ (39,214)</b>
<b>Restricted Fund Balances</b>					
Student Activities				\$ 503,653	
Scholarships				48,184	
				<b>\$ 551,837</b>	

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**CLIFTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds 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.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>				
Actual revenues (budgetary basis)	C-1	\$ 213,736,429	C-2	\$ 18,855,458
Difference- Budget to GAAP				
State Aid payments (2019/2020) recognized for GAAP Purposes not recognized for budgetary statements.		4,514,506		400,646
Difference - Budget to GAAP:				
State Aid payments ( 2020/2021) recognized for budgetary purposes, not recognized for GAAP statements		(6,341,000)		(482,651)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, June 30, 2021				(1,769,566)
Encumbrances, June 30, 2020		-		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>211,909,935</u>	B-2	<u>\$ 17,003,887</u>
<b>Uses/outflows of resources</b>				
Actual expenditures (budgetary basis)	C-1	\$ 210,330,887	C-2	\$ 20,682,469
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 financial reporting purposes.				
Encumbrances , June 30, 2021				(1,769,566)
Encumbrances , June 30, 2020		-		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 210,330,887</u>	B-2	<u>\$ 18,912,903</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

**CLIFTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Eight Fiscal Years \***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportionate Share of the Net Position Liability (Asset)	0.16084 %	0.16767 %	0.17413 %	0.17792 %	0.18175 %	0.18600 %	0.17725 %	0.18227 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 26,229,938	\$ 30,212,568	\$ 34,286,459	\$ 41,418,521	\$ 53,829,236	\$ 41,754,757	\$ 33,186,220	\$ 34,837,087
District's Covered-Employee Payroll	\$ 11,965,656	\$ 11,719,102	\$ 11,733,384	\$ 12,066,823	\$ 12,143,859	\$ 12,507,490	\$ 12,593,399	\$ 12,135,990
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	219%	258%	292%	343%	443%	334%	264%	287%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CLIFTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,759,585	\$ 1,630,996	\$ 1,732,088	\$ 1,648,302	\$ 1,614,644	\$ 1,661,393	\$ 1,444,633	\$ 1,450,940
Contributions in Relation to the Contractually Required Contributions	<u>1,759,585</u>	<u>1,630,996</u>	<u>1,732,088</u>	<u>1,648,302</u>	<u>1,614,644</u>	<u>1,661,393</u>	<u>1,444,633</u>	<u>1,450,940</u>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-
District's Covered- Employee Payroll	\$ 12,486,899	\$ 11,965,656	\$ 11,719,102	\$ 11,733,384	\$ 12,066,823	\$ 12,143,859	\$ 12,507,490	\$ 12,593,399
Contributions as a Percentage of Covered-Employee Payroll	14.09%	13.63%	14.78%	14.05%	13.38%	13.68%	11.55%	11.52%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CLIFTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

TEACHERS PENSION AND ANNUITY FUND  
Last Eight Fiscal Years \*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	- %	- %	- %	- %	- %	- %	- %	- %
District's Proportionate Share of the Net Pension Liability (Asset)	- %	- %	- %	- %	- %	- %	- %	- %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 456,445,258</u>	<u>\$ 421,059,514</u>	<u>\$ 432,381,737</u>	<u>\$ 470,122,841</u>	<u>\$ 549,222,947</u>	<u>\$ 429,496,667</u>	<u>\$ 340,101,994</u>	<u>\$ 318,957,104</u>
Total	<u>\$ 456,445,258</u>	<u>\$ 421,059,514</u>	<u>\$ 432,381,737</u>	<u>\$ 470,122,841</u>	<u>\$ 549,222,947</u>	<u>\$ 429,496,667</u>	<u>\$ 340,101,994</u>	<u>\$ 318,957,104</u>
District's Covered-Employee Payroll	\$ 76,698,325	\$ 77,028,926	\$ 73,687,210	\$ 71,980,609	\$ 70,013,920	\$ 70,755,172	\$ 69,759,296	\$ 63,665,771
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



**CLIFTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Change of Benefit Terms:**

None.

**Change of Assumptions:**

Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**CLIFTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Four Fiscal Years\*

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 11,736,770	\$ 10,833,933	\$ 12,544,401	\$ 15,223,842
Interest on Total OPEB Liability	9,092,989	10,829,170	11,822,101	10,155,276
Differences Between Expected and Actual Experience	77,674,168	(39,046,669)	(34,502,853)	-
Changes of Assumptions	76,655,600	3,750,998	(31,293,787)	(42,431,320)
Gross Benefit Payments	(7,305,758)	(7,722,590)	(7,291,923)	(7,640,998)
Contribution from the Member	221,437	228,919	252,021	281,361
<b>Net Change in Total OPEB Liability</b>	168,075,206	(21,126,239)	(48,470,040)	(24,411,839)
<b>Total OPEB Liability - Beginning</b>	<u>251,574,607</u>	<u>272,700,846</u>	<u>321,170,886</u>	<u>345,582,725</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 419,649,813</u>	<u>\$ 251,574,607</u>	<u>\$ 272,700,846</u>	<u>\$ 321,170,886</u>
District's Proportionate Share of OPEB Liability				
State's Proportionate Share of OPEB Liability	<u>\$ 419,649,813</u>	<u>\$ 251,574,607</u>	<u>\$ 272,700,846</u>	<u>\$ 321,170,886</u>
Total OPEB Liability - Ending	<u>\$ 419,649,813</u>	<u>\$ 251,574,607</u>	<u>\$ 272,700,846</u>	<u>\$ 321,170,886</u>
<b>District's Covered-Employee Payroll</b>	<u>\$ 88,663,981</u>	<u>\$ 88,748,028</u>	<u>\$ 85,420,594</u>	<u>\$ 84,047,432</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%

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

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CLIFTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

CLIFTON BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ESEA Title I	CRRSA- ESSER II	Coronavirus Relief Funds	NonPublic Digital Divide	ESEA Title IIA	ESEA Title III	Climate Grant Current Year	Climate Grant Prior Year	ESEA Title IV	Total Exhibit E-1 Page 2	Total Exhibit E-1 Page 3	Total
<b>REVENUES</b>												
Local Sources										\$ 127,335		\$ 127,335
State Sources										4,823,654	\$ 319,259	5,142,913
Federal Sources	\$ 3,063,848	\$ 2,476,601	\$ 1,022,655	\$ 29,956	\$ 503,897	\$ 45,492	\$ 429,026	\$ 102,771	\$ 139,989	5,770,975	-	13,585,210
Total Revenues	\$ 3,063,848	\$ 2,476,601	\$ 1,022,655	\$ 29,956	\$ 503,897	\$ 45,492	\$ 429,026	\$ 102,771	\$ 139,989	\$ 10,721,964	\$ 319,259	\$ 18,855,458
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers	\$ 1,667,279	\$ 9,250				\$ 24,058	\$ 139,839		\$ 81,340	\$ 2,286,010		\$ 4,207,776
Other Salaries for Instruction										590,352		590,352
Purchased Professional/Technical Services	1,507									98,023		99,530
Purchased Professional/Educational Services	73									19,550		19,623
Other Purchased Services										-		-
Tuition										2,487,713		2,487,713
General Supplies	3,809		\$ 763,757	\$ 29,956			56,352	\$ 3,971		1,556,518		2,414,363
School Sponsored Co-Curricular Activities and Athletics										201,346		201,346
Other Objects										7,155		7,155
Total Instruction	1,672,668	9,250	763,757	29,956	-	24,058	196,191	3,971	81,340	7,246,667	-	10,027,858
Support Services												
Salaries					\$ 2,440		127,924	93,691		32,667		256,722
Salaries of Supervisors of Instruction							18,000			188,963		206,963
Salaries of Principal, Asst. Principals & Directors										51,546		51,546
Salaries of Other Professional Staff										355,882		355,882
Salaries of Secretarial and Clerical Asst.	33,422									50,165	\$ 14,624	98,211
Other Salaries										52,583		52,583
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists										120,490		120,490
Salaries of Literacy/Math Coach					146,780					153,623		300,403
Salaries of Technology Coordinator					98,829					-		98,829
Personal Services- Employee Benefits	1,345,059				243,190	21,434	86,831	3,236	50,759	892,035		2,642,544
Purchased Professional/Technical Services							80		3,000	20,000		23,080
Purchased Prof./Educational Services										2,249,007	89,462	2,338,469
Purchased Educational Services - Contracted Pro-K										-		-
Purchased Educational Services - Head Start										-		-
Other Purchased Professional - Education Services										-		-
Other Purchased Professional Services										-		-
Other Purchased Professional and Technical Services										-	71,400	71,400
Cleaning, Repair and Maintenance Services										59,089		59,089
Rentals										309,616		309,616
Other Purchased Services	12,699				12,658				4,890	429		30,676
Contracted Services (Other Than Between Home and School) - Grant Agreements										-		-
Travel								1,873		-		1,873
Miscellaneous Purchased Services										-		-
Supplies and Materials		697,785	258,898							762,213	106,764	1,825,660
Textbooks										-	37,009	37,009
Scholarships Awarded										4,000		4,000
Other Objects										-		-
Total Support Services	1,391,180	697,785	258,898	-	503,897	21,434	232,835	98,800	58,649	5,302,308	319,259	8,885,045
Facilities Acquisition and Construction												
Instructional Equipment												
Non Instructional Equipment		1,769,566										1,769,566
Total Facilities Acquisition and Construction		1,769,566										1,769,566
Total Expenditures	\$ 3,063,848	\$ 2,476,601	\$ 1,022,655	\$ 29,956	\$ 503,897	\$ 45,492	\$ 429,026	\$ 102,771	\$ 139,989	\$ 12,548,975	\$ 319,259	\$ 20,682,469
Deficiency of Revenues Under Expenditures										(1,827,011)		(1,827,011)
Other Financing Sources/(Uses)												
Budgeted Transfer from General Fund										1,815,305		1,815,305
Operating Transfer Out										(27,508)		(27,508)
Fund Balance, Beginning of Year, as Restated										591,051		591,051
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 551,837	\$ -	\$ 551,837

