

CLIFTON
Public Schools

CLIFTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



A Community of Learners

CLIFTON, NEW JERSEY

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Clifton Board of Education

Clifton, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

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INTRODUCTORY SECTION

CLIFTON BOARD OF EDUCATION
745 CLIFTON AVE., P.O. BOX 2209, CLIFTON, NJ 07015-2209
(973) 470 - 2288 • FAX (973) 773 - 8357

January 27, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Clifton Board of Education for the fiscal year ended June 30, 2022 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 Board of Education. All disclosures necessary to enable the reader to gain an understanding of the Clifton Board of Education's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Clifton Board of Education'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 Board of Education 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 Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. 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 Board of Education 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 Board of Education completed the 2021-2022 fiscal year with an average daily enrollment of 11,106 for in-district students. The district also had 123 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 Board of Education 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 Board of Education.

3. **MAJOR INITIATIVES:** The Clifton Board of Education accomplished several initiatives during the 2021-2022 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 FOUNDATIONS, 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) Initial phase to begin the Clifton High School Tennis Court and Band Field Renovation to be completed in the 2022-2023 school year.
 - ii) Continued work on the Referendum projects throughout the district. 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 in February 2022 for work to start in the summer 2022. The timeline for the project is estimated to end in the Fall of 2024. 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 Board of Education is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Clifton Board of Education 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 Board of Education 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 Board of Education management.

As part of the Clifton Board of Education'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 Board of Education has complied with applicable laws and regulations.

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the Clifton Board of Education 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, 2022.

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

7) **DEBT ADMINISTRATION:** At June 30, 2022 the Clifton Board of Education's outstanding long-term debt issued included \$170,652,000 of general obligation bonds to provide funds for the 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 Board of Education 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 statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, and Bliss 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, 2021. 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.

12) **ACKNOWLEDGMENTS**: We would like to express our appreciation to the members of the Clifton Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the Board of Education 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,



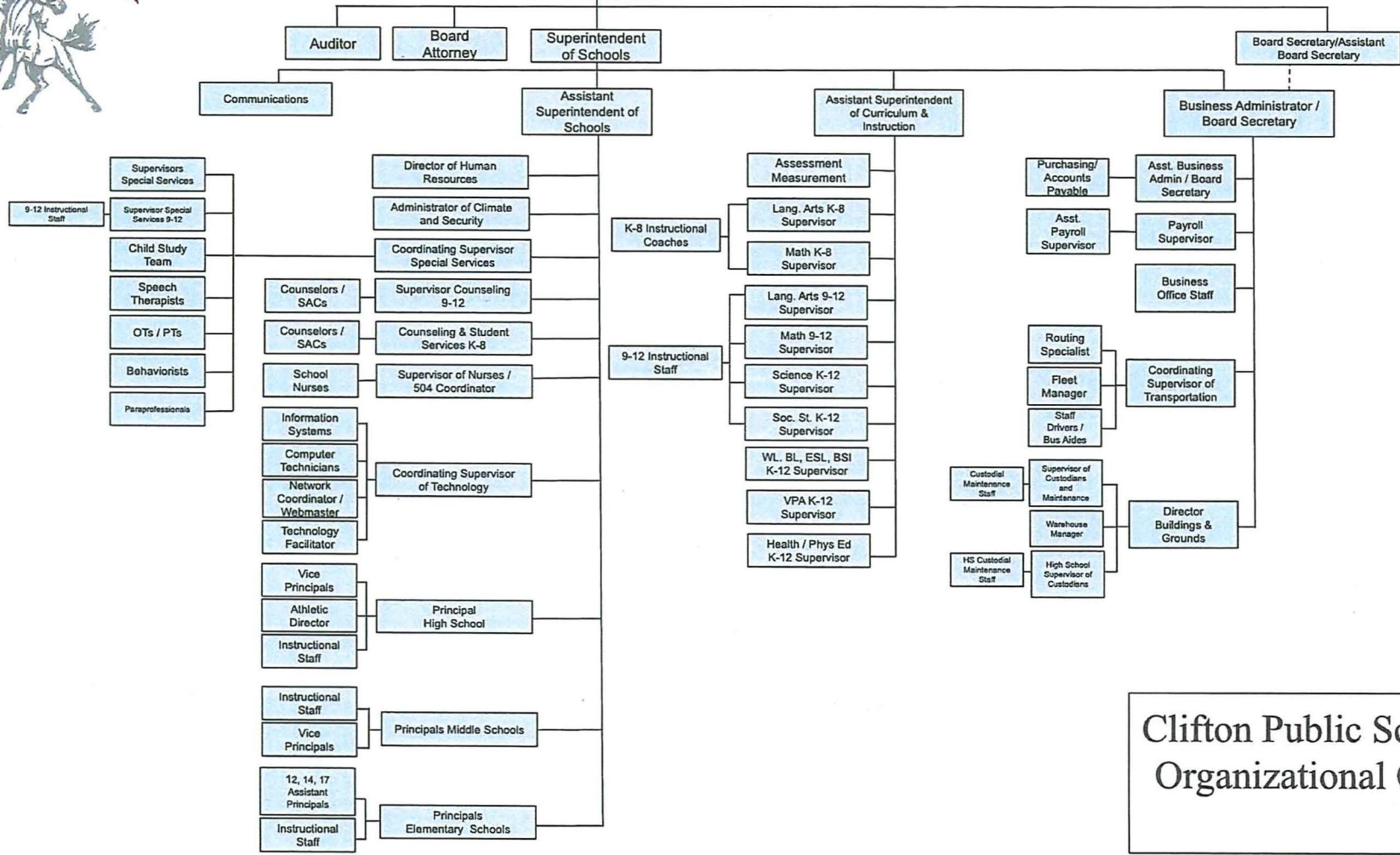
Danny Robertozzi
Superintendent of Schools



Michael Ucci
Board Secretary/
Business Administrator



Electorate
Board of Education



**Clifton Public Schools
Organizational Chart**

V.I.I.

CLIFTON BOARD OF EDUCATION

Consultants and Advisors

Architects

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

Audit Firm

Lerch, Vinci, & Bliss, 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. 2024
Dana Beltran	Nov. 2022
Joe Canova	Nov. 2022
James Daley	Nov. 2022
Lucy Danny	Nov. 2024
Alan Paris	Nov. 2024
Jim Smith	Nov. 2023

Other Officials

Danny Robertozzi,	Superintendent of Schools
Mark Gengaro,	Assistant Superintendent
Janina Kusielewicz,	Assistant Superintendent of Curriculum and Instruction
Michael Ucci,	Board Secretary/Business Administrator
Ahmed Shehata,	Assistant Board Secretary/ Assistant Business Administrator



**The Certificate of Excellence in Financial Reporting
is presented to**

Clifton Board of Education

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, appearing to read 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

Opinions

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, 2022 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.

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, 2022, 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.

Basis for Opinions

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 Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clifton Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clifton Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Clifton Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clifton Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and 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.

Supplementary 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 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. Such information is the responsibility of management and was derived from and relate 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 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 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.

