

**CLIFTON BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

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

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INDEPENDENT AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Clifton Board of Education as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated January 31, 2022.

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

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

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

Gary J. Vinci
Certified Public Accountant
Public School Accountant

Fair Lawn, New Jersey
January 31, 2022

**CLIFTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule (Exhibit J-20), contained in the District's CAFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Michael Ucci	Board Secretary/School Business Administrator	\$605,000
Eric Thomasevich	Assistant Board Secretary/ School Business Administrator	\$10,000

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

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

**CLIFTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

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

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

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

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

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

Reserve for Encumbrances and Accounts Payable

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

Travel

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

Classification of Expenditures

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

**CLIFTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

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

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

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

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

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

The pre-numbered contractual order system was followed.

Finding 2021-1 – Our audit of payments made subsequent to June 30, 2021 revealed unrecorded liabilities in the Capital Projects Fund in the amount of \$1,732,343. An audit adjustment was made to record this amount.

Recommendation – Procedures be enhanced at year-end to ensure all liabilities are recorded in the District's accounting records at June 30.

Chief School Administrator's Records

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

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

All cash receipts were promptly deposited.

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

Unemployment Compensation Insurance Trust Fund

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

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

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

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

**CLIFTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

I.D.E.A., Part B

Separate accounting records were maintained for each approved project.

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

Other Special Federal and/or State Projects

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

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

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

Finding 2021- 2 (CAFR 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.

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

T.P.A.F. Reimbursements

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

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

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

Nonpublic State Aid

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$21,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,600. The Board did not have a Qualified Purchasing Agent; therefore the District's bid threshold is \$32,000.

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

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

**CLIFTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

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

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

Finding 2021-3 – Our audit noted the following with regards to compliance with the Public School Contracts Law:

- There were four instances where a Business Registration Certificate was not on file.
- There was one instance where a Political Contribution Disclosure Form was not on file.
- There was one instance where the District was unable to provide multiple quotes.
- There was one instance where aggregate purchases for a vendor exceeded \$44,000 for which it does not appear bids were obtained.

Recommendation – Continued efforts be made over purchasing to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law and State procurement regulations.

Food Service Fund

Public Health Emergency

In accordance with the Governor’s Declaration of Emergency pertaining to the public health emergency all Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to eligible students during the period of school closures.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFA’s) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The school food service program was selected as a major federal program.

**CLIFTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Food Service Fund (Continued)

Public Health Emergency (Continued)

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

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed. The FSMC contract includes operating results provisions which guarantees that the food service program will break even. The operating results provision has been met.

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

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

The FSMC did not apply for and did not receive a loan in accordance with the Payroll Protection Plan and therefore did not use such funds to pay for costs applicable to the Food Service Programs.

Net cash resources did exceed three months average expenditures.

Applications for free and reduced price meals were reviewed for completeness and accuracy as part of our audit of the Application for State School Aid (ASSA). The number of meals claimed was compared to the number of meals served. Sites approved to participate in Provisions I and II were examined for compliance with all counting requirements. The required verification procedures for free and reduced priced applications was not required for the 2020/2021 school year.

U.S.D.A. commodities were received and a separate inventory were maintained on a first-in, first-out basis.

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

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

Student Activity/Athletic Accounts

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

Cash reports and cash disbursements were maintained in satisfactory condition.

**CLIFTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, related services and bilingual education. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with immaterial exceptions. The information that was included on the workpapers was verified with isolated exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2020/21 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exception. The information that was included in the district workpapers was verified with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

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

Testing for Lead of all Drinking Water in Education Facilities

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

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

Follow-Up on Prior Year Finding

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

Corrective action was taken on all prior year findings with the exception of finding 2020-1.

Suggestions to Management

Scholarship award payments should be approved by Board resolution.