CLIFTON BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Local Programs	Student Activity/ Athletics	Scholarships	I.D.E.A.- Part B	I.D.E.A.- Part B- Basic Preschool	CARES Grant	Twenty-First Century Current Year	Twenty-First Century Prior Year	Preschool Education Aid (PEA)	Carl D. Perkins	Total Exhibit E-1 Page 2
<b>REVENUES</b>											
Local Sources	\$ 7,203	\$ 120,132	\$ -								\$ 127,335
State Sources									\$ 4,823,654		4,823,654
Federal Sources				\$ 2,919,349	\$ 92,494	\$ 2,343,334	\$ 295,013	\$ 116,986		\$ 3,799	5,770,975
<b>Total Revenues</b>	<b>\$ 7,203</b>	<b>\$ 120,132</b>	<b>\$ -</b>	<b>\$ 2,919,349</b>	<b>\$ 92,494</b>	<b>\$ 2,343,334</b>	<b>\$ 295,013</b>	<b>\$ 116,986</b>	<b>\$ 4,823,654</b>	<b>\$ 3,799</b>	<b>\$ 10,721,964</b>
<b>EXPENDITURES</b>											
<b>Instruction</b>											
Salaries of Teachers						\$ 244,324	\$ 72,630	\$ 29,369	\$ 1,939,687		\$ 2,286,010
Other Salaries for Instruction				\$ 190,961					399,391		590,352
Purchased Professional/Technical Services							98,023				98,023
Purchased Professional/Educational Services									19,550		19,550
Other Purchased Services											-
Tuition				2,395,219	\$ 92,494						2,487,713
General Supplies	\$ 4,000			18,430		1,397,969	5,939	76,109	50,272	\$ 3,799	1,556,518
School Sponsored Co-Curricular Activities and Athletics		\$ 201,346									201,346
Other Objects							5,655	1,500			7,155
<b>Total Instruction</b>	<b>4,000</b>	<b>201,346</b>	<b>-</b>	<b>2,604,610</b>	<b>92,494</b>	<b>1,642,293</b>	<b>182,247</b>	<b>106,978</b>	<b>2,408,900</b>	<b>3,799</b>	<b>7,246,667</b>
<b>Support Services</b>											
Salaries	3,203					29,464					32,667
Salaries of Supervisors of Instruction									188,963		188,963
Salaries of Principal, Asst. Principals & Directors							42,818	8,728			51,546
Salaries of Other Professional Staff				268,280					87,602		355,882
Salaries of Secretarial and Clerical Asst.							8,365	1,280	40,520		50,165
Other Salaries									52,583		52,583
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists									120,490		120,490
Salaries of Literacy/Math Coach									153,623		153,623
Personal Services- Employee Benefits							38,197		853,838		892,035
Purchased Professional/Technical Services							20,000				20,000
Purchased Prof./Educational Services				25,732					2,223,275		2,249,007
Purchased Educational Services - Contracted Pre-K											-
Purchased Educational Services - Head Start											-
Other Purchased Professional - Education Services											-
Other Purchased Professional Services											-
Cleaning, Repair and Maintenance Services									59,089		59,089
Rentals									309,616		309,616
Other Purchased Services							429				429
Contracted Services (Other Than Between Home and School) - Grant Agreements											-
Travel											-
Miscellaneous Purchased Services											-
Supplies and Materials				20,727		644,069	2,957		94,460		762,213
Scholarships Awarded			\$ 4,000								4,000
Other Objects											-
<b>Total Support Services</b>	<b>3,203</b>	<b>-</b>	<b>4,000</b>	<b>314,739</b>	<b>-</b>	<b>673,533</b>	<b>112,766</b>	<b>10,008</b>	<b>4,184,059</b>	<b>-</b>	<b>5,302,308</b>
<b>Facilities Acquisition and Construction</b>											
Instructional Equipment											-
Non Instructional Equipment											-
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 7,203</b>	<b>\$ 201,346</b>	<b>\$ 4,000</b>	<b>\$ 2,919,349</b>	<b>\$ 92,494</b>	<b>\$ 2,315,826</b>	<b>\$ 295,013</b>	<b>\$ 116,986</b>	<b>\$ 6,592,959</b>	<b>\$ 3,799</b>	<b>\$ 12,548,975</b>
Deficiency of Revenues Under Expenditures		(81,214)	(4,000)			27,508			(1,769,305)		(1,827,011)
Other Financing Sources/(Uses)											
Budgeted Transfer from General Fund		46,000							1,769,305		1,815,305
Operating Transfer Out						(27,508)					(27,508)
<b>Fund Balance, Beginning of Year, as Restated</b>	<b>-</b>	<b>538,867</b>	<b>52,184</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>591,051</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 503,653</b>	<b>\$ 48,184</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 551,837</b>

CLIFTON BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Nonpublic Nursing</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Security</u>	<u>Nonpublic ESL</u>	<u>Nonpublic Compensatory Education</u>	<u>Nonpublic Supplemental Instruction</u>	<u>Nonpublic Exam. and Class</u>	<u>Nonpublic Corrective Speech</u>	<u>New Jersey Exhibit E-1 Page 3</u>
<b>REVENUES</b>									
Local Sources									
State Sources	\$ 71,400	\$ 37,009	\$ 106,764	\$ 2,042	\$ 78,286	\$ 2,949	\$ 5,895	\$ 14,914	\$ 319,259
Federal Sources	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 71,400</u>	<u>\$ 37,009</u>	<u>\$ 106,764</u>	<u>\$ 2,042</u>	<u>\$ 78,286</u>	<u>\$ 2,949</u>	<u>\$ 5,895</u>	<u>\$ 14,914</u>	<u>\$ 319,259</u>
<b>EXPENDITURES</b>									
Instruction									
General Supplies	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	-	-	-	-	-	-	-
Support Services									
Salaries of Secretarial and Clerical Asst.				\$ 2,042	\$ 12,582				\$ 14,624
Purchased Prof./Educational Services					65,704	\$ 2,949	\$ 5,895	\$ 14,914	89,462
Other Purchased Professional and Technical Services	\$ 71,400								71,400
Supplies and Materials			\$ 106,764						106,764
Textbooks	-	\$ 37,009	-	-	-	-	-	-	37,009
Total Support Services	<u>71,400</u>	<u>37,009</u>	<u>106,764</u>	<u>2,042</u>	<u>78,286</u>	<u>2,949</u>	<u>5,895</u>	<u>14,914</u>	<u>319,259</u>
Total Expenditures	<u>\$ 71,400</u>	<u>\$ 37,009</u>	<u>\$ 106,764</u>	<u>\$ 2,042</u>	<u>\$ 78,286</u>	<u>\$ 2,949</u>	<u>\$ 5,895</u>	<u>\$ 14,914</u>	<u>\$ 319,259</u>



**CLIFTON BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
PRESCHOOL - ALL PROGRAMS  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>EXPENDITURES</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final To Actual Variance</b>
Instruction					
Salaries of Teachers	\$ 2,124,929	-	\$ 2,124,929	\$ 1,939,687	185,242
Other Salaries for Instruction	446,274	-	446,274	399,391	46,883
Purchased Professional Educational Services				19,550	(19,550)
Other Purchased Services	1,000	-	1,000		1,000
General Supplies	20,319	-	20,319	50,272	(29,953)
<b>Total Instruction</b>	<b>2,592,522</b>	<b>-</b>	<b>2,592,522</b>	<b>2,408,900</b>	<b>183,622</b>
Support Services					
Salaries		-			-
Salaries of Program Directors	107,213	-	107,213	188,963	(81,750)
Salaries of Other Professional Staff	90,669	-	90,669	87,602	3,067
Salaries of Secr, and Clerical Assistants	40,663	-	40,663	40,520	143
Other Salaries	63,189	-	63,189	52,583	10,606
Salaries of Family/Parent Liaison	124,708	-	124,708	120,490	4,218
Salaries of Facilitators/Master Teachers	135,565	-	135,565	153,623	(18,058)
Personal Services - Employee Benefits	927,101	-	927,101	853,838	73,263
Purchased Ed. Services - Contracted Pre-K	724,220	-	724,220		724,220
Purchased Ed. Services - Head Start	1,499,025	-	1,499,025		1,499,025
Other Purchased Prof. - Ed. Services	10,000	-	10,000	2,223,275	(2,213,275)
Other Purchased Professional Services	2,000	-	2,000		2,000
Cleaning, Repair & Maintenance	10,000	-	10,000	59,089	(49,089)
Rentals	258,940	-	258,940		258,940
Other Purchased Services		-		309,616	(309,616)
Supplies and Materials	10,000	-	10,000	94,460	(84,460)
<b>Total Support Services</b>	<b>4,003,293</b>	<b>-</b>	<b>4,003,293</b>	<b>4,184,059</b>	<b>(180,766)</b>
<b>Total Expenditures</b>	<b>\$ 6,595,815</b>	<b>\$ -</b>	<b>\$ 6,595,815</b>	<b>\$ 6,592,959</b>	<b>\$ 2,856</b>

**Calculation of Budget Carryover**

Total revised 2020-2021 Preschool Education Aid Allocation	\$ 4,826,510
General Fund Contribution	1,769,305
Add: Actual PEA Carryover (June 30, 2020)	37,013
Total Preschool Ed. Aid Funds Available for 2020-2021 Budget	6,632,828
Less 2020-21 Budgeted Preschool Education Aid	(6,595,815)
Available and Unbudgeted Preschool Education Aid as of June 30, 2021	37,013
Add: June 30, 2021 Unexpended Preschool Education Aid	2,856
2020-2021 C/O - Preschool Education Aid Programs	\$ 39,869
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022	\$ -

**CLIFTON BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Balance, July 1, <u>2020</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2021</u>
<b>MIDDLE SCHOOLS</b>				
Woodrow Wilson	\$ 24,507	\$ 17,710	\$ 5,032	\$ 37,185
Christopher Columbus	11,357	180	673	10,864
	<u>35,864</u>	<u>17,890</u>	<u>5,705</u>	<u>48,049</u>
Total Middle Schools				
<b>HIGH SCHOOL</b>				
Clifton High School	<u>424,498</u>	<u>94,615</u>	<u>126,151</u>	<u>392,962</u>
<b>OTHER</b>				
Internal Account	46,644	11,677	17,767	40,554
Athletic Account	22,708	41,650	51,723	12,635
Athletic Hall of Fame Acct	<u>9,153</u>	<u>300</u>	<u>-</u>	<u>9,453</u>
	<u>78,505</u>	<u>53,627</u>	<u>69,490</u>	<u>62,642</u>
Total Other				
Total All Schools	<u>\$ 538,867</u>	<u>\$ 166,132</u>	<u>\$ 201,346</u>	<u>\$ 503,653</u>

**CAPITAL PROJECTS FUND**

**CLIFTON BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Transfers</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Phone System District-Wide 18/19	\$ 736,416	-	\$ 596,599	\$ 139,817	-
2021 Referendum - Various Improvements	<u>168,282,735</u>	<u>-</u>	<u>-</u>	<u>1,732,343</u>	<u>\$ 166,550,392</u>
	<u>\$ 169,019,151</u>	<u>\$ -</u>	<u>\$ 596,599</u>	<u>\$ 1,872,160</u>	<u>\$ 166,550,392</u>
Project Balances					\$ 166,550,392
Less:					
Debt Authorized but Not Issued					<u>(168,282,735)</u>
Fund Balance - GAAP Basis					<u>\$ (1,732,343)</u>

**CLIFTON BOARD OF EDUCATION  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>Revenues and Other Financing Sources</b>	
Bond Proceeds	\$ <u>          -</u>
 Total Revenues	 <u>                  -</u>
<b>Expenditures and Other Financing Uses</b>	
Purchased Professional and Technical Services	\$ 1,732,343
Facilities Acquisition and Construction Services	<u>      139,817</u>
 Total Expenditures and Other Financing Uses	 <u>      1,872,160</u>
 (Deficiency) of Revenues (Under) Expenditures	 <u>      (1,872,160)</u>
 Fund Balance, July 1, 2020 - Budgetary Basis	 <u>              139,817</u>
 Fund Balance, June 30, 2021 - Budgetary Basis	 <u>      \$ (1,732,343)</u>
 <b>Reconciliation of Fund Balance - GAAP Basis</b>	
Fund Balance, June 30, 2021 - GAAP Basis	<u>      \$ (1,732,343)</u>