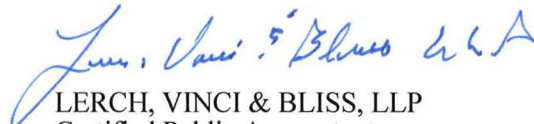
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

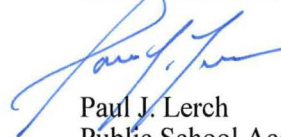
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2023 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

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, 2022. 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 2022 are as follows:

- District-Wide - Overall revenues were \$260,640,222. General revenues accounted for \$176,243,042 or 68 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$84,397,180 or 32 percent of total revenues.
- District-Wide - The School District had \$257,668,098 in expenses; only \$84,397,180 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and unrestricted state aid) of \$176,243,042 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 \$172,237,007 an increase of \$159,459,061 in comparison with the prior year fund balance. The increase is primarily due to the issuance of \$168,282,000 of school bonds for the 2021 referendum.
- Fund Financials - At the end of June 30, 2022 and 2021, the unassigned fund balance reported in the General Fund was \$1,828,971 and \$2,650,799 respectively, a decrease from the prior year of \$821,828.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

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.

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, 2022

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, 2022

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, 2022

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 2022 and 2021. For 2022 and 2021 the net position was \$40,068,236 and \$37,096,112, 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, 2022

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

**Statement of Net Position
As of June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 181,335,708	\$ 22,342,635	\$ 3,001,808	\$ 2,923,680	\$ 184,337,516	\$ 25,266,315
Capital Assets	<u>72,900,438</u>	<u>67,967,778</u>	<u>3,963,779</u>	<u>1,093,032</u>	<u>76,864,217</u>	<u>69,060,810</u>
Total Assets	<u>254,236,146</u>	<u>90,310,413</u>	<u>6,965,587</u>	<u>4,016,712</u>	<u>261,201,733</u>	<u>94,327,125</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	52,951	88,645			52,951	88,645
Deferred Amounts on Net Pension Liability	<u>2,557,727</u>	<u>2,225,093</u>	<u>-</u>	<u>-</u>	<u>2,557,727</u>	<u>2,225,093</u>
Total Deferred Outflows of Resources	<u>2,610,678</u>	<u>2,313,738</u>	<u>-</u>	<u>-</u>	<u>2,610,678</u>	<u>2,313,738</u>
Total Assets and Deferred Outflows of Resources	<u>256,846,824</u>	<u>92,624,151</u>	<u>6,965,587</u>	<u>4,016,712</u>	<u>263,812,411</u>	<u>96,640,863</u>
Liabilities						
Current Liabilities	12,127,423	9,639,532	54,756	47,069	12,182,179	9,686,601
Noncurrent Liabilities	<u>196,832,072</u>	<u>35,919,971</u>	<u>-</u>	<u>-</u>	<u>196,832,072</u>	<u>35,919,971</u>
Total Liabilities	<u>208,959,495</u>	<u>45,559,503</u>	<u>54,756</u>	<u>47,069</u>	<u>209,014,251</u>	<u>45,606,572</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue			8,035	10,592	8,035	10,592
Deferred Amounts on Net Pension Liability	<u>14,721,889</u>	<u>13,927,587</u>	<u>-</u>	<u>-</u>	<u>14,721,889</u>	<u>13,927,587</u>
Total Deferred Inflows of Resources	<u>14,721,889</u>	<u>13,927,587</u>	<u>8,035</u>	<u>10,592</u>	<u>14,729,924</u>	<u>13,938,179</u>
Total Liabilities and Deferred Inflows of Resources	<u>223,681,384</u>	<u>59,487,090</u>	<u>62,791</u>	<u>57,661</u>	<u>223,744,175</u>	<u>59,544,751</u>
Net Position						
Net Investment in Capital Assets	58,494,581	62,645,939	3,963,779	1,093,032	62,458,360	63,738,971
Restricted	11,286,499	7,820,729			11,286,499	7,820,729
Unrestricted	<u>(36,615,640)</u>	<u>(37,329,607)</u>	<u>2,939,017</u>	<u>2,866,019</u>	<u>(33,676,623)</u>	<u>(34,463,588)</u>
Total Net Position	<u>\$ 33,165,440</u>	<u>\$ 33,137,061</u>	<u>\$ 6,902,796</u>	<u>\$ 3,959,051</u>	<u>\$ 40,068,236</u>	<u>\$ 37,096,112</u>

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

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

Governmental activities. Governmental activities increased the District's net position by \$28,379. Key elements of this decrease are as follows.

Changes in Net Position For the Fiscal Years Ended June 30, 2022 and 2021						
	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 152,129	\$ 281,430	\$ 551,946	\$ 429,570	\$ 704,075	\$ 711,000
Operating Grants and Contributions	72,956,445	88,926,996	8,318,950	6,006,904	81,275,395	94,933,900
Capital Grants and Contributions	2,417,710	27,508			2,417,710	27,508
General Revenues						
Property Taxes	135,191,260	135,228,660			135,191,260	135,228,660
Unrestricted State Aid	40,135,962	28,448,145			40,135,962	28,448,145
Other	914,172	867,570	1,648	2,031	915,820	869,601
Total Revenues	<u>251,767,678</u>	<u>253,780,309</u>	<u>8,872,544</u>	<u>6,438,505</u>	<u>260,640,222</u>	<u>260,218,814</u>
Expenses						
Instruction						
Regular	107,039,117	110,982,264			107,039,117	110,982,264
Special	32,167,314	35,160,423			32,167,314	35,160,423
Other Instruction	12,033,255	12,682,097			12,033,255	12,682,097
School Sponsored Activities & Ath.	3,482,543	2,859,724			3,482,543	2,859,724
Support Services						
Student and Instruction Related Serv.	41,116,267	42,675,452			41,116,267	42,675,452
Educational Media/School Library	2,533,184	2,745,851			2,533,184	2,745,851
School Administrative Services	11,167,375	12,789,373			11,167,375	12,789,373
General Administrative Services	3,704,076	3,321,659			3,704,076	3,321,659
Plant Operations and Maintenance	19,579,879	17,928,160			19,579,879	17,928,160
Pupil Transportation	10,741,994	7,728,935			10,741,994	7,728,935
Central Services	3,271,158	3,507,364			3,271,158	3,507,364
Food Service			7,703,646	4,199,489	7,703,646	4,199,489
Other Programs			18,284	2,699	18,284	2,699
Interest on Long-Term Debt	3,110,006	178,826	-	-	3,110,006	178,826
Total Expenses	<u>249,946,168</u>	<u>252,560,128</u>	<u>7,721,930</u>	<u>4,202,188</u>	<u>257,668,098</u>	<u>256,762,316</u>
Change in Net Position	1,821,510	1,220,181	1,150,614	2,236,317	2,972,124	3,456,498
Transfers	(1,793,131)	(330,886)	1,793,131	330,886	-	-
Net Position, Beginning of Year	<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>
Net Position, End of Year	<u>\$ 33,165,440</u>	<u>\$ 33,137,061</u>	<u>\$ 6,902,796</u>	<u>\$ 3,959,051</u>	<u>\$ 40,068,236</u>	<u>\$ 37,096,112</u>

CLIFTON BOARD OF EDUCATION

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Governmental activities. The District’s total governmental revenues were \$251,767,678. The general revenues included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$176,241,394 or 70% of total revenues. Program revenues from state and federal sources and charges for services and sales amounted to \$75,526,284 or 30%.