**CLIFTON BOARD OF EDUCATION
 FOOD SERVICE ENTERPRISE FUND
 SCHEDULE OF MEAL COUNT ACTIVITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Under (Over) Claim</u>
National School Lunch	SSO	<u>859,358</u>	<u>219,096</u>	<u>219,096</u>	<u>-</u>	\$ 3.60	<u>-</u>
	Total Lunch	<u>859,358</u>	<u>219,096</u>	<u>219,096</u>	<u>-</u>		<u>-</u>
School Breakfast	SSO	<u>859,358</u>	<u>219,096</u>	<u>219,096</u>	<u>-</u>	\$ 2.26	<u>-</u>
	Total Breakfast	<u>859,358</u>	<u>219,096</u>	<u>219,096</u>	<u>-</u>		<u>-</u>
		<u><u>1,718,716</u></u>	<u><u>438,192</u></u>	<u><u>438,192</u></u>	<u><u>-</u></u>		<u><u>\$ -</u></u>

**CLIFTON BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Current Assets	
Cash and Cash Equivalents	\$ 1,614,098
Due from Other Governments	696,433
Accounts Receivable	566,837
Current Liabilities	<u>(137,809)</u>
Net Cash Resources	<u>\$ 2,739,559</u>
 <u>Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 4,199,489
Less Depreciation	<u>(64,125)</u>
Adjusted Total Operating Expense	<u>\$ 4,135,364</u>
 <u>Average Monthly Operating Expense:</u>	 <u>\$ 413,536</u>
 <u>Three Times Monthly Average:</u>	 <u>\$ 1,240,609</u>
Total Net Cash Resources	\$ 2,739,559
Three Times Monthly Average	<u>1,240,609</u>
Excess(Deficit) Cash Resources	<u>\$ 1,498,950</u>

**CLIFTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	2021-2022 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day Preschool 3 Years Old																			
Half Day Preschool 4 Years Old																			
Full Day Preschool 3 Years Old	45		45				8		8										
Full Day Preschool 4 Years Old	293		293				205		205										
Half Day Kindergarten																			
Full Day Kindergarten	596		596				34		34										
Grade 1	670		670				46		46										
Grade 2	661		661				44		44										
Grade 3	672		672				58		58										
Grade 4	653		653				40		40										
Grade 5	644		644				59		59										
Grade 6	625		625				287		287										
Grade 7	694		694				371		371										
Grade 8	714		714				370		370										
Grade 9	630		630				630		630										
Grade 10	562		562				562		562										
Grade 11	607		607				607		607										
Grade 12	625		625				625		625										
Subtotal	8,691	-	8,691	-	-	-	3,946	-	3,946	-	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	838		838		-	-	65		65		-	-	35	35	-	18	14	14	-
Sp Ed - Middle School	415		415		-	-	223		223		-	-	17	17	-	21	16	16	-
Sp Ed - High School	465		465		-	-	465		465		-	-	18	18	-	47	35	34	1
Subtotal	1,718	-	1,718	-	-	-	753	-	753	-	-	-	70	70	-	86	65	64	1
Totals	10,409	-	10,409	-	-	-	4,699	-	4,699	-	-	-	70	70	-	86	65	64	1
Percentage Error					0.00%	0.00%					0.00%	0.00%			0.00%				1.16%

CLIFTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old												
Half Day Preschool 4 Years Old												
Full Day Preschool 3 Years Old												
Full Day Preschool 4 Years Old												
Half Day Kindergarten												
Full Day Kindergarten	370	370	-	5	2	3	41	41		5	5	-
Grade 1	389	389	-	5	4	1	41	41		6	5	1
Grade 2	405	404	1	5	5	-	35	35		6	5	1
Grade 3	388	386	2	5	5	-	46	46		7	6	1
Grade 4	397	396	1	4	4	-	43	43		5	5	-
Grade 5	379	379	-	5	3	2	22	22		3	3	-
Grade 6	355	353	2	5	5	-	16	16		3	3	-
Grade 7	406	406	-	5	5	-	25	25		5	5	-
Grade 8	385	385	-	5	5	-	28	28		3	3	-
Grade 9	356	355	1	4	4	-	18	18		4	4	-
Grade 10	320	320	-	4	2	2	27	27		5	2	3
Grade 11	347	348	(1)	4	4	-	36	36		4	4	-
Grade 12	326	326	-	4	4	-	21	21	-	3	3	-
Subtotal	4,823	4,817	6	60	52	8	399	399	-	59	53	6
Sp Ed - Elementary	596	594	2	6	5	1	20	20	-	2	1	1
Sp Ed - Middle School	294	293	1	3	3	-	11	11		1	1	-
Sp Ed - High School	305	305	-	3	3	-	3	3		1	1	-
Subtotal	1,195	1,192	3	12	11	1	34	34	0.0%	4	3	1
Subtotal	-	-	-	-	-	-						
Totals	6,018	6,009	9	72	63	9	433	433	-	63	56	7
Percentage Error			<u>0.15%</u>			<u>12.50%</u>			<u>0.00%</u>			<u>11.11%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	2,134	2,134	-	41	41	-
Transported - Non Public	-	-	-	-	-	-
ALL Non-Public	783	783	-	20	18	2
Regular - Special Ed	217	217	-	3	3	-
Special Needs	280	280	-	7	5	2
Totals	3,414	3,414	-	71	67	4