**CLIFTON BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
PHONE SYSTEM PROJECT DISTRICT-WIDE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Lease Proceeds	\$ 736,416		\$ 736,416	\$ 736,416
Interest	-	-	-	-
Total Revenues and Other Financing Sources	736,416	-	736,416	736,416
<b>Expenditures and Other Financing Uses</b>				
Facilities Acquisition and Construction Services	596,599	139,817	736,416	736,416
Total Expenditures and Other Financing Uses	596,599	139,817	736,416	736,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 139,817	\$ (139,817)	\$ -	\$ -

**Additional Project Information:**

Project Number		N/A
Grant Date		N/A
Bonds Authorization Date		N/A
Bonds Authorized		N/A
Bonds Issued		N/A
Original Authorized Cost	\$	736,416
Additional Appropriation		-
Revised Authorized Cost	\$	736,416
Percentage Increase Over Original Authorized Cost		0.00%
Percentage Completion		100%
Original Target Completion Date		8/31/2020
Revised Target Completion Date		8/31/2020

**CLIFTON BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
2021 REFERENDUM - VARIOUS IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bonds Authorized	\$ -	\$ -	\$ -	\$ 168,282,735
Total Revenues and Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,282,735</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		1,732,343	1,732,343	
Facilities Acquisition and Construction Services	-	-	-	168,282,735
Total Expenditures and Other Financing Uses	<u>-</u>	<u>1,732,343</u>	<u>1,732,343</u>	<u>168,282,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (1,732,343)</u>	<u>\$ (1,732,343)</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	4/20/2021
Bonds Authorized	\$ 168,282,735
Bonds Issued	N/A
Original Authorized Cost	\$ 168,282,735
Additional Appropriation	-
Revised Authorized Cost	\$ 168,282,735
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2022

**PROPRIETARY FUNDS**



**EXHIBIT G-1**

**CLIFTON BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING STATEMENT OF REVENUE, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**CLIFTON BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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<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, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	6/4/2013	\$ 7,410,000	3/1/2022	\$ 805,000	4.00%				
			3/1/2023-24	800,000	4.00%				
			3/1/2025	770,000	4.00%	\$ 3,985,000	\$ -	\$ 810,000	\$ 3,175,000
						\$ 3,985,000	\$ -	\$ 810,000	\$ 3,175,000

**CLIFTON BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2020</u>	<u>Issued Current Year</u>	<u>Payments</u>	<u>Balance June 30, 2021</u>
2017 (5) 54 Passenger Buses	2.15%	466,200	\$ 95,570		\$ 95,570	-
2018 (3) 54 Passenger Buses and (3) 24 Passenger Buses	1.74%	485,083	274,792		69,815	\$ 204,977
2019 (3) 54 Passenger Buses and (3) 24 Passenger Buses	3.16%	524,277	323,666		104,550	219,116
2019 LED Lighting Project	3.14%	316,344	215,237		69,542	145,695
2020 (3) 54 Passenger Buses and (3) 24 Passenger Buses	2.40%	518,375	410,107		98,909	311,198
2020 Phone System	2.51%	736,416	553,942	-	133,379	420,563
2021 (2) 54 Passenger Buses and (2) 24 Passenger Buses	1.238%	359,621	-	\$ 359,621	-	359,621
2021 (3) 54 Passenger Buses and (3) 24 Passenger Buses	1.460%	539,431	-	<u>539,431</u>	<u>77,629</u>	<u>461,802</u>
			<u>\$ 1,873,314</u>	<u>\$ 899,052</u>	<u>\$ 649,394</u>	<u>\$ 2,122,972</u>

**CLIFTON BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 969,400	-	\$ 969,400	\$ 969,400	-
Total Revenues	<u>969,400</u>	<u>-</u>	<u>969,400</u>	<u>969,400</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	810,000		810,000	810,000	
Interest	<u>159,400</u>	-	<u>159,400</u>	<u>159,400</u>	-
Total Expenditures	<u>969,400</u>	<u>-</u>	<u>969,400</u>	<u>969,400</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

This part of the Clifton Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CLIFTON BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 46,050,770	\$ 49,664,750	\$ 51,332,383	\$ 56,825,142	\$ 59,764,596	\$ 61,563,178	\$ 61,167,395	\$ 60,611,153	\$ 62,912,732	\$ 62,645,939
Restricted	6,020,388	11,900,580	15,246,242	12,705,602	10,678,395	10,894,647	10,782,544	12,929,911	8,075,631	7,820,729
Unrestricted	<u>(1,042,740)</u>	<u>(1,097,806)</u>	<u>(39,564,853)</u>	<u>(39,272,100)</u>	<u>(38,872,180)</u>	<u>(41,575,795)</u>	<u>(38,551,529)</u>	<u>(40,926,404)</u>	<u>(38,740,597)</u>	<u>(37,329,607)</u>
<b>Total governmental activities net position</b>	<u>\$ 51,028,418</u>	<u>\$ 60,467,524</u>	<u>\$ 27,013,772</u>	<u>\$ 30,258,644</u>	<u>\$ 31,570,811</u>	<u>\$ 30,882,030</u>	<u>\$ 33,398,410</u>	<u>\$ 32,614,660</u>	<u>\$ 32,247,766</u>	<u>\$ 33,137,061</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 97,993	\$ 215,922	\$ 219,498	\$ 182,189	\$ 149,283	\$ 124,275	\$ 238,609	\$ 300,988	\$ 364,249	\$ 1,093,032
Unrestricted	<u>974,466</u>	<u>946,261</u>	<u>796,367</u>	<u>838,892</u>	<u>792,413</u>	<u>768,467</u>	<u>464,110</u>	<u>626,915</u>	<u>1,027,599</u>	<u>2,866,019</u>
<b>Total business-type activities net position</b>	<u>\$ 1,072,459</u>	<u>\$ 1,162,183</u>	<u>\$ 1,015,865</u>	<u>\$ 1,021,081</u>	<u>\$ 941,696</u>	<u>\$ 892,742</u>	<u>\$ 702,719</u>	<u>\$ 927,903</u>	<u>\$ 1,391,848</u>	<u>\$ 3,959,051</u>
<b>District-wide</b>										
Net Investment in capital assets	\$ 46,148,763	\$ 49,880,672	\$ 51,551,881	\$ 57,007,331	\$ 59,913,879	\$ 61,687,453	\$ 61,406,004	\$ 60,912,141	\$ 63,276,981	\$ 63,738,971
Restricted	6,020,388	11,900,580	15,246,242	12,705,602	10,678,395	10,894,647	10,782,544	12,929,911	8,075,631	7,820,729
Unrestricted	<u>(68,274)</u>	<u>(151,545)</u>	<u>(38,768,486)</u>	<u>(38,433,208)</u>	<u>(38,079,767)</u>	<u>(40,807,328)</u>	<u>(38,087,419)</u>	<u>(40,299,489)</u>	<u>(37,712,998)</u>	<u>(34,463,588)</u>
<b>Total district net position</b>	<u>\$ 52,100,877</u>	<u>\$ 61,629,707</u>	<u>\$ 28,029,637</u>	<u>\$ 31,279,725</u>	<u>\$ 32,512,507</u>	<u>\$ 31,774,772</u>	<u>\$ 34,101,129</u>	<u>\$ 33,542,563</u>	<u>\$ 33,639,614</u>	<u>\$ 37,096,112</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".



**CLIFTON BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 69,187,055	\$ 71,463,155	\$ 74,460,151	\$ 82,872,309	\$ 87,810,222	\$ 95,246,455	\$ 99,041,238	\$ 96,152,332	\$ 98,143,128	\$ 110,982,264
Special education	22,405,872	24,308,541	24,962,054	27,741,474	29,888,154	32,519,675	34,515,919	33,302,494	31,578,844	35,160,423
Other instruction	8,835,690	8,938,202	9,124,366	10,229,725	10,175,218	12,082,008	12,446,316	12,480,936	11,928,546	12,682,097
School Sponsored Activities and Athletics	1,791,516	1,713,200	2,241,871	2,515,645	2,728,975	2,842,082	2,953,074	2,741,225	2,697,719	2,859,724
Support Services:										
Student & instruction related services	20,505,150	20,938,361	21,805,477	24,638,222	29,051,981	34,594,301	36,567,862	35,926,760	35,794,704	42,675,452
Educational Media/School Library	2,556,649	2,891,497	2,824,930	3,012,399	3,151,339	2,583,455	2,462,443	2,358,544	2,446,799	2,745,851
School Administrative services	7,872,388	8,605,927	9,125,903	10,119,311	10,369,547	11,327,771	12,027,013	11,079,576	11,801,149	12,789,373
General administration	2,694,879	2,793,661	2,768,583	2,744,739	2,828,483	3,039,213	3,242,628	3,437,187	2,895,216	3,321,659
Central Services	2,460,908	2,579,787	2,711,969	2,667,556	2,890,554	3,040,759	3,128,237	3,101,276	3,299,653	3,507,364
Plant operations and maintenance	11,102,076	10,959,361	10,860,152	14,955,471	16,395,887	17,873,434	17,918,558	17,871,887	17,465,497	17,928,160
Pupil transportation	6,520,750	6,723,371	6,250,087	7,670,696	8,348,228	9,340,738	9,804,593	9,739,905	8,931,000	7,728,935
Interest on long-term debt	989,666	968,684	873,173	535,980	534,816	468,462	407,088	362,794	343,184	178,826
<b>Total governmental activities expenses</b>	<b>156,922,599</b>	<b>162,883,747</b>	<b>168,008,716</b>	<b>189,703,527</b>	<b>204,173,404</b>	<b>224,958,353</b>	<b>234,514,969</b>	<b>228,554,916</b>	<b>227,325,439</b>	<b>252,560,128</b>
<b>Business-type activities:</b>										
Food service	3,981,710	4,212,477	4,665,714	4,470,841	4,407,804	4,423,112	5,279,799	5,156,395	4,659,339	4,199,489
Other Non Major	237,165	305,275	430,995	519,929	615,910	589,960	50,074	54,133	62,696	2,699
<b>Total business-type activities expense</b>	<b>4,218,875</b>	<b>4,517,752</b>	<b>5,096,709</b>	<b>4,990,770</b>	<b>5,023,714</b>	<b>5,013,072</b>	<b>5,329,873</b>	<b>5,210,528</b>	<b>4,722,035</b>	<b>4,202,188</b>
<b>Total district expenses</b>	<b>\$ 161,141,474</b>	<b>\$ 167,401,499</b>	<b>\$ 173,105,425</b>	<b>\$ 194,694,297</b>	<b>\$ 209,197,118</b>	<b>\$ 229,971,425</b>	<b>\$ 239,844,842</b>	<b>\$ 233,765,444</b>	<b>\$ 232,047,474</b>	<b>\$ 256,762,316</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)				\$ 102,656	\$ 288,939	\$ 815,769	\$ 898,803	\$ 1,186,971	\$ 657,232	\$ 281,430
Support Services (tuition)						25,854				
Operating grants and contributions	\$ 26,592,025	\$ 29,870,023	\$ 29,398,684	46,092,373	56,755,615	73,262,312	80,069,596	70,283,999	63,415,271	88,926,996
Capital grants and contributions	1,587,105	-	-	1,238,641	649,771	64,385	11,808	45,848	12,050	27,508
<b>Total governmental activities program revenues</b>	<b>28,179,130</b>	<b>29,870,023</b>	<b>29,398,684</b>	<b>47,433,670</b>	<b>57,694,325</b>	<b>74,168,320</b>	<b>80,980,207</b>	<b>71,516,818</b>	<b>64,084,553</b>	<b>89,235,934</b>