The District’s total governmental expenses were \$249,946,168 which are predominantly related to instruction and support services. Instruction totaled \$154,722,229 (62%), student support services totaled \$92,113,933 (37%) and interest on long-term debt total \$3,110,006 (1%) of total expenditures.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2022 and 2021**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Governmental Activities				
Instruction				
Regular	\$ 107,039,117	\$ 110,982,264	\$ 87,339,685	\$ 79,952,900
Special Education	32,167,314	35,160,423	13,335,277	15,557,922
Other Instruction	12,033,255	12,682,097	7,395,523	7,234,666
School Sponsored Activities and Athletics	3,482,543	2,859,724	2,387,138	1,985,044
Support Services				
Student and Instruction Related Svcs.	41,116,267	42,675,452	22,050,797	23,703,408
Educational Media/School Library	2,533,184	2,745,851	2,012,460	1,930,297
General Administrative Services	3,704,076	3,321,659	3,521,716	3,185,461
School Administrative Services	11,167,375	12,789,373	8,663,379	8,798,483
Plant Operations and Maintenance	19,579,879	17,928,160	14,605,360	13,469,234
Pupil Transportation	10,741,994	7,728,935	7,032,677	4,101,908
Central Services	3,271,158	3,507,364	2,965,866	3,226,045
Interest on Long-Term Debt	<u>3,110,006</u>	<u>178,826</u>	<u>3,110,006</u>	<u>178,826</u>
 Total Governmental Activities	 <u>\$ 249,946,168</u>	 <u>\$ 252,560,128</u>	 <u>\$ 174,419,884</u>	 <u>\$ 163,324,194</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2022 was \$7,721,930. These costs were funded by operating grants, charges for services and investment earnings. The operations resulted in an increase in net position of \$2,943,745.

Major Enterprise Fund

Food Service Program

- Food service revenues were greater than expenses by \$1,064,275.
- Charges for services represent 5 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, After School Snack Program and interest revenue.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

Non-Major Enterprise Funds

Integrated Summer Enrichment Experience Program.

- Revenues were greater than expenses by \$86,339.
- Charges for services represent 99 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 \$172,237,007. At June 30, 2021, the fund balance was \$12,777,946. The increase was attributed to the issuance of \$168,282,000 of School Bonds related to the 2021 referendum.

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 \$429,571,101 and expenditures and other financing uses amounted to \$270,112,040.

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, 2022 and 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Change
Local Sources	\$ 136,810,351	\$ 136,504,995	\$ 305,356	0.22%
State Sources	105,340,728	81,146,091	24,194,637	29.82%
Federal Sources	<u>14,232,321</u>	<u>12,232,136</u>	<u>2,000,185</u>	16.35%
Total	<u>\$ 256,383,400</u>	<u>\$ 229,883,222</u>	<u>\$ 26,500,178</u>	11.53%

CLIFTON BOARD OF EDUCATION

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

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, 2022 and 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Current:				
Instruction	\$ 159,581,018	\$ 145,890,115	\$ 13,690,903	9.38%
Support Services	94,794,956	79,907,568	14,887,388	18.63%
Capital Outlay	10,452,530	4,618,888	5,833,642	126.30%
Debt Service				
Principal	1,421,099	1,459,394	(38,295)	-2.62%
Interest and Other Costs	<u>165,737</u>	<u>209,385</u>	<u>(43,648)</u>	-20.85%
 Total	 <u>\$ 266,415,340</u>	 <u>\$ 232,085,350</u>	 <u>\$ 34,329,990</u>	 14.79%

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 2022 school year.

Capital Assets

At June 30, 2022 the District – Governmental Activities had invested \$72,900,438 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, 2022 and 2021 balances.

CLIFTON BOARD OF EDUCATION

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Capital Assets (Continued)

**Capital Assets as of June 30, 2022 and 2021
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 8,374,289	\$ 8,374,289			\$ 8,374,289	\$ 8,374,289
Land Improvements	3,715,705	3,623,035			3,715,705	3,623,035
Construction in Progress	11,336,778	2,025,755		\$ 765,400	11,336,778	2,791,155
Buildings and Improvements	129,456,478	129,193,272	\$ 3,854,998		133,311,476	129,193,272
Machinery, Equipment and Vehicles	<u>12,159,574</u>	<u>11,373,943</u>	<u>1,293,897</u>	<u>1,252,823</u>	<u>13,453,471</u>	<u>12,626,766</u>
Total	165,042,824	154,590,294	5,148,895	2,018,223	170,191,719	156,608,517
Less: Accumulated Depreciation	<u>92,142,386</u>	<u>86,622,516</u>	<u>1,185,116</u>	<u>925,191</u>	<u>93,327,502</u>	<u>87,547,707</u>
Total	<u>\$ 72,900,438</u>	<u>\$ 67,967,778</u>	<u>\$ 3,963,779</u>	<u>\$ 1,093,032</u>	<u>\$ 76,864,217</u>	<u>\$ 69,060,810</u>

Overall capital assets for Governmental Activities increased \$4,932,660 (net of depreciation) from fiscal year 2021 to fiscal year 2022.

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, 2022, the District had \$196,832,072 of outstanding debt. This debt is comprised of serial bonds for various school improvements, capital financing agreements 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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
General Obligation Bonds, Gross	\$ 170,719,208	\$ 3,287,512
Capital Financing Agreements	1,506,873	2,122,972
Compensated Absences Payable	4,115,604	4,279,549
Net Pension Liability	<u>20,490,387</u>	<u>26,229,938</u>
Total	<u>\$ 196,832,072</u>	<u>\$ 35,919,971</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, 2022

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:

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BASIC FINANCIAL STATEMENTS

CLIFTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 170,859,997	\$ 2,484,284	\$ 173,344,281
Receivables, net			
Receivables from Other Governments	10,242,306	637,193	10,879,499
Other	41,652	1,653	43,305
Internal Balances	191,753	(191,753)	-
Inventories		70,431	70,431
Capital Assets, net			
Not Being Depreciated	19,711,067		19,711,067
Being Depreciated	<u>53,189,371</u>	<u>3,963,779</u>	<u>57,153,150</u>
 Total Assets	 <u>254,236,146</u>	 <u>6,965,587</u>	 <u>261,201,733</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	52,951		52,951
Deferred Amounts on Net Pension Liability	<u>2,557,727</u>	<u>-</u>	<u>2,557,727</u>
 Total Deferred Outflows of Resources	 <u>2,610,678</u>	 <u>-</u>	 <u>2,610,678</u>
 Total Assets and Deferred Outflows of Resources	 <u>256,846,824</u>	 <u>6,965,587</u>	 <u>263,812,411</u>
LIABILITIES			
Accounts Payable and Other Liabilities	2,907,688	9,679	2,917,367
Payable to State and Federal Government	192,493		192,493
Unearned Revenues	5,998,520	45,077	6,043,597
Accrued Interest Payable	3,028,722		3,028,722
Noncurrent Liabilities			
Due within one year	5,488,737		5,488,737
Due beyond one year	<u>191,343,335</u>	<u>-</u>	<u>191,343,335</u>
 Total Liabilities	 <u>208,959,495</u>	 <u>54,756</u>	 <u>209,014,251</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		8,035	8,035
Deferred Amounts on Net Pension Liability	<u>14,721,889</u>	<u>-</u>	<u>14,721,889</u>
 Total Deferred Inflows of Resources	 <u>14,721,889</u>	 <u>8,035</u>	 <u>14,729,924</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>223,681,384</u>	 <u>62,791</u>	 <u>223,744,175</u>
NET POSITION			
Net Investment in Capital Assets	58,494,581	3,963,779	62,458,360
Restricted for			
Capital Projects	9,707,085		9,707,085
Other Purposes	1,579,414		1,579,414
Unrestricted	<u>(36,615,640)</u>	<u>2,939,017</u>	<u>(33,676,623)</u>
 Total Net Position	 <u>\$ 33,165,440</u>	 <u>\$ 6,902,796</u>	 <u>\$ 40,068,236</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, 2022