Percentage Error 0.00% 5.63%

**CLIFTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	20	20		6	6	
Grade 1	17	17		4	4	
Grade 2	11	11		4	4	
Grade 3	13	13		4	4	
Grade 4	12	12		6	6	
Grade 5	10	10		1	1	
Grade 6	6	6		3	3	
Grade 7	12	12		2	2	
Grade 8	5	5		2	2	
Grade 9	9	8	1	3	3	
Grade 10	15	15	-	4	4	
Grade 11	10	10	-	6	6	
Grade 12	17	18	(1)	2	2	
Subtotal	157	157	-	47	47	-
Sp Ed - Elementary	4	4		1	1	-
Sp Ed - Middle School	-	-		-	-	-
Sp Ed - High School	1	1		1	1	-
Subtotal	5	5	-	2	2	-
Totals	162	162	-	49	49	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**CLIFTON BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2020-2021 Total General Fund Expenditures per the CAFR	\$ 210,330,887
Increased by:	
Transfers to Special Revenue Fund	1,815,305
Decreased by:	
On-Behalf TPAF Pension & Social Security	32,745,443
Assets Acquired Under Capital Leases	<u>899,052</u>
Adjusted 2020-2021 General Fund Expenditures	<u>178,501,697</u>
4% of Adjusted 2020-2021 General Fund Expenditures	7,140,068
Increased by: Allowable Adjustment	<u>1,851,731</u>
Maximum Unassigned Fund Balance	<u>\$ 8,991,799</u>
Total General Fund - Fund Balance at June 30, 2021 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 20,782,103
Decreased by:	
Year End Encumbrances	952,958
Excess Surplus - Designated for Subsequent Year's Expenditures	1,800,000
Other Restricted Fund Balance	<u>9,037,346</u>
Total Unassigned Fund Balance	<u>\$ 8,991,799</u>
Restricted Fund Balance - Excess Surplus	<u>\$ 0</u>
<u>Recapitulation of Excess Surplus as of June 30, 2021</u>	
Excess Surplus- Designated for Subsequent Year's Expenditures	\$ 1,800,000
Excess Surplus	<u>0</u>
Total Excess Surplus	<u>\$ 1,800,000</u>
<u>Detail of Allowable Adjustments</u>	
Additional Nonpublic School Transportation Aid	\$ 227,070
Extraordinary Aid	<u>1,624,661</u>
Total Adjustment	<u>\$ 1,851,731</u>
<u>Detail of Other Restricted Fund Balance</u>	
Capital Reserve	\$ 8,020,302
Maintenance Reserve	774,859
Unemployment Compensation Reserve	206,074
FFCRA/SEMI	<u>36,111</u>
Total Other Restricted Fund Balance	<u>\$ 9,037,346</u>

**CLIFTON BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Procedures be enhanced at year-end to ensure all liabilities are recorded in the District's accounting records at June 30.

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

III. School Purchasing Program

It is recommended that:

3. Continued efforts be made over purchasing to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law and State procurement regulations.

IV. Food Service Fund

There are none.

V. Student Activity/Athletic Accounts

There are none

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

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

ACKNOWLEDGEMENT

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