**CLIFTON BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 1,660,615	\$ 1,673,337	\$ 1,531,120	\$ 1,451,309	\$ 1,369,840	\$ 1,104,839	\$ 1,731,902	\$ 1,657,046	\$ 1,146,413	\$ 389,270
Other Non Major	281,594	348,439	449,785	513,999	496,031	624,330	69,957	76,241	75,353	40,300
Operating grants and contributions	2,390,050	2,584,784	2,967,954	3,063,249	3,077,639	3,232,755	3,329,712	3,702,066	3,961,699	6,006,904
<b>Total business type activities program revenues</b>	<b>4,332,259</b>	<b>4,606,560</b>	<b>4,948,859</b>	<b>5,028,557</b>	<b>4,943,510</b>	<b>4,961,924</b>	<b>5,131,571</b>	<b>5,435,353</b>	<b>5,183,465</b>	<b>6,436,474</b>
<b>Total district program revenues</b>	<b>\$ 32,511,389</b>	<b>\$ 34,476,583</b>	<b>\$ 34,347,543</b>	<b>\$ 52,462,227</b>	<b>\$ 62,637,835</b>	<b>\$ 79,130,244</b>	<b>\$ 86,111,778</b>	<b>\$ 76,952,171</b>	<b>\$ 69,268,018</b>	<b>\$ 95,672,408</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (128,743,469)	\$ (133,013,724)	\$ (138,610,032)	\$ (142,269,857)	\$ (146,479,079)	\$ (150,790,033)	\$ (153,534,762)	\$ (157,038,098)	\$ (163,240,886)	\$ (163,324,194)
Business-type activities	113,384	88,808	(147,850)	37,787	(80,204)	(51,148)	(198,302)	224,825	461,430	2,234,286
<b>Total district-wide net expense</b>	<b>\$ (128,630,085)</b>	<b>\$ (132,924,916)</b>	<b>\$ (138,757,882)</b>	<b>\$ (142,232,070)</b>	<b>\$ (146,559,283)</b>	<b>\$ (150,841,181)</b>	<b>\$ (153,733,064)</b>	<b>\$ (156,813,273)</b>	<b>\$ (162,779,456)</b>	<b>\$ (161,089,908)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes general purposes and debt svc	\$ 119,728,264	\$ 121,630,815	\$ 123,583,481	\$ 125,879,099	\$ 128,336,184	\$ 130,853,039	\$ 133,421,953	\$ 134,081,082	\$ 135,235,060	\$ 135,228,660
State Aid restricted for debt service	181,134	178,050	174,797	170,304	145,357	140,439	39,634			
Unrestricted grants and contributions	17,005,219	17,777,000	18,131,549	18,620,492	18,410,326	18,258,504	21,391,163	21,170,590	25,716,578	28,448,145
Miscellaneous income	1,001,353	2,866,965	1,107,607	811,998	899,379	849,270	1,198,392	1,002,676	1,243,284	867,570
Other									(117,378)	
Transfers	3,962	-	-	32,836	-	-				(330,886)
<b>Total governmental activities</b>	<b>137,919,932</b>	<b>142,452,830</b>	<b>142,997,434</b>	<b>145,514,729</b>	<b>147,791,246</b>	<b>150,101,252</b>	<b>156,051,142</b>	<b>156,254,348</b>	<b>162,077,544</b>	<b>164,213,489</b>
Business-type activities:										
Investment earnings	1,312	916	1,532	265	819	1,586	1,423	359	2,515	2,031
Miscellaneous income						608	6,856			
Transfers	(3,962)	-	-	(32,836)	-	-	-	-	-	330,886
<b>Total business-type activities</b>	<b>(2,650)</b>	<b>916</b>	<b>1,532</b>	<b>(32,571)</b>	<b>819</b>	<b>2,194</b>	<b>8,279</b>	<b>359</b>	<b>2,515</b>	<b>332,917</b>
<b>Total district-wide</b>	<b>\$ 137,917,282</b>	<b>\$ 142,453,746</b>	<b>\$ 142,998,966</b>	<b>\$ 145,482,158</b>	<b>\$ 147,792,065</b>	<b>\$ 150,103,446</b>	<b>\$ 156,059,421</b>	<b>\$ 156,254,707</b>	<b>\$ 162,080,059</b>	<b>\$ 164,546,406</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 9,176,463	\$ 9,439,106	\$ 4,387,402	\$ 3,244,872	\$ 1,312,167	\$ (688,781)	\$ 2,516,380	\$ (783,750)	\$ (1,163,342)	\$ 889,295
Business-type activities	110,734	89,724	(146,318)	5,216	(79,385)	(48,954)	(190,023)	225,184	463,945	2,567,203
<b>Total district</b>	<b>\$ 9,287,197</b>	<b>\$ 9,528,830</b>	<b>\$ 4,241,084</b>	<b>\$ 3,250,088</b>	<b>\$ 1,232,782</b>	<b>\$ (737,735)</b>	<b>\$ 2,326,357</b>	<b>\$ (558,566)</b>	<b>\$ (699,397)</b>	<b>\$ 3,456,498</b>

**CLIFTON BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 8,453,827	\$ 14,334,020	\$ 15,581,419	\$ 11,271,321	\$ 9,591,847	\$ 10,546,809	\$ 11,949,279	\$ 13,187,663	\$ 9,941,211	\$ 10,801,235
Committed					579,811	1,516,704	2,647,302	871,427	1,320,851	
Assigned	3,062,633	3,102,293	1,616,132	1,337,218	2,007,667	2,059,547	2,822,895	2,495,483	3,722,667	989,069
Unassigned	(97,438)	(179,677)	(185,926)	(54,937)	130,380	(42,465)	(21,659)	(354,379)	(903,043)	2,650,799
<b>Total general fund</b>	<u>\$ 11,419,022</u>	<u>\$ 17,256,636</u>	<u>\$ 17,011,625</u>	<u>\$ 12,553,602</u>	<u>\$ 12,309,705</u>	<u>\$ 14,080,595</u>	<u>\$ 17,397,817</u>	<u>\$ 16,200,194</u>	<u>\$ 14,081,686</u>	<u>\$ 14,441,103</u>
All Other Governmental Funds										
Restricted	\$ 33,413	\$ 33,412	\$ 172,484	\$ 2,192,139	\$ 1,336,745	\$ 1,247,838	\$ 1,233,265	\$ 1,242,248	\$ 730,868	\$ (1,180,506)
Unassigned								(83,473)	(400,646)	(482,651)
<b>Total all other governmental funds</b>	<u>\$ 33,413</u>	<u>\$ 33,412</u>	<u>\$ 172,484</u>	<u>\$ 2,192,139</u>	<u>\$ 1,336,745</u>	<u>\$ 1,247,838</u>	<u>\$ 1,233,265</u>	<u>\$ 1,158,775</u>	<u>\$ 330,222</u>	<u>\$ (1,663,157)</u>

Note - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

**CLIFTON BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Property Taxes	\$ 119,728,264	\$ 121,630,815	\$ 123,583,481	\$ 125,879,099	\$ 128,336,184	\$ 130,853,039	\$ 133,421,953	\$ 134,081,082	\$ 135,235,060	\$ 135,228,660
Miscellaneous	1,010,802	2,873,405	1,124,621	921,572	1,192,615	1,695,401	2,126,227	2,206,601	1,931,516	1,276,335
State sources	35,518,121	41,057,622	39,819,119	44,096,324	45,671,252	47,712,871	53,505,419	62,142,207	71,032,354	81,146,091
Federal sources	9,837,913	6,761,011	7,868,897	7,391,717	9,650,682	10,584,685	11,351,861	11,157,982	7,610,073	12,232,136
<b>Total revenue</b>	<b>166,095,100</b>	<b>172,322,853</b>	<b>172,396,118</b>	<b>178,288,712</b>	<b>184,850,733</b>	<b>190,845,996</b>	<b>200,405,460</b>	<b>209,587,872</b>	<b>215,809,003</b>	<b>229,883,222</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	67,724,971	69,933,611	72,745,471	74,988,621	76,968,691	77,551,798	81,446,379	87,658,742	92,555,162	100,100,561
Special education instruction	22,033,373	23,890,871	24,539,059	25,551,110	26,806,166	27,327,856	29,069,721	30,677,004	29,998,600	31,866,819
Other instruction	8,693,757	8,788,560	8,965,936	9,406,688	9,116,052	10,087,233	10,429,285	11,451,925	11,276,467	11,358,753
School sponsored activities and athletics	1,751,843	1,673,254	2,192,473	2,290,985	2,414,588	2,318,994	2,436,770	2,493,956	2,534,978	2,563,982
<b>Support Services:</b>										
Student & inst. related services	19,710,518	20,547,144	21,423,515	22,427,983	26,001,348	28,618,389	30,410,449	32,830,192	33,719,310	38,601,689
Attendance and Social Work	434,011	-	-	-	-	-	-	-	-	-
Educational Media/School Library	2,506,105	2,835,144	2,760,715	2,710,258	2,743,656	2,078,947	1,986,245	2,128,837	2,289,737	2,426,198
General administration	2,668,180	2,768,775	2,741,718	2,682,265	2,724,793	2,778,505	3,037,088	3,389,544	2,921,661	3,332,558
School administrative services	7,690,891	8,413,140	8,895,512	9,034,587	8,924,624	8,935,097	9,540,657	9,897,720	10,967,179	11,215,256
Central services	2,419,204	2,532,172	2,661,285	2,639,475	2,720,326	2,571,932	2,786,392	3,024,164	3,394,709	3,575,873
Plant operations and maintenance	10,912,454	10,763,418	10,664,928	11,149,236	11,682,343	11,835,529	12,295,485	13,404,513	13,142,898	13,336,298
Pupil transportation	6,440,990	6,641,328	6,152,215	7,367,115	7,787,242	8,140,010	8,969,400	9,310,251	8,751,221	7,419,696
Capital outlay	3,436,175	4,215,591	6,036,565	6,814,736	4,887,157	3,920,632	2,676,962	3,843,809	7,294,076	4,618,888
<b>Debt service:</b>										
Refunding bond issuance costs	58,685	100,366	-	26,068	-	-	-	-	-	-
Advance Refunding Escrow	61,170	610,495	-	-	-	-	-	-	-	-
Principal	2,999,522	3,031,865	3,370,356	3,377,159	2,988,585	2,989,423	2,107,107	1,211,721	1,493,648	1,459,394
Interest and other charges	974,132	895,237	805,306	673,270	546,453	475,868	395,954	378,228	350,279	209,385
<b>Total expenditures</b>	<b>160,515,981</b>	<b>167,640,971</b>	<b>173,955,054</b>	<b>181,139,556</b>	<b>186,312,024</b>	<b>189,630,213</b>	<b>197,587,894</b>	<b>211,700,606</b>	<b>220,689,925</b>	<b>232,085,350</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>5,579,119</b>	<b>4,681,882</b>	<b>(1,558,936)</b>	<b>(2,850,844)</b>	<b>(1,461,291)</b>	<b>1,215,783</b>	<b>2,817,566</b>	<b>(2,112,734)</b>	<b>(4,880,922)</b>	<b>(2,202,128)</b>