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
Governmental Activities							
Instruction							
Regular	\$ 107,039,117	\$ 2,431	\$ 19,697,001		\$ (87,339,685)		\$ (87,339,685)
Special Education	32,167,314	149,698	18,682,339		(13,335,277)		(13,335,277)
Other Instruction	12,033,255		4,637,732		(7,395,523)		(7,395,523)
School Sponsored Activities and Athletics	3,482,543		1,095,405		(2,387,138)		(2,387,138)
Support Services							
Student and Instruction Related Services	41,116,267		16,647,760	\$ 2,417,710	(22,050,797)		(22,050,797)
Educational Media/School Library	2,533,184		520,724		(2,012,460)		(2,012,460)
General Administrative Services	3,704,076		182,360		(3,521,716)		(3,521,716)
School Administrative Services	11,167,375		2,503,996		(8,663,379)		(8,663,379)
Plant Operations and Maintenance	19,579,879		4,974,519		(14,605,360)		(14,605,360)
Pupil Transportation	10,741,994		3,709,317		(7,032,677)		(7,032,677)
Central Services	3,271,158		305,292		(2,965,866)		(2,965,866)
Interest on Long-Term Debt	3,110,006	-	-	-	(3,110,006)	-	(3,110,006)
Total Governmental Activities	249,946,168	152,129	72,956,445	2,417,710	(174,419,884)	-	(174,419,884)
Business-Type Activities							
Food Service	7,703,646	447,323	8,318,950			\$ 1,062,627	1,062,627
Other Programs	18,284	104,623	-	-	-	86,339	86,339
Total Business-Type Activities	7,721,930	551,946	8,318,950	-	-	1,148,966	1,148,966
Total Primary Government	\$ 257,668,098	\$ 704,075	\$ 81,275,395	\$ 2,417,710	(174,419,884)	1,148,966	(173,270,918)
General Revenues							
Property Taxes, Levied for General Purposes, Net					134,259,260		134,259,260
Property Taxes Levied for Debt Service					932,000		932,000
State Aid Unrestricted					40,135,962		40,135,962
Miscellaneous Income					914,172	1,648	915,820
Transfers					(1,793,131)	1,793,131	-
Total General Revenues					174,448,263	1,794,779	176,243,042
Change in Net Position					28,379	2,943,745	2,972,124
Net Position, Beginning of Year					33,137,061	3,959,051	37,096,112
Net Position, End of Year					\$ 33,165,440	\$ 6,902,796	\$ 40,068,236

FUND FINANCIAL STATEMENTS

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 10,588,114	\$ 2,278,378	\$ 157,993,505		\$ 170,859,997
Receivables, Net					
Receivables from Other Governments	518,863	9,723,443			10,242,306
Other	41,652				41,652
Due from Other Funds	4,517,213	-	-	-	4,517,213
Total Assets	<u>\$ 15,665,842</u>	<u>\$ 12,001,821</u>	<u>\$ 157,993,505</u>	<u>\$ -</u>	<u>\$ 185,661,168</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Accrued Salaries	\$ 1,214,790	\$ 1,692,898			\$ 2,907,688
Due to Other Funds		4,099,228	\$ 226,232		4,325,460
Payable to Other Government	79,894	112,599			192,493
Unearned Revenue	-	5,998,520	-	-	5,998,520
Total Liabilities	<u>1,294,684</u>	<u>11,903,245</u>	<u>226,232</u>	<u>-</u>	<u>13,424,161</u>
Fund Balances					
Restricted:					
Capital Reserve	6,265,285				6,265,285
Capital Reserve- Designated for Subsequent Year's Expenditures	3,441,800				3,441,800
Maintenance Reserve	777,952				777,952
Capital Projects			157,767,273		157,767,273
Unemployment Compensation Reserve	206,805				206,805
Co-Curricular Student Activities and Athletics		550,473			550,473
Scholarship Awards		44,184			44,184
Assigned:					
Year End Encumbrances	616,704				616,704
Designated for Subsequent Year's Expenditures	1,233,641				1,233,641
Unassigned					
General Fund	1,828,971				1,828,971
Special Revenue Fund	-	(496,081)	-	-	(496,081)
Total Fund Balances	<u>14,371,158</u>	<u>98,576</u>	<u>157,767,273</u>	<u>-</u>	<u>172,237,007</u>
Total Liabilities and Fund Balances	<u>\$ 15,665,842</u>	<u>\$ 12,001,821</u>	<u>\$ 157,993,505</u>	<u>\$ -</u>	<u>\$ 185,661,168</u>

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

Total Fund Balances (Exhibit B-1)		\$ 172,237,007
<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 \$165,042,824 and the accumulated depreciation is \$92,142,386.</p>		72,900,438
<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>		52,951
<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	\$ 2,557,727	
Deferred Inflows of Resources	<u>(14,721,889)</u>	(12,164,162)
<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>		(3,028,722)
<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	(170,719,208)	
Capital Financing Agreements	(1,506,873)	
Compensated Absences Payable	(4,115,604)	
Net Pension Liability	<u>(20,490,387)</u>	(196,832,072)
Net position of governmental activities (Exhibit A-1)		<u>\$ 33,165,440</u>

CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 134,259,260			\$ 932,000	\$ 135,191,260
Miscellaneous	1,066,301	\$ 552,790	-	-	1,619,091
Total - Local Sources	135,325,561	552,790	-	932,000	136,810,351
State Sources					
Federal Sources	99,684,312	5,656,416			105,340,728
	331,486	13,900,835	-	-	14,232,321
Total Revenues	235,341,359	20,110,041	-	932,000	256,383,400
EXPENDITURES					
Current					
Instruction					
Regular Instruction	107,306,379	3,084,648			110,391,027
Special Education Instruction	29,804,787	3,363,090			33,167,877
Other Instruction	9,976,579	2,460,083			12,436,662
School-Sponsored Activities and Athletics	3,042,386	543,066			3,585,452
Support Services					
Student and Instruction Related Services	32,136,795	10,115,623			42,252,418
Educational Media/School Library	2,629,647				2,629,647
General Administrative Services	4,001,689				4,001,689
School Administrative Services	11,620,938				11,620,938
Plant Operations and Maintenance	19,309,757				19,309,757
Pupil Transportation	11,182,194				11,182,194
Central Services	3,798,313				3,798,313
Debt Service					
Principal	616,099			805,000	1,421,099
Interest and Other Charges	38,737			127,000	165,737
Capital Outlay	1,045,567	624,579	\$ 8,782,384	-	10,452,530
Total Expenditures	236,509,867	20,191,089	8,782,384	932,000	266,415,340
(Deficiency) of Revenues (Under) Expenditures	(1,168,508)	(81,048)	(8,782,384)	-	(10,031,940)
OTHER FINANCING SOURCES (USES)					
Serial Bond Proceeds			168,282,000	-	168,282,000
Insurance Proceeds	3,002,132			-	3,002,132
Transfer In		1,903,569			1,903,569
Transfer Out	(1,903,569)	(1,793,131)	-	-	(3,696,700)
Total Other Financing Sources (Uses)	1,098,563	110,438	168,282,000	-	169,491,001
Net Change in Fund Balances	(69,945)	29,390	159,499,616	-	159,459,061
Fund Balance, Beginning of Year	14,441,103	69,186	(1,732,343)	-	12,777,946
Fund Balance, End of Year	\$ 14,371,158	\$ 98,576	\$ 157,767,273	\$ -	\$ 172,237,007

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, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 159,459,061**

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	\$ 10,452,530	
Depreciation Expense	<u>(5,519,870)</u>	
		4,932,660

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	163,945	
Decrease in Pension Expense	<u>5,277,883</u>	
		5,441,828

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.