**CLIFTON BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing										
Capital leases (non-budgeted)	\$ 436,632	\$ 444,870	\$ 1,452,997	\$ 353,572	\$ 362,000	\$ 466,200	\$ 485,083	\$ 840,621	\$ 1,254,791	\$ 899,052
Refunding Bond Proceeds	2,785,000	7,410,000	-	2,530,000						
Premium on Refunding Bonds	167,694	774,861	-							
Payment to refunded bond escrow agent	(2,812,000)	(7,474,000)	-	(2,503,932)						
Cancellation of Capital Leases									(9,029)	
Cancellation of SDA Grant Receivable									(108,349)	
Transfers in	49,824	-	445,000	3,539,489					2,776,414	1,815,305
Transfers out	(45,862)	-	(445,000)	(3,506,653)	-	-	-	-	(2,776,414)	(2,146,191)
<b>Total other financing sources (uses)</b>	<b>581,288</b>	<b>1,155,731</b>	<b>1,452,997</b>	<b>412,476</b>	<b>362,000</b>	<b>466,200</b>	<b>485,083</b>	<b>840,621</b>	<b>1,137,413</b>	<b>568,166</b>
<b>Net change in fund balances</b>	<b>\$ 6,160,407</b>	<b>\$ 5,837,613</b>	<b>\$ (105,939)</b>	<b>\$ (2,438,368)</b>	<b>\$ (1,099,291)</b>	<b>\$ 1,681,983</b>	<b>\$ 3,302,649</b>	<b>\$ (1,272,113)</b>	<b>\$ (3,743,509)</b>	<b>\$ (1,633,962)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.53%</b>	<b>2.40%</b>	<b>2.49%</b>	<b>2.32%</b>	<b>1.95%</b>	<b>1.87%</b>	<b>1.28%</b>	<b>0.76%</b>	<b>0.86%</b>	<b>0.73%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

**CLIFTON BOARD OF EDUCATION**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Book Fines</b>	<b>Rentals</b>	<b>Refund P/Y Expend</b>	<b>Cancellation PY Payables</b>	<b>Tuition</b>	<b>E-Rate Refund</b>	<b>Miscellaneous</b>	<b>Total</b>
2012	\$ 29,301	\$ 12,763	\$ 121,933	\$ 394,779			\$ 185,030	\$ 257,501	\$ 1,001,307
2013	27,646		161,916	114,802	\$ 2,184,520		215,206	162,875	2,866,965
2014	27,469	13,001	174,495	29,973	513,421		191,376	148,602	1,098,337
2015	29,134	8,723	160,789	186,372		\$ 102,656	197,792	225,437	910,903
2016	44,110	5,371	173,987	303,452		288,939	216,799	155,660	1,188,318
2017	74,070	4,952	154,755	239,162	126,021	841,623	183,020	67,290	1,690,893
2018	156,380	4,902	146,177	284,270	17,375	898,803	197,621	391,667	2,097,195
2019	326,514	2,495	120,646	110,607	67,597	1,186,971	99,169	272,302	2,186,301
2020	300,091	3,837	37,907	303,229		657,232	117,359	480,815	1,900,470
2021	61,000	625	-	465,991		281,430		339,954	1,149,000

CLIFTON BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2012	\$ 44,528,100	\$ 3,746,979,000		\$ 11,900	\$ 771,504,900	\$ 579,642,100	\$ 138,159,500	\$ 5,280,825,500	\$ 8,525,158	\$ 5,289,350,658	\$ 9,795,029,000	\$ 2.300
2013	40,759,600	3,746,259,000		304,000	796,276,600	586,032,700	138,258,000	5,307,889,900	8,385,316	5,316,275,216	9,449,850,579	2.325
2014	38,276,900	3,759,934,300		304,200	811,607,300	599,812,900	138,806,600	5,348,742,200	6,824,144	5,355,566,344	9,877,196,508	2.351
2015	39,415,500	3,772,378,500	\$ 292,100	12,100	813,665,200	577,381,000	139,836,800	5,342,981,200	7,174,308	5,350,155,508	9,558,441,489	2.399
2016	37,157,800	3,781,163,700	292,100	12,100	808,070,700	561,400,300	140,877,500	5,328,974,200	7,388,909	5,336,363,109	9,430,462,733	2.452
2017	46,004,000	3,791,752,300	292,100	12,400	802,569,600	511,371,100	140,441,800	5,292,443,300	7,199,176	5,299,642,476	9,642,113,780	2.518
2018	46,380,900	3,800,876,300	292,100	12,400	797,052,600	517,323,300	140,540,900	5,302,478,500	7,000,090	5,309,478,590	9,786,938,176	2.526
2019	46,461,400	3,810,314,200	298,500	12,400	797,672,900	519,843,500	141,043,800	5,315,646,700	6,840,163	5,322,486,863	10,110,595,494	2.541
2020	45,108,800	3,816,479,900	298,500	12,400	797,234,300	527,226,600	141,088,000	5,327,448,500	6,601,563	5,334,050,063	10,598,357,174	2.536
2021	40,506,800	3,815,691,000	298,500	12,100	793,797,400	542,783,000	140,730,600	5,333,819,400	6,695,022	5,340,514,422	10,764,538,147	2.532

106 Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

**CLIFTON BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

Overlapping Rates

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Municipality</u>	<u>County</u>	<u>Total Direct and Overlapping Tax Rate</u>
2012	\$ 2.300	\$ 1.429	\$ 1.174	\$ 4.903
2013	2.325	1.447	1.200	4.972
2014	2.351	1.463	1.292	5.106
2015	2.399	1.458	1.352	5.209
2016	2.452	1.486	1.322	5.260
2017	2.518	1.508	1.338	5.364
2018	2.526	1.546	1.351	5.423
2019	2.541	1.579	1.334	5.454
2020	2.536	1.614	1.343	5.493
2021	2.532	1.615	1.328	5.475

Source: County Abstract of Ratables



**CLIFTON BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2021	
	Taxable Assessed Value	% of Total District Net Assessed Value
201 Main Ave LLC	\$ 48,000,000	0.90%
Castleton Assoc. LLC	40,501,500	0.76%
GI TC 2 Peekay Drive LLC	37,000,000	0.69%
Clifton Commons, LLC	33,509,800	0.63%
Public Service	32,964,900	0.62%
PB Nutcliff Master LLC & PB Nutcliff Med LLC	26,863,600	0.50%
Clifton Lifestyle Ctr LLC	21,285,000	0.40%
Styertowne Shopping Center	19,696,500	0.37%
Exelis Inc	19,500,000	0.37%
Country Club Towers I & II LLC	16,003,100	0.30%
	<b>\$ 295,324,400</b>	<b>5.53%</b>

	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman La Roche	\$ 103,623,100	1.96%
Clifton Commons, LLC	40,841,100	0.77%
Castleton Assoc. LLC	40,501,500	0.77%
Public Service	31,678,500	0.60%
Country Club Towers I & II LLC	23,581,900	0.45%
Clifton Lifestyle Ctr LLC	21,682,500	0.41%
Exelis Inc	20,098,100	0.38%
Styertowne Shopping Center	19,663,600	0.37%
Clifpass Development	16,686,100	0.32%
Target Corp	15,659,400	0.30%
	<b>\$ 334,015,800</b>	<b>6.31%</b>

Source: Municipal Tax Assessor

**CLIFTON BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 119,728,264	\$ 119,728,264	100.00%	
2013	121,630,815	121,630,815	100.00%	
2014	123,583,481	123,583,481	100.00%	
2015	125,879,099	125,879,099	100.00%	
2016	128,336,184	128,336,184	100.00%	
2017	130,853,039	130,853,039	100.00%	
2018	133,421,953	133,421,953	100.00%	
2019	134,081,082	134,081,082	100.00%	
2020	135,235,060	135,235,060	100.00%	
2021	135,228,660	135,228,660	100.00%	

Source: District Records

**CLIFTON BOARD OF EDUCATION**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2012	\$ 19,591,000	\$ 809,147	\$ 20,400,147	84,750	\$ 241
2013	16,872,000	877,152	17,749,152	84,951	209
2014	14,122,000	1,709,793	15,831,793	85,190	186
2015	11,512,000	1,728,103	13,240,103	85,287	155
2016	9,217,000	1,396,518	10,613,518	85,229	125
2017	6,935,000	1,155,295	8,090,295	85,327	95
2018	5,535,000	933,271	6,468,271	85,314	76
2019	4,770,000	1,327,171	6,097,171	85,115	72
2020	3,985,000	1,873,314	5,858,314	85,025	69
2021	3,175,000	2,122,972	5,297,972	85,025 *	62

Source: District records

\* Estimate

**CLIFTON BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

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	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 19,591,000	\$ 33,413	\$ 19,557,587	0.37%	\$ 231
2013	16,872,000	33,412	16,838,588	0.32%	198
2014	14,122,000	44,170	14,077,830	0.26%	165
2015	11,512,000	90,567	11,421,433	0.21%	134
2016	9,217,000	60,970	9,156,030	0.17%	107
2017	6,935,000	14,573	6,920,427	0.13%	81
2018	5,535,000		5,535,000	0.10%	65
2019	4,770,000		4,770,000	0.09%	56
2020	3,985,000		3,985,000	0.07%	47
2021	3,175,000		3,175,000	0.06%	37

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**CLIFTON BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2020  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Board of Education	\$ 3,985,000	\$ 3,985,000	
City	<u>118,442,844</u>	<u>27,702,858</u>	\$ 90,739,986
	<u>\$ 122,427,844</u>	<u>\$ 31,687,858</u>	90,739,986
Overlapping Debt Apportioned to the Municipality:			
Passaic County:			
County of Passaic (A)			103,726,700
Passaic County Utilities Authority- Solid Waste (A)			8,846,607
Passaic Valley Sewerage Commission (B)			11,006,826
Passaic Valley Water Commission (C)			12,592,729
North Jersey District Water Supply Commission (B)			<u>915,228</u>
Total Direct and Overlapping Debt			<u>\$ 227,828,076</u>

Source:

(1) City's 2020 Annual Debt Statement

(A) The debt for this entity was apportioned to the City by dividing the municipality's 2020 equalized value by the total 2020 equalized value for Passaic County.