Debt Issuance		
School Bond Proceeds	(168,282,000)	
Principal Payments-		
Bonds	805,000	
Capital Leases	<u>616,099</u>	
		(166,860,901)

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	45,304	
Amortization of Deferred Amount on Refunding	<u>(35,694)</u>	
		9,610

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:

Increase in accrued interest		<u>(2,953,879)</u>
------------------------------	--	--------------------

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 28,379**

**CLIFTON BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,304,045	\$ 180,239	\$ 2,484,284
Intergovernmental Receivable			
State	11,774		11,774
Federal	625,419		625,419
Other Receivables	1,653		1,653
Inventories	<u>70,431</u>	<u>-</u>	<u>70,431</u>
 Total Current Assets	 <u>3,013,322</u>	 <u>180,239</u>	 <u>3,193,561</u>
Capital Assets			
Building Improvements	3,854,998		3,854,998
Equipment	1,293,897		1,293,897
Less: Accumulated Depreciation	<u>(1,185,116)</u>	<u>-</u>	<u>(1,185,116)</u>
 Total Capital Assets, Net	 <u>3,963,779</u>	 <u>-</u>	 <u>3,963,779</u>
 Total Assets	 <u>6,977,101</u>	 <u>180,239</u>	 <u>7,157,340</u>
 LIABILITIES			
Current Liabilities			
Accounts Payable	8,835	844	9,679
Due to Other Funds	191,753		191,753
Unearned Revenue	<u>45,077</u>	<u>-</u>	<u>45,077</u>
 Total Current Liabilities	 <u>245,665</u>	 <u>844</u>	 <u>246,509</u>
 Total Liabilities	 <u>245,665</u>	 <u>844</u>	 <u>246,509</u>
 DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>8,035</u>	<u>-</u>	<u>8,035</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>253,700</u>	 <u>844</u>	 <u>254,544</u>
 NET POSITION			
Investment in Capital Assets	3,963,779		3,963,779
Unrestricted	<u>2,759,622</u>	<u>179,395</u>	<u>2,939,017</u>
 Total Net Position	 <u>\$ 6,723,401</u>	 <u>\$ 179,395</u>	 <u>\$ 6,902,796</u>

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, 2022**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Charges for Services			
Program Fees		\$ 104,544	\$ 104,544
Daily Sales - Nonreimbursable	\$ 53,415		53,415
Special Functions - Nonreimbursable	392,255		392,255
Miscellaneous	<u>1,653</u>	<u>79</u>	<u>1,732</u>
Total Operating Revenues	<u>447,323</u>	<u>104,623</u>	<u>551,946</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable	3,352,507		3,352,507
Cost of Sales - Nonreimbursable	228,728		228,728
Salaries and Employee Benefits	2,512,438	9,870	2,522,308
Purchased Services	596,106		596,106
Supplies and Materials	490,225	8,164	498,389
Miscellaneous	263,717	250	263,967
Depreciation	<u>259,925</u>	<u>-</u>	<u>259,925</u>
Total Operating Expenses	<u>7,703,646</u>	<u>18,284</u>	<u>7,721,930</u>
Operating Income/(Loss)	<u>(7,256,323)</u>	<u>86,339</u>	<u>(7,169,984)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	141,658		141,658
Federal Sources			
School Breakfast Program	1,038,118		1,038,118
National School Lunch Program	6,035,577		6,035,577
P-EBT Administrative Program	11,764		11,764
After School Snack	19,979		19,979
Emergency Operational Cost Program-Schools	66,502		66,502
Seamless Summer Options Program	562,399		562,399
Food Distribution Program - Non Cash Assistance	442,953		442,953
Interest and Investment Revenue	<u>1,648</u>	<u>-</u>	<u>1,648</u>
Total Nonoperating Revenues	<u>8,320,598</u>	<u>-</u>	<u>8,320,598</u>
Change in Net Position	1,064,275	86,339	1,150,614
Operating Transfer In	1,793,131		1,793,131
Total Net Position, Beginning of Year	<u>3,865,995</u>	<u>93,056</u>	<u>3,959,051</u>
Total Net Position, End of Year	<u>\$ 6,723,401</u>	<u>179,395</u>	<u>\$ 6,902,796</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, 2022**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 707,937	\$ 104,623	\$ 812,560
Cash Payments for Employees' Salaries and Benefits	(2,512,438)	(9,870)	(2,522,308)
Cash Payments to Suppliers for Goods and Services	<u>(4,408,274)</u>	<u>(8,470)</u>	<u>(4,416,744)</u>
Net Cash Provided by (Used by) Operating Activities	<u>(6,212,775)</u>	<u>86,283</u>	<u>(6,126,492)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Federal Subsidy Reimbursements	7,935,237		7,935,237
Cash Payments from Other Funds	<u>2,096,509</u>	<u>-</u>	<u>2,096,509</u>
Net Cash Provided by Noncapital Financing Activities	<u>10,031,746</u>	<u>-</u>	<u>10,031,746</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	<u>(3,130,672)</u>	<u>-</u>	<u>(3,130,672)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(3,130,672)</u>	<u>-</u>	<u>(3,130,672)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	<u>1,648</u>	<u>-</u>	<u>1,648</u>
Net Cash Provided by Investing Activities	<u>1,648</u>	<u>-</u>	<u>1,648</u>
Net Increase in Cash and Cash Equivalents	689,947	86,283	776,230
Cash and Cash Equivalents, Beginning of Year	<u>1,614,098</u>	<u>93,956</u>	<u>1,708,054</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,304,045</u>	<u>\$ 180,239</u>	<u>\$ 2,484,284</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES			
Operating (Loss)	\$ (7,256,323)	\$ 86,339	\$ (7,169,984)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	259,925		259,925
Food Distribution Program- Non Cash Assistance	442,953		442,953
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable	261,706		261,706
Increase/(Decrease) in Due to Other Funds	100,113		100,113
Increase/(Decrease) in Accounts Payable	8,835	(56)	8,779
Increase/(Decrease) in Unearned Revenue	(1,092)		(1,092)
Increase/(Decrease) in Deferred Commodities Revenue	(2,557)		(2,557)
(Increase)/Decrease in Inventory	<u>(26,335)</u>	<u>-</u>	<u>(26,335)</u>
Total Adjustments	<u>1,043,548</u>	<u>(56)</u>	<u>1,043,492</u>
Net Cash Provided by (Used by) Operating Activities	<u>\$ (6,212,775)</u>	<u>\$ 86,283</u>	<u>\$ (6,126,492)</u>
NON CASH INVESTING, INVESTING CAPITAL AND FINANCING ACTIVITIES VALUE RECEIVE - FOOD DISTRIBUTION PROGRAM			
	\$ 440,396		

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, 2022**

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 School 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 School 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 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 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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 Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 92, *Omnibus 2020*. 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 Statement 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 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.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement 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 Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022

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, 2022**

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 financing agreements 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *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

5. *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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. 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.

6. 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.

7. 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.

8. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

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

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 2022/2023 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 2D).

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

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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).

Co-Curricular Student Activities and Athletics – 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.

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.

Designated for Subsequent Year’s Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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.

10. 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 District’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 of Education 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, 2022**

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 1st 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 2020-2021 and 2021-2022 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 financing agreement transactions are accounted for on the GAAP basis.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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. 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. 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 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$41,139,796. The increase was funded by 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. Deficit Fund Equity

The District has an unassigned fund deficit of \$496,081 in the Special Revenue Fund as of June 30, 2022 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 2021/2022 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity (Continued)

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 \$496,081 in the Special Revenue Fund is equal to the delayed state aid payments at June 30, 2022.

C. 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, 2022 is as follows:

Balance, July 1, 2021		\$ 8,020,302
Increased by:		
Interest Earnings	\$ 7,932	
Deposits Approved by Board Resolution	2,134,945	
Unexpended Capital Outlay Balance	<u>1,393,906</u>	
		<u>3,536,783</u>
		11,557,085
Decreased by:		
Withdrawals Approved in District Budget		<u>1,850,000</u>
Balance, June 30, 2022		<u>\$ 9,707,085</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. \$3,441,800 of the capital reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. 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, 2022 is as follows:

Balance, June 30, 2021	\$ 774,859
Increased by:	
Interest Earnings	\$ 3,093
	<u>3,093</u>
Balance, June 30, 2022	<u>\$ 777,952</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$8,234,661.

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, 2022, the book value of the Board's deposits were \$173,344,281 and bank and brokerage firm balances of the Board's deposits amounted to \$180,178,650. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 179,111,900
Uninsured and Collateralized	<u>1,066,750</u>
	<u>\$ 180,178,650</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2022 the Board’s bank balance of \$1,066,750 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name.	<u>\$ 1,066,750</u>
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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.

As of June 30, 2022, 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.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2022 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			\$ 1,653	\$ 1,653
Intergovernmental				
Federal	\$ 23,493	\$ 9,719,460	625,419	10,368,372
State	495,370	3,983	11,774	511,127
Local	<u>41,652</u>	<u>-</u>	<u>-</u>	<u>41,652</u>
Net Total Receivables	<u>\$ 560,515</u>	<u>\$ 9,723,443</u>	<u>\$ 638,846</u>	<u>\$ 10,922,804</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	\$ 163,449
Reserve for Encumbrances	<u>5,835,071</u>
 Total Unearned Revenues for Governmental Funds	 <u>\$ 5,998,520</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,374,289			\$ 8,374,289
Construction in Progress	<u>2,025,755</u>	<u>\$ 9,311,023</u>	<u>-</u>	<u>11,336,778</u>
Total Capital Assets, Not Being Depreciated	<u>10,400,044</u>	<u>9,311,023</u>	<u>-</u>	<u>19,711,067</u>
Capital Assets, Being Depreciated:				
Land Improvements	3,623,035	92,670		3,715,705
Building and Building Improvements	129,193,272	263,206		129,456,478
Machinery and Equipment	<u>11,373,943</u>	<u>785,631</u>	<u>-</u>	<u>12,159,574</u>
Total Capital Assets Being Depreciated	<u>144,190,250</u>	<u>1,141,507</u>	<u>-</u>	<u>145,331,757</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,823,378)	(141,309)		(1,964,687)
Building and Building Improvements	(76,802,103)	(4,632,795)		(81,434,898)
Machinery and Equipment	<u>(7,997,035)</u>	<u>(745,766)</u>	<u>-</u>	<u>(8,742,801)</u>
Total Accumulated Depreciation	<u>(86,622,516)</u>	<u>(5,519,870)</u>	<u>-</u>	<u>(92,142,386)</u>
Total Capital Assets, Being Depreciated, Net	<u>57,567,734</u>	<u>(4,378,363)</u>	<u>-</u>	<u>53,189,371</u>
Governmental Activities Capital Assets, Net	<u>\$ 67,967,778</u>	<u>\$ 4,932,660</u>	<u>\$ -</u>	<u>\$ 72,900,438</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance,</u> <u>June 30, 2022</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 765,400	-	\$ (765,400)	-
Total Capital Assets Not Being Depreciated	<u>765,400</u>	<u>-</u>	<u>(765,400)</u>	<u>-</u>
Capital Assets, Being Depreciated:				
Building and Building Improvements		\$ 3,102,223	752,775	\$ 3,854,998
Machinery and Equipment	1,252,823	28,449	12,625	1,293,897
Total Capital Assets Being Depreciated	<u>1,252,823</u>	<u>3,130,672</u>	<u>765,400</u>	<u>5,148,895</u>
Less Accumulated Depreciation for:				
Building and Building Improvements		(193,425)		(193,425)
Machinery and Equipment	(925,191)	(66,500)	-	(991,691)
Total Accumulated Depreciation	<u>(925,191)</u>	<u>(259,925)</u>	<u>-</u>	<u>(1,185,116)</u>
Total Capital Assets, Being Depreciated, Net	<u>327,632</u>	<u>2,870,747</u>	<u>765,400</u>	<u>3,963,779</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,093,032</u>	<u>\$ 2,870,747</u>	<u>\$ -</u>	<u>\$ 3,963,779</u>

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

Governmental activities:	
Instruction	
Regular	\$ 71,360
Total Instruction	<u>71,360</u>
Support Services	
Student and instruction related services	74,659
General administration services	17,828
School administration services	10,297
Operations and maintenance of plant	4,919,282
Student transportation	425,510
Central Services	934
Total Support Services	<u>5,448,510</u>
Total depreciation expense - governmental activities	<u>\$ 5,519,870</u>
Business-type activities:	
Food Service Fund	<u>\$ 259,925</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022:

<u>Project/Purposes</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Facility Upgrades at Clifton High School	\$ -	\$ 23,223,000
Window Replacement at Various Schools	-	5,086,000
Referendum Architectural Services	7,652,765	2,024,737
Acquisition of (6) 54 Passenger Buses	223,042	<u>456,896</u>
		<u>\$ 30,790,633</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, 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	226,232
General Fund	Food Service Fund	191,753
Food Service Fund	General Fund	<u>191,753</u>
Total		<u>\$ 4,708,966</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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	Transfer In:		<u>Total</u>
	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	
Transfer Out:			
General Fund	\$ 1,903,569		\$ 1,903,569
Special Revenue Fund	-	\$ 1,793,131	1,793,131
Total Transfers Out	\$ 1,903,569	\$ 1,793,131	\$ 3,696,700

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. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

\$485,083, fiscal year 2018 Agreement for the acquisition of school buses for a term of 6 years due in annual principal installments of \$133,946 through September 1, 2022 interest at 1.74%	\$ 133,946
\$524,277, fiscal year 2019 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installments of \$111,262 through August 1, 2022 interest at 3.16%	111,262
\$316,344, fiscal year 2019 Agreement for the LED Lighting Project for a term of 5 years due in annual principal installments of \$73,972 through August 1, 2022 interest at 3.14%	73,972

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

\$518,375, fiscal year 2020 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installments of \$103,713 through \$106,203 through August 1, 2023 interest at 2.40%	\$ 209,916
\$736,416, fiscal year 2020 Agreement for the acquisition of a phone system for a term of 6 years due in annual principal installments of \$140,159 through \$143,677 through October 6, 2023 interest at 2.51%	283,836
\$359,621, fiscal year 2021 Agreement for the acquisition of school buses for a term of 6 years due in annual principal installments of \$49,290 through \$106,770 through June 15, 2026 interest at 1.238%	307,623
\$539,431, fiscal year 2021 Agreement for the acquisition of technology equipment for a term of 6 years due in annual principal installments of \$74,395 and \$159,859 through June 15, 2025 interest at 1.460%	<u>386,318</u>
	<u>\$ 1,506,873</u>