(B) The debt was computed based upon proportion of usage

(C) The debt was computed based upon ownership (Clifton - 14.29%, Paterson - 57.14%, Passaic - 28.57%)

**CLIFTON BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 406,618,635	\$ 389,117,194	\$ 381,860,555	\$ 378,780,883	\$ 379,515,425	\$ 378,186,394	\$ 380,672,815	\$ 388,952,960	\$ 404,835,649	\$ 417,841,607
Total net debt applicable to limit	<u>19,591,000</u>	<u>16,872,000</u>	<u>14,122,000</u>	<u>11,512,000</u>	<u>9,217,000</u>	<u>6,935,000</u>	<u>5,535,000</u>	<u>4,770,000</u>	<u>3,985,000</u>	<u>3,175,000</u>
Legal debt margin	<u>\$ 387,027,635</u>	<u>\$ 372,245,194</u>	<u>\$ 367,738,555</u>	<u>\$ 367,268,883</u>	<u>\$ 370,298,425</u>	<u>\$ 371,251,394</u>	<u>\$ 375,137,815</u>	<u>\$ 384,182,960</u>	<u>\$ 400,850,649</u>	<u>\$ 414,666,607</u>
13 Total net debt applicable to the limit as a percentage of debt limit	4.82%	4.34%	3.70%	3.04%	2.43%	1.83%	1.45%	1.23%	0.98%	0.76%

**Legal Debt Margin Calculation for Fiscal Year 2021**

	Equalized valuation basis
	2020 \$ 9,952,099,287
	2019 10,775,687,614
	2018 <u>10,610,333,599</u>
	<u>\$ 31,338,120,500</u>
Average equalized valuation of taxable property	\$ 10,446,040,167
Debt limit (4 % of average equalization value)	417,841,607
Total Net Debt Applicable to Limit	<u>3,175,000</u>
Legal debt margin	<u>\$ 414,666,607</u>

Source: Annual Debt Statements

**CLIFTON BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	84,750	\$ 42,806	10.1%
2013	84,951	43,395	8.8%
2014	85,190	45,765	6.9%
2015	85,287	47,110	5.8%
2016	85,229	47,726	5.0%
2017	85,327	48,204	4.7%
2018	85,314	50,071	4.2%
2019	85,115	52,129	3.5%
2020	85,025 *	N/A	11.2%
2021	85,025 *	N/A	N/A

Source: New Jersey State Department of Labor and Workforce Development

N/A - Not Available

\* Estimate

CLIFTON BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS,  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)

Employer	2021		2012	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE



**CLIFTON BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	665	682	693	703	705	702	705	708	710	711
Special education	131	143	150	152	160	167	172	177	179	191
Other special education	59	146	160	168	177	181	178	210	213	216
Other instruction	24	22	26	23	24	23	21	26	26	19
Support Services:										
Student & instruction related services	162	177	177	186	182	180	181	183	185	188
General administration	7	7	7	7	7	7	7	7	7	9
School administrative services	70	72	77	78	70	68	68	70	70	72
Central services	15	18	18	17	17	16	16	17	17	20
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	94	94	98	96	98	97	98	98	99	103
Pupil transportation	47	47	47	47	46	46	46	91	91	95
Other support services	72	24	24	24	24	24	24	24	24	22
Food Service	13	10	10	7	7	4	3	2	2	2
Total	<u>1,362</u>	<u>1,445</u>	<u>1,490</u>	<u>1,511</u>	<u>1,520</u>	<u>1,518</u>	<u>1,522</u>	<u>1,616</u>	<u>1,626</u>	<u>1,651</u>

Source: District Personnel Records

**CLIFTON BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio			Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School					
2012	10,936	\$ 152,986,297	\$ 13,989	1.97%	796	13.98	12.49	14.46	10,936	10,393	-0.04%	95.03%
2013	10,918	158,787,417	14,544	3.96%	825	13.40	12.11	13.88	10,918	10,344	-0.16%	94.74%
2014	10,854	163,742,827	15,086	3.73%	843	12.87	12.00	13.66	10,854	10,298	-0.59%	94.88%
2015	10,851	170,248,323	15,690	4.00%	855	12.85	10.90	12.00	10,391	9,856	-4.27%	94.85%
2016	10,867	177,889,829	16,370	4.33%	865	12.66	10.86	14.10	10,840	10,265	4.32%	94.70%
2017	10,891	182,244,290	16,733	2.22%	869	12.94	11.06	12.97	11,151	10,259	2.87%	92.00%
2018	10,693	192,407,871	17,994	7.53%	877	13.35	10.89	12.85	10,947	10,520	-1.83%	96.10%
2019	10,626	206,266,848	19,412	7.88%	885	14.01	10.18	12.34	10,966	10,645	0.17%	97.07%
2020	10,956	211,551,922	19,309	-0.53%	887	13.82	10.30	12.50	10,997	10,675	0.28%	97.07%
2021	10,954	225,797,683	20,613	6.75%	902	12.18	10.47	12.45	10,948	10,629	-0.45%	97.09%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

CLIFTON BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<b>Elementary</b>										
School No. 1 (1930)										
Square Feet	32,035	32,035	32,035	32,035	32,035	32,035	32,035	32,035	32,035	32,035
Capacity (students)	209	209	209	209	209	209	209	209	209	209
Enrollment	300	307	297	301	308	289	281	280	275	270
School No. 2 (1930)										
Square Feet	60,660	60,600	60,600	60,600	60,600	60,600	60,600	60,600	60,600	60,600
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment <sup>a</sup>	430	419	432	439	436	411	426	421	418	415
School No. 3 (1931)										
Square Feet	46,335	46,335	46,335	46,335	46,335	46,335	46,335	46,335	46,335	46,335
Capacity (students)	265	265	265	265	265	265	265	265	265	265
Enrollment	300	319	312	292	291	298	296	298	299	305
School No. 4 (1929)										
Square Feet	21,380	21,380	21,380	21,380	21,380	21,380	21,380	21,380	21,380	21,380
Capacity (students)	144	144	144	144	144	144	144	144	144	144
Enrollment	157	165	174	168	179	176	170	168	160	155
School No. 5 (1913)										
Square Feet	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645
Capacity (students)	313	313	313	313	313	313	313	313	313	313
Enrollment <sup>a</sup>	368	376	365	384	382	368	378	374	371	375
School No. 8 (1926)										
Square Feet	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830
Capacity (students)	193	193	193	193	193	193	193	193	193	193
Enrollment	220	232	226	217	220	233	227	223	220	220
School No. 9 (1924)										
Square Feet	52,225	52,225	52,225	52,225	52,225	52,225	52,225	52,225	52,225	52,225
Capacity (students)	297	297	297	297	297	297	297	297	297	297
Enrollment	333	342	345	325	315	325	335	339	338	339
School No. 11 (1905)										
Square Feet	56,946	56,946	56,946	56,946	56,946	56,946	56,946	56,946	56,946	56,946
Capacity (students)	353	353	353	353	353	353	353	353	353	353
Enrollment <sup>a</sup>	450	461	482	500	471	468	461	460	464	462
School No. 12 (1910)										
Square Feet	69,969	69,969	69,969	69,969	69,969	69,969	69,969	69,969	69,969	69,969
Capacity (students)	411	411	411	411	411	411	411	411	411	411
Enrollment	594	664	668	661	541	574	570	579	581	586

**CLIFTON BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building (Continued)</b>										
<b>Elementary (Continued)</b>										
School No. 13 (1928)										
Square Feet	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment <sup>a</sup>	463	440	475	462	480	499	484	484	481	476
School No. 14 (1953)										
Square Feet	47,915	47,915	47,915	47,915	47,915	47,915	47,915	47,915	47,915	47,915
Capacity (students)	267	267	267	267	267	267	267	267	267	267
Enrollment	346	339	332	348	373	399	416	421	406	402
School No. 15 (1921)										
Square Feet	29,860	29,860	29,860	29,860	29,860	29,860	29,860	29,860	29,860	29,860
Capacity (students)	210	210	210	210	210	210	210	210	210	210
Enrollment	347	361	362	364	363	351	344	341	338	344
School No. 16 (1957)										
Square Feet	37,695	37,695	37,695	37,695	37,695	37,695	37,695	37,695	37,695	37,695
Capacity (students)	257	257	257	257	257	257	257	257	257	257
Enrollment <sup>a</sup>	207	214	225	249	217	244	248	248	242	252
School No. 17 (2004)										
Square Feet	92,312	92,312	92,312	92,312	92,312	92,312	92,312	92,312	92,312	92,312
Capacity (students)	623	623	623	623	623	623	623	623	623	623
Enrollment	561	552	593	600	629	622	604	604	600	607
<b>Middle School</b>										
Christopher Columbus (1929)										
Square Feet	123,085	123,085	123,085	123,085	123,085	123,085	123,085	123,085	123,085	123,085
Capacity (students)	761	761	761	761	761	761	761	761	761	761
Enrollment	1,216	1,201	1,173	1,152	1,197	1,225	1,224	1,226	1,197	1,185
Woodrow Wilson (1955)										
Square Feet	143,409	143,409	143,409	143,409	143,409	143,409	143,409	143,409	143,409	143,409
Capacity (students)	919	919	919	919	919	919	919	919	919	919
Enrollment	1,346	1,295	1,263	1,218	1,205	1,187	1,194	1,198	1,179	1,171
<b>High School</b>										
Clifton High School (1962)										
Square Feet	348,241	348,241	348,241	348,241	348,241	348,241	348,241	348,241	348,241	348,241
Capacity (students)	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337
Enrollment	3,299	3,235	3,130	2,712	3,001	2,919	2,929	2,962	2,911	2,863

CLIFTON BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Other</u>										
Administration Building Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Clifton Early Learner Academy - CHS Annex-290 Brighton Road Square Feet	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment							225	225	282	292
Clifton Early Learner Academy - Allwood Road Square Feet					12,995	12,995	12,995	12,995	12,995	12,995
Capacity (students)					150	150	150	150	150	150
Enrollment					110	130	115	115	115	115
School No. 12 Annex Square Feet					11,000	11,000	11,000	11,000	11,000	11,000
Capacity (students)					150	150	150	150	150	150
Enrollment					120	120	120	121	120	120
Stadium Square Feet	503,118	503,118	503,118	503,118	503,118	503,118	503,118	503,118	503,118	503,118
Transportation Garage Square Feet	37,897	37,897	37,897	37,897	37,897	37,897	37,897	37,897	37,897	37,897
Number of Schools at June 30, 2021										
Preschool										2
Elementary										15
Middle School										2
Senior High School										1

Source: District Records

**CLIFTON BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
SCHOOL FACILITIES										
Board of Education Building	\$ 36,082	\$ 29,801	\$ 26,843	\$ 21,398	\$ 28,309	\$ 37,528	\$ 44,170	\$ 45,405	\$ 35,893	\$ 45,255
Clifton Stadium	12,088	4,845	6,283	1,420	12,655		15,555	9,203	63,075	63,075
Transportation	20,918	28,127	20,164	19,862	26,754	35,555	29,129	43,018	34,006	42,876
Clifton High School	246,740	258,469	222,711	199,160	240,603	326,721	368,996	390,736	254,448	335,927
Clifton High School Annex	40,656	51,734	52,144	37,077	49,418	65,674	77,298	139,716	110,447	139,254
Woodrow Wilson Middle School	90,294	106,304	103,273	97,673	106,352	134,547	142,740	165,822	129,741	163,304
Christopher Columbus Middle School	74,594	92,079	64,681	76,951	86,894	115,478	151,540	36,363	28,746	36,243
School No. 1	20,204	23,676	21,650	30,719	22,616	30,055	35,375	68,856	54,432	68,629
School No. 2	36,972	45,171	40,140	35,699	42,824	56,901	66,964	52,596	41,578	52,422
School No. 3	31,742	35,862	29,390	41,882	32,711	43,471	51,167	24,269	19,185	24,189
School No. 4	13,384	15,801	21,752	18,632	15,094	20,059	23,609	56,353	44,548	56,167
School No. 5	32,441	37,600	29,828	37,791	35,048	46,577	54,822	31,590	24,973	31,486
School No. 8	48,389	20,568	18,718	27,195	19,647	26,110	30,732	59,281	46,863	59,086
School No. 9	35,456	38,597	31,811	28,221	36,869	48,997	57,670	64,640	51,099	64,427
School No. 11	35,100	42,086	34,458	34,960	40,201	53,427	62,883	81,761	63,596	79,908
School No. 12	39,032	51,509	46,535	42,060	54,574	65,436	77,054	59,548	47,074	59,352
School No. 13	39,400	38,771	30,839	27,396	37,035	49,218	57,929	54,389	42,995	54,210
School No. 14	21,246	35,668	27,598	33,094	33,826	44,954	52,911	37,015	27,850	34,839
School No. 15	24,042	22,068	19,564	18,996	29,929	28,015	32,973	42,788	33,825	42,647
School No. 16	31,292	27,859	26,952	21,572	26,611	35,365	41,626	108,038	83,890	105,495
School No. 17	73,022	69,103	76,836	68,007	70,279	86,607	101,937	79,458	62,813	79,196
<b>GRAND TOTAL</b>	<b>\$ 1,003,094</b>	<b>\$ 1,075,698</b>	<b>\$ 952,170</b>	<b>\$ 919,765</b>	<b>\$ 1,048,249</b>	<b>\$ 1,350,695</b>	<b>\$ 1,577,080</b>	<b>\$ 1,650,845</b>	<b>\$ 1,301,077</b>	<b>\$ 1,637,987</b>