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 686,737	\$ 29,778	\$ 716,515
2024	375,262	13,907	389,169
2025	286,960	8,003	294,963
2026	<u>157,914</u>	<u>3,071</u>	<u>160,985</u>
Total	<u>\$ 1,506,873</u>	<u>\$ 54,759</u>	<u>\$ 1,561,632</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2022 are comprised of the following issues:

\$7,410,000, 2013 Refunding Bonds, due in an annual installment of \$770,000 to \$800,000 through March 1, 2025 interest at 4.00%	\$ 2,370,000
\$168,282,000, 2021 School Bonds, due in an annual installment of \$4,002,000 to \$8,000,000 through August 15, 2046 interest at 2.00 to 2.25%	<u>168,282,000</u>
	<u>\$ 170,652,000</u>

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

Governmental Activities:

<u>Fiscal Year Ending June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 4,802,000	\$ 5,170,066	\$ 9,972,066
2024	4,800,000	3,378,400	8,178,400
2025	5,020,000	3,263,900	8,283,900
2026	5,500,000	3,135,600	8,635,600
2027	6,000,000	3,020,600	9,020,600
2028-2032	31,500,000	13,253,000	44,753,000
2033-2037	35,000,000	9,933,000	44,933,000
2038-2042	38,030,000	6,267,700	44,297,700
2043-2047	<u>40,000,000</u>	<u>2,205,000</u>	<u>42,205,000</u>
	<u>\$ 170,652,000</u>	<u>\$ 49,627,266</u>	<u>\$ 220,279,266</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 436,139,714
Less: Net Debt	<u>170,652,735</u>
Remaining Borrowing Power	<u>\$ 265,486,979</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022, was as follows:

	Balance, <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2022</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 3,175,000	\$ 168,282,000	\$ 805,000	\$ 170,652,000	\$ 4,802,000
Deferred Amounts					
Add: Original Issue Premium	<u>112,512</u>	<u>-</u>	<u>45,304</u>	<u>67,208</u>	<u>-</u>
Total Bonds Payable	3,287,512	168,282,000	850,304	170,719,208	4,802,000
Capital Financing Agreements	2,122,972		616,099	1,506,873	686,737
Compensated Absences	4,279,549		163,945	4,115,604	
Net Pension Liability	<u>26,229,938</u>	<u>-</u>	<u>5,739,551</u>	<u>20,490,387</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 35,919,971</u>	<u>\$ 168,282,000</u>	<u>\$ 7,369,899</u>	<u>\$ 196,832,072</u>	<u>\$ 5,488,737</u>

For the governmental activities, the liabilities for compensated absences, capital financing agreements 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 Annual Comprehensive 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, 2022**

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>
2022	\$ -	\$ 510,764	\$ 731	\$ 316,361	\$ 206,805
2021		607,439	677	257,212	206,074
2020		383,249	2,853	375,825	205,397

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, 2022, 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, 2022, 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, 2022**

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) Annual Comprehensive Financial Report (ACFR) which can be found at 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 1/55th 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 1/60th 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) Annual Comprehensive Financial Report (ACFR) which can be found at 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, 2022**

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 1/55th 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 1/60th 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 for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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 2022.

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, 2022 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 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 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>
2022	\$ 2,025,630	\$ 29,555,243	\$ 156,374
2021	1,759,585	20,704,195	133,750
2020	1,630,996	15,476,424	143,673

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$6,139, respectively for PERS and the State contributed \$13,916, \$14,778 and \$15,727, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$6,256,130 during the fiscal year ended June 30, 2022 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, 2020 through June 30, 2021. 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, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$20,490,387 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the District's proportionate share was .17297 percent, which was an increase of .01213 percent from its proportionate share measured as of June 30, 2020 of .16084 percent.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$3,252,253 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, 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	\$ 323,160	\$ 146,687
Changes of Assumptions	106,714	7,294,710
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		5,397,706
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>2,127,853</u>	<u>1,882,786</u>
Total	<u>\$ 2,557,727</u>	<u>\$ 14,721,889</u>

At June 30, 2022, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (5,092,839)
2024	(3,533,074)
2025	(2,179,653)
2026	(1,408,168)
2027	49,572
Thereafter	<u>-</u>
	<u>\$ (12,164,162)</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022**

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining 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	\$ 27,903,752	\$ 20,490,387	\$ 14,199,096

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2020 through June 30, 2021. 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, 2021, 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,906,733 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, 2022 the State's proportionate share of the net pension liability attributable to the District is \$336,021,463. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .69895 percent, which was an increase of .00578 percent from its proportionate share measured as of June 30, 2020 of .69317 percent.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021 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>TPAF</u>
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 Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022**

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

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 7.00%, 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 (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 397,569,519</u>	<u>\$ 336,021,463</u>	<u>\$ 284,324,964</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, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

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.

E. Post-Retirement Medical Benefits

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. 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, 2022**

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan 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 plan. 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, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2020 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 \$1.23 billion to the OPEB plan in fiscal year 2021.

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, 2022, 2021 and 2020 were \$6,905,299, \$6,488,372 and \$5,741,470, 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, 2020 through June 30, 2021. 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$23,938,087. 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, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$372,883,658. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .62139 percent, which was an/a increase/decrease of .00253 percent from its proportionate share measured as of June 30, 2020 of .61886 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ 419,649,813
Changes Recognized for the Fiscal Year:	
Service Cost	21,281,788
Interest on the Total OPEB Liability	9,672,995
Changes of Benefit Terms	(396,889)
Differences Between Expected and Actual Experience	(70,319,607)
Changes of Assumptions	367,878
Gross Benefit Payments	(7,619,611)
Contributions from the Member	247,291
Net Changes	<u>\$ (46,766,155)</u>
Balance, June 30, 2021 Measurement Date	<u>\$ 372,883,658</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2.16%, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 446,656,085	\$ 372,883,658	\$ 314,792,300

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 301,850,533	\$ 372,883,658	\$ 468,275,896

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

G. Subsequent Events

On June 23, 2022 the District approved a rental lease with St. John Kanty Church for a term of five years commencing on August 1, 2022 and ending on July 31, 2027. The initial annual rent will be \$373,198 with annual 2% cost of living increases. Contract is renewable for an additional five year option period with annual 2% increases.