Source: District Records

**CLIFTON BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2021**

	<u>Coverage</u>	<u>Deductible</u>
Package Policy - American Alternative Insurance Company 7/1/2020-2021		
<u>Property and Casualty</u>		
Building & Contents Including Equipment Breakdown	\$ 272,585,772	\$ 5,000
Commercial General Liability	\$ 1,000,000	N/A
General Aggregate	\$ 3,000,000	
Boiler & Machinery Blanket Property Limit	\$ 100,000,000	\$ 1,000
Crime- Blanket Employee Dishonesty	\$ 500,000	\$ 5,000
Include Faithful Performance of Duty		
Forgery or Alteration	\$ 250,000	\$ 5,000
Theft of Money & Securities Inside the Premises	\$ 250,000	\$ 5,000
Inside the Premises Robbery & Safe Burglary	\$ 100,000	\$ 5,000
Outside the Premises	\$ 250,000	\$ 5,000
Computer Fraud & Fund Transfer Fraud	\$ 250,000	\$ 5,000
Money Orders	\$ 250,000	\$ 5,000
Fraudulent Impersonation	\$ 250,000	\$ 5,000
Earthquake- Each Occurrence/Annual Aggregate	\$ 5,000,000	\$ 100,000
Flood (Outside Zones A,V or B)Each Occ & Agg	\$ 5,000,000	\$ 50,000
(Zone B)	\$ 2,000,000	\$ 100,000
(Zone A or V)	\$ 1,000,000	\$ 500,000
Commercial Automobile	\$ 1,000,000	
Comprehensive & Collision		\$ 1,000
	Limit	Retention
<u>Commercial Umbrella- American Alternative Ins. Co.</u>	\$ 9,000,000	\$ 10,000
<u>Excess Liability- Fireman's Fund</u>	\$ 25,000,000	\$ 10,000
<u>Underlying Insurance \$10,000,000</u>		
	Limit	Deductible
<u>School Board Legal Liability E&amp;O - Greenwich Insurance Company</u>		
<u>Educators Legal</u>	\$ 1,000,000	\$ 25,000
<u>Employment Practices Liability</u>	\$ 1,000,000	\$ 75,000
<u>Public Official Bonds-Hartford Fidelity Bonding</u>		
Michael Ucci - 7/1/2020 - 6/30/2021	\$ 605,000	N/A
Eric Thomasevich - Assistant Business Adm	\$ 10,000	N/A
Victoria Rogers - Student Activity Fund Director 07/01/2020-06/30/2021	\$ 50,000	N/A
<u>Accidental Death &amp; Dismemberment - Gerber Life Insurance Co.</u>		
Principal Sum	\$ 100,000	N/A
Aggregate	\$ 500,000	N/A

**CLIFTON BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2021  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<i>Student Accident -</i>		
American Fidelity Insurance Company	\$ 25,000.00	\$0
United States Fire Insurance Company	\$ 5,000,000	\$25,000
<i>Cyber Coverage - Indian Harbor Insurance Co</i>		
Third Party Liability Coverage		
Combined Policy/Aggregate Limit	\$ 4,000,000	\$ 25,000
Media	\$ 2,000,000	\$ 25,000
Privacy & Cyber Security	\$ 2,000,000	\$ 25,000
Privacy & Regulatory Defense, Awards & Fines	\$ 2,000,000	\$ 25,000
First Party Coverages		
Business Interruption	\$ 1,000,000	10 hr waiting
Extra Expense Limit	\$ 1,000,000	\$ 25,000
Data Recovery	\$ 1,000,000	\$ 25,000
Cyber Extortion & Ransomware	\$ 1,000,000	\$ 25,000
Data Breach Response and Crisis Management Coverage	\$ 1,000,000	\$ 25,000



**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

**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**

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clifton Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Clifton Board of Education's basic financial statements and have issued our report thereon dated January 31, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clifton Board of Education's internal control over financial reporting (internal control) as a basis for designing 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 Clifton Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clifton 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.

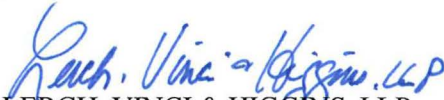
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clifton Board of Education's financial statements are free from 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 financial statements. 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Clifton Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 31, 2022.

### **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 Clifton Board of Education'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 Clifton Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 31, 2022





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Clifton Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Clifton Board of Education's major federal and state programs for the fiscal year ended June 30, 2021. The Clifton 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Clifton 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Clifton 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 Clifton Board of Education's compliance.

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

In our opinion, the Clifton 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 fiscal year ended June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The Clifton Board of Education's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Clifton Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Management of the Clifton 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 Clifton Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clifton Board of Education's internal control over compliance.

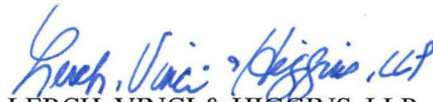
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


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

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

**Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clifton Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 31, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic 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 basic 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 31, 2022

CLIFTON BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Number	Grant Period	Award Amount	Balance, July 1, 2020	A/R Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2021			MEMO GAAP Receivable
											(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>General Fund</b>														
U.S. Department of Health & Human Services- Passed-Through State Dept. of Education														
FFCRA-Special Education Medicaid Initiative	93.778	2005NJ5MAP	N/A	1/1/20-12/31/20	\$ 36,111	-	-	-	\$ 36,111	\$ 36,111	-	-	-	-
Special Education Medicaid Initiative	93.778	2005NJ5MAP	N/A	7/1/20-6/30/21	380,381	-	-	-	380,381	380,381	-	-	-	-
<b>Total General Fund</b>						-	-	-	416,492	416,492	-	-	-	-
U.S. Department of Agriculture Passed-Through State Dept. of Education														
Food Distribution Program - Non Cash Assistance	10.555	211NJ304N1095	N/A	7/1/20-6/30/21	306,537				306,537	295,945		\$ 10,592		
Food Distribution Program - Non Cash Assistance	10.555	201NJ304N1095	N/A	7/1/19-6/30/20	343,800	\$ 11,686				11,686				
Seamless Summer Food Service Program	10.559	201NJ304N1095	N/A	7/1/19-6/30/20	1,226,715	(412,543)			412,543					
Seamless Summer Food Service Program	10.559	201NJ304N1095	N/A	7/1/20-6/30/21	5,699,273	-	-	-	5,002,840	5,699,273	\$ (696,433)	-	-	\$ (696,433)
<b>Total Child Nutrition Cluster</b>						(400,857)	-	-	5,721,920	6,006,904	(696,433)	10,592	-	(696,433)
<b>Total Enterprise Funds</b>						(400,857)	-	-	5,721,920	6,006,904	(696,433)	10,592	-	(696,433)
U.S. Department of Education Passed-Through State Dept. of Education														
I.D.E.A. Part B, Basic	84.027	H027A190100	FT-1100-19	7/1/19-9/30/20	2,636,168	(364,178)	\$ 601,985	\$ (601,985)	364,178					
I.D.E.A. Part B, Basic	84.027	H027A200100	FT-1100-20	7/1/20-9/30/21	2,832,847		(601,985)	601,985	2,009,441	2,919,349	(1,425,391)	515,483		(909,908)
I.D.E.A. Part B, Preschool	84.173	H173A190114	PS-1100-19	7/1/19-9/30/20	86,603		44,787	(44,787)						
I.D.E.A. Part B, Preschool	84.173	H173A200114	PS-1100-20	7/1/20-9/30/21	87,369		(44,787)	44,787	92,494	92,494	(39,662)	39,662		-
<b>Total Special Education Cluster (IDEA)</b>										3,011,843				
Twenty-First Century	84.287C	S287C190030	N/A	9/1/19-8/31/20	499,994	(162,800)			279,786	116,986				-
Twenty-First Century	84.287C	S287C200030	N/A	9/1/20-8/31/21	499,994				149,438	295,013	(350,556)	204,981		(145,575)
<b>Total Twenty-First Century Cluster</b>										411,999				
ESEA Title III	84.365A	S365A190030	ESEA-310900	7/1/19-9/30/20	137,798	5,625	8,883	(14,508)						-
ESEA Title III	84.365A	S365A200030	ESEA-310900	7/1/20-9/30/21	120,444		(8,883)	14,508	13,424	45,492	(115,903)	89,460		(26,443)
ESEA Title III - Immigrant	84.365A	S365A190030	ESEA-310900	7/1/19-9/30/20	8,780	(6,740)			6,740	-				-
<b>Total English Language Acquisition Cluster (Title III)</b>										45,492				
ESEA Title I	84.010A	S010A190030	ESEA-310900	7/1/19-9/30/20	3,104,109	(1,434,469)	132,650	(132,650)	1,434,469					-
ESEA Title I - SIA	84.010A	S010A190030	ESEA-310900	7/1/19-9/30/20	5,200		10,100	(10,100)						-
ESEA Title I Reallocated	84.010A	S010A190030	ESEA-310900	7/1/19-9/30/20	42,688	30,415						30,415		-
ESEA Title I Reallocated	84.010A	S010A200030	ESEA-310900	7/1/20-9/30/21	56,422						(56,422)	56,422		-
ESEA Title I	84.010A	S010A200030	ESEA-310900	7/1/20-9/30/21	3,161,467		(132,650)	132,650	850,514	3,063,848	(2,443,603)	230,269		(2,213,334)
ESEA Title I - SIA	84.010A	S010A200030	ESEA-310900	7/1/20-9/30/21	11,200		(10,100)	10,100		-	(21,300)	21,300		-
<b>Total Title I Part A Grants Cluster</b>										3,063,848				
ESEA Title II, Part A	84.367A	S367A190029	ESEA-310900	7/1/19-9/30/20	477,344	(283,514)	223,773	(223,773)	283,514					-
ESEA Title II, Part A	84.367A	S367A200029	ESEA-310900	7/1/20-9/30/21	425,221		(223,773)	223,773	127,757	503,897	(521,237)	145,097		(376,140)
ESEA Title IV	84.424	S424A190031	ESEA-310900	7/1/19-9/30/20	194,731	(70,513)	190,416	(190,416)	70,513					-
ESEA Title IV	84.424	S424A200031	ESEA-310900	7/1/20-9/30/21	230,145		(190,416)	190,416	42,151	139,989	(378,410)	280,572		(97,838)
Preschool Expansion Aid	84.419B	S419B170020	N/A	7/1/17-6/30/18	3,428,547	23,952						\$ 23,952		
Climate Grant	84.184G	S184G190078	N/A	10/1/19-9/30/20	385,172	(44,952)	237,449	(237,449)	147,723	102,771				-
Climate Grant	84.184G	S184G200078	N/A	10/1/20-9/30/21	378,709		(237,449)	237,449		429,026	(616,158)	187,132		(429,026)
										531,797				

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**CLIFTON BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Number	Grant Period	Award Amount	Balance, July 1, 2020	A/R Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2021			MEMO GAAP Receivable
											(Accounts Receivable)	Unearned Revenue	Due to Grantor	
Elementary and Secondary School Emergency Relief (ESSER) Coronavirus Aid, Relief, and Economic Security (CARES) Act														
CARES Emergency Relief Act	84.425D	5425D20027	N/A	3/13/20-9/30/22	\$ 2,790,740	\$ (232,638)		\$ 1,884,800	\$ 2,343,334	\$ (905,940)	\$ 214,768		\$ (691,172)	
NonPublic Digital Divide	84.425D	5425D20027	N/A	7/16/20-10/31/20	29,956			29,956	29,956	-	-			
Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act														
ESSER II	84.425D	5425D20027	N/A	3/13/20-9/30/23	10,249,428				2,476,601	(10,249,428)	7,772,827		(2,476,601)	
Learning Acceleration	84.425D	5425D20027	N/A	3/13/20-9/30/23	657,756					(657,756)	657,756		-	
Mental Health	84.425D	5425D20027	N/A	3/13/20-9/30/23	56,455						56,455		-	
									4,849,891					
Coronavirus Relief Fund (CRF)	21.019			7/16/20-10/31/20	1,022,655			1,022,655	1,022,655	-	-			
Carl D. Perkins	84.048	V048A180030	PERK219020	7/1/20-6/30/21	14,010				3,799	(14,010)	10,211		(3,799)	
Carl D. Perkins	84.048	V048A180030	PERK219020	7/1/19-6/30/20	11,497	\$ (6,542)	-	-	6,542	-	-		-	
<b>Total Special Revenue Fund</b>						<u>(2,546,354)</u>	<u>-</u>	<u>-</u>	<u>8,816,095</u>	<u>13,585,210</u>	<u>(17,852,231)</u>	<u>10,512,810</u>	<u>\$ 23,952</u>	<u>(7,369,836)</u>
<b>Total</b>						<u>\$ (2,947,211)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,954,507</u>	<u>\$ 20,008,606</u>	<u>\$ (18,548,664)</u>	<u>\$ 10,523,402</u>	<u>\$ 23,952</u>	<u>\$ (8,066,269)</u>

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance



CLIFTON BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2021			Memo Only		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>																	
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 26,203,933	\$ (2,519,771)			\$ 2,519,771									\$ -	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	28,681,409				25,928,374	\$ 28,681,409		\$ (2,753,035)						28,681,409	
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	7,350,637	(706,838)			706,838									-	
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	7,350,637				6,645,073	7,350,637		(705,564)						7,350,637	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	3,571,640	(343,449)			343,449									-	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	3,571,640				3,228,810	3,571,640		(342,830)						3,571,640	
<b>Total State Aid Public Cluster</b>								<u>39,603,686</u>								<u>39,603,686</u>	
<b>Transportation Aid</b>																	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	3,020,309				2,730,399	3,020,309		(289,910)						3,020,309	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	3,020,309	(290,433)			290,433									-	
Non-Public Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	5,318	(5,318)			5,318									-	
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	227,070					227,070		(227,070)				\$ (227,070)		227,070	
<b>Total Transportation Aid Cluster</b>								<u>3,247,379</u>								<u>3,247,379</u>	
<b>Extraordinary Aid</b>																	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	719,523	(654,015)			719,523	65,508								65,508	
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	2,249,661					2,249,661		(2,249,661)						2,249,661	
								<u>2,315,169</u>								<u>2,315,169</u>	
<b>TPAF Pension and Annuity Aid-</b>																	
<b>Normal</b>																	
Normal	21-495-034-5094-002	7/1/20-6/30/21	20,317,625				20,317,625	20,317,625								20,317,625	
NCGI	21-495-034-5094-004	7/1/20-6/30/21	386,570				386,570	386,570								386,570	
Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	14,778				14,778	14,778								14,778	
Post Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	6,488,372				6,488,372	6,488,372								6,488,372	
TPAF Social Security Aid	20-495-034-5094-003	7/1/19-6/30/20	5,513,654	(554,036)			554,036									-	
TPAF Social Security Aid	21-495-034-5094-003	7/1/20-6/30/21	5,538,098				5,257,676	5,538,098		(280,422)				(280,422)		5,538,098	
<b>Total General Fund</b>				<u>(5,073,860)</u>				<u>76,137,045</u>	<u>77,911,677</u>				<u>(6,848,492)</u>			<u>(307,492)</u>	<u>77,911,677</u>
<b>Preschool Education Aid (PEA)</b>																	
Preschool Education Aid (PEA)	20-495-034-5120-086	7/1/19-6/30/20	4,006,463	(400,646)	\$ 37,013		400,646						\$ 37,013			-	
Preschool Education Expansion Aid (PEEA)	21-495-034-5120-086	7/1/20-6/30/21	4,826,510				4,343,859	6,592,959		\$ 1,769,305			(482,651)	2,856		4,823,654	
<b>New Jersey Nonpublic Aid</b>																	
<b>Auxiliary Services</b>																	
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	148,490				148,490	78,286						\$ 70,204		78,286	
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	226,322	(22,631)	\$ 112,823		22,631		\$ 112,823							-	
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	2,042				2,042	2,042								2,042	
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	16,545	(1,655)		14,772	1,655		14,772							-	
Transportation	21-100-034-5120-067	7/1/20-6/30/21	-				-									-	
Transportation	20-100-034-5120-067	7/1/19-6/30/20	23,531	(2,353)		23,531	2,353									-	
<b>Total Nonpublic Auxiliary Services Aid Cluster (Chapter 192)</b>								<u>80,328</u>								<u>80,328</u>	
<b>Handicapped Services</b>																	
Examination and Classification	19-100-034-5120-066	7/1/20-6/30/21	15,991				15,991	5,895								5,895	
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	107,399	(10,739)		103,809	10,739		103,809							-	
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	27,160				27,160	14,914								14,914	
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	52,861	(5,285)		40,145	5,285		40,145							-	
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	22,504				22,504	2,949								2,949	
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	84,995	(8,501)		75,948	8,501		75,948							-	
<b>Total Nonpublic Handicapped Services Aid Cluster (Chapter 193)</b>								<u>23,758</u>								<u>23,758</u>	
<b>Textbook Aid</b>																	
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	42,337				42,337	37,009								37,009	
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	36,581			2,187			2,187							-	
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	69,064													-	
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	71,400				71,400	71,400								71,400	
Technology	20-100-034-5120-373	7/1/19-6/30/20	24,984			348			348							-	
Security Aid	21-100-034-5120-509	7/1/20-6/30/21	123,550				123,550	106,764								106,764	
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	107,850			15,103			15,103							-	
<b>Total Special Revenue Fund</b>				<u>(451,810)</u>	<u>37,013</u>	<u>388,666</u>		<u>5,249,143</u>	<u>6,912,218</u>	<u>388,666</u>	<u>1,769,305</u>		<u>(482,651)</u>	<u>39,869</u>	<u>134,215</u>	<u>5,142,913</u>	

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

CLIFTON BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2021			Memo Only	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Agriculture National School Lunch Pgm.(State Share)	20-100-010-3350-023	7/1/19-6/30/20	\$ 52,587	\$ (13,581)	-	-	-	\$ 13,581	-	-	-	-	-	-	-	-
<b>Total Enterprise Funds</b>				(13,581)	-	-	-	13,581	-	-	-	-	-	-	-	-
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				\$ (5,539,251)	\$ 37,013	\$ 388,666	\$ -	\$ 81,399,769	\$ 84,823,895	\$ 388,666	\$ 1,769,305	\$ (7,331,143)	\$ 39,869	\$ 134,215	\$ (507,492)	\$ 83,054,590
<b>Less On-Behalf TPAF Pension and Annuity Aid</b>																
Normal	21-495-034-5094-002	7/1/20-6/30/21	20,317.625						20,317.625							
NCGI	21-495-034-5094-004	7/1/20-6/30/21	386.570						386.570							
Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	14,778						14,778							
Post Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	6,488.372						6,488.372							
<b>Total State Financial Assistance Subject to Major Program Determination</b>									\$ 57,616,550							

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Clifton Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$1,826,494 for the general fund and a decrease of \$1,851,571 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 416,492	\$ 76,085,183	\$ 76,501,675
Special Revenue Fund	11,815,644	5,060,908	16,876,552
Food Service Fund	<u>6,006,904</u>	<u>-</u>	<u>6,006,904</u>
Total Financial Assistance	<u>\$ 18,239,040</u>	<u>\$ 81,146,091</u>	<u>\$ 99,385,131</u>

**CLIFTON BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$5,538,098 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$20,704,195, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$6,488,372 and TPAF Long-Term Disability Insurance in the amount of \$14,778 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CLIFTON BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u>  X  </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u>  X  </u> no

**Federal Awards Section**

Type of auditor's report on compliance for major programs:	<u>Unmodified</u>
Internal Control over compliance:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u>  X  </u> none reported
Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance?	_____ yes <u>  X  </u> none reported
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>  X  </u> yes      _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A200100</u>	<u>I.D.E.A. Part B, Basic</u>
<u>84.173</u>	<u>H173A200114</u>	<u>I.D.E.A. Part B, Preschool</u>
<u>10.555, 10.559</u>	<u>201NJ304N1099</u>	<u>Seemless Summer Food Service Program Elementary and Secondary Emergency Relief (ESSER) (ESSERII) and Coronavirus Aid, Relief and Economy Security (CARES) Act</u>
<u>84.425D</u>	<u>5425D20027</u>	<u>Seemless Summer Food Service Program Elementary and Secondary Emergency Relief (ESSER) (ESSERII) and Coronavirus Aid, Relief and Economy Security (CARES) Act</u>
<u>21.019</u>	<u>N/A</u>	<u>Coronavirus Relief Funds (CRF)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____



**CLIFTON BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with paragraph 5-18 through 5.20 of *Government Auditing Standards*.

There are none.

**CLIFTON BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none

**CURRENT YEAR STATE AWARDS**

**Finding 2021-001**

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.

**Information on the State Program**

Extraordinary Aid                      21-495-034-5120-044

**Criteria or Specific Requirement**

NJ Department of Education – Grant Compliance Supplement

**Condition**

See Finding 2021-001

**Questioned Costs**

Unknown.

**Context**

Certain costs reported for salaries and benefits of aides, did not agree to supporting documentation provided for audit. The District used estimated costs when preparing the application. It appears the net effect is an underclaim of eligible costs.

**Effect**

Costs reported on the Extraordinary Aid application may not accurately reflect the costs related to each student.

**Recommendation**

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

**Views of Responsible Officials and Planned Corrective Action**

Management has reviewed the finding and has indicated it will implement procedures to ensure corrective action is taken.



CLIFTON BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**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.

**Current Status:**

See Finding 2021-001.