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

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. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$39,136,373 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, 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 School District 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 its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 134,259,260		\$ 134,259,260	\$ 134,259,260	
Interest Earned on Maintenance Reserve	750		750	3,093	\$ 2,343
Interest Earned on Capital Reserve	39,250		39,250	7,932	(31,318)
Interest Earned on Unemployment Funds				731	731
Tuition				152,129	152,129
Unrestricted Miscellaneous	850,000	-	850,000	902,416	52,416
Sub-Total Local Sources	<u>135,149,260</u>	<u>-</u>	<u>135,149,260</u>	<u>135,325,561</u>	<u>176,301</u>
State Sources					
Categorical Special Education Aid	7,350,637		7,350,637	7,350,637	-
Equalization Aid	41,437,830		41,437,830	41,437,830	-
Categorical Security Aid	3,571,640		3,571,640	3,571,640	-
Categorical Transportation Aid	3,020,309		3,020,309	3,020,309	-
Extraordinary Aid	650,000		650,000	2,338,984	1,688,984
Nonpublic Transportation Aid				194,175	194,175
Alyssa's Law - School Security Grant				457,389	457,389
On-behalf TPAF Pension Contrib. (Non-budgeted)					
Normal				29,144,061	29,144,061
NCGI				411,182	411,182
Post-Retirement Medical Contribution				6,905,299	6,905,299
Long-Term Disability Insurance				13,916	13,916
Reimbursed TPAF Social Security Contr. (Non-budgeted)	-	-	-	6,256,130	6,256,130
Sub-Total State Sources	<u>56,030,416</u>	<u>-</u>	<u>56,030,416</u>	<u>101,101,552</u>	<u>45,071,136</u>
Federal Sources					
Medicaid Reimbursement	330,418	-	330,418	331,486	1,068
Sub-Total Federal Sources	<u>330,418</u>	<u>-</u>	<u>330,418</u>	<u>331,486</u>	<u>1,068</u>
Total Revenues	<u>191,510,094</u>	<u>-</u>	<u>191,510,094</u>	<u>236,758,599</u>	<u>45,248,505</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	2,453,540	\$ 10,000	2,463,540	2,459,353	4,187
Grades 1-5	17,786,757	915,198	18,701,955	18,701,864	91
Grades 6-8	12,262,090	236,000	12,498,090	12,497,723	367
Grades 9-12	13,881,253	2,240	13,883,493	13,883,005	488
Regular Programs - Home Instruction					
Salaries of Teachers	175,000	(71,400)	103,600	103,544	56
Purchased Professional-Educational Services	30,000	112,500	142,500	142,268	232
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	283,800	(34,500)	249,300	249,203	97
Purchased Technical Services	558,015	(60,000)	498,015	467,455	30,560
Other Purchased Services	5,000	-	5,000	3,183	1,817
General Supplies	3,821,850	43,000	3,864,850	3,858,166	6,684
Textbooks	650,911	391,770	1,042,681	1,042,620	61
Other Objects	500	-	500	-	500
Total Regular Programs	<u>51,908,716</u>	<u>1,544,808</u>	<u>53,453,524</u>	<u>53,408,384</u>	<u>45,140</u>
Special Education					
Cognitive - Moderate					
Salaries of Teachers	176,957	5,500	182,457	177,406	5,051
Other Purchased Services	1,250	1,300	2,550	2,508	42
General Supplies	791	-	791	791	-
Total Cognitive - Moderate	<u>178,998</u>	<u>6,800</u>	<u>185,798</u>	<u>180,705</u>	<u>5,093</u>

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	\$ 2,749,467	\$ (19,192)	\$ 2,730,275	\$ 2,730,133	\$ 142
Other Salaries for Instruction	828,147	(58,500)	769,647	769,364	283
General Supplies	10,882	-	10,882	8,919	1,963
Total Learning/Language Disabilities	<u>3,588,496</u>	<u>(77,692)</u>	<u>3,510,804</u>	<u>3,508,416</u>	<u>2,388</u>
Behavioral Disabilities					
Salaries of Teachers	597,031	(305,000)	292,031	273,646	18,385
Other Salaries for Instruction	190,997	(54,500)	136,497	133,919	2,578
Other Purchased Services	1,208	28	1,236	1,222	14
General Supplies	2,497	-	2,497	2,000	497
Total Behavioral Disabilities	<u>791,733</u>	<u>(359,472)</u>	<u>432,261</u>	<u>410,787</u>	<u>21,474</u>
Multiple Disabilities					
Salaries of Teachers	798,449	(320,003)	478,446	476,714	1,732
Other Purchased Services	250	250	500	500	-
General Supplies	938	-	938	724	214
Total Multiple Disabilities	<u>799,637</u>	<u>(319,753)</u>	<u>479,884</u>	<u>477,938</u>	<u>1,946</u>
Resource Room/Resource Center					
Salaries of Teachers	7,845,505	529,930	8,375,435	8,341,330	34,105
General Supplies	8,000	-	8,000	5,055	2,945
Total Resource Room/Resource Center	<u>7,853,505</u>	<u>529,930</u>	<u>8,383,435</u>	<u>8,346,385</u>	<u>37,050</u>
Autism					
Salaries of Teachers	845,183	(74,600)	770,583	769,486	1,097
Other Salaries for Instruction	184,590	81,500	266,090	265,220	870
Purchased Technical Services	1,046	-	1,046	900	146
General Supplies	4,691	-	4,691	4,427	264
Total Autism	<u>1,035,510</u>	<u>6,900</u>	<u>1,042,410</u>	<u>1,040,033</u>	<u>2,377</u>
Preschool Disabilities - Part - Time					
Other Salaries for Instruction		61,692	61,692	61,580	112
General Supplies	5,159	1,200	6,359	5,881	478
Total Preschool Disabilities - Part - Time	<u>5,159</u>	<u>62,892</u>	<u>68,051</u>	<u>67,461</u>	<u>590</u>
Preschool Disabilities - Full - Time					
Purchased Professional Educational Services	-	24,000	24,000	23,952	48
Total Preschool Disabilities- Full - Time	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>23,952</u>	<u>48</u>
Home Instruction					
Purchased Professional Educational Services	110,000	11,500	121,500	121,342	158
Total Home Instruction	<u>110,000</u>	<u>11,500</u>	<u>121,500</u>	<u>121,342</u>	<u>158</u>
Total Special Education	<u>14,363,038</u>	<u>(114,895)</u>	<u>14,248,143</u>	<u>14,177,019</u>	<u>71,124</u>
Basic Skills/Remedial					
Salaries of Teachers	2,567,822	(107,050)	2,460,772	2,460,760	12
General Supplies	8,815	-	8,815	7,143	1,672
Total Basic Skills/Remedial	<u>2,576,637</u>	<u>(107,050)</u>	<u>2,469,587</u>	<u>2,467,903</u>	<u>1,684</u>

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 2,935,724	\$ 34,000	\$ 2,969,724	\$ 2,969,718	\$ 6
Other Salaries for Instruction	198,599	15,000	213,599	213,544	55
Purchased Professional/Educational Services	13,500	-	13,500	-	13,500
General Supplies	40,000	-	40,000	19,211	20,789
Textbooks	27,000	-	27,000	13,462	13,538
Total Bilingual Education	<u>3,214,823</u>	<u>49,000</u>	<u>3,263,823</u>	<u>3,215,935</u>	<u>47,888</u>
School Sponsored Co-Curricular Activities					
Salaries	412,237	86,700	498,937	478,727	20,210
Purchased Professional and Technical Services		7,000	7,000	6,523	477
Purchased Services	150,595	(1,500)	149,095	128,697	20,398
Supplies and Materials	11,350	(2,500)	8,850	1,399	7,451
Other Objects	47,295	(3,000)	44,295	27,917	16,378
Total School Sponsored Co-Curricular Activities	<u>621,477</u>	<u>86,700</u>	<u>708,177</u>	<u>643,263</u>	<u>64,914</u>
School Sponsored Athletics					
Salaries	971,801	-	971,801	961,064	10,737
Purchased Services	81,750	-	81,750	62,182	19,568
Supplies and Materials	152,500	6,250	158,750	155,539	3,211
Other Objects	146,000	(2,500)	143,500	125,259	18,241
Total School Sponsored Athletics	<u>1,352,051</u>	<u>3,750</u>	<u>1,355,801</u>	<u>1,304,044</u>	<u>51,757</u>
Total - Instruction	<u>74,036,742</u>	<u>1,462,313</u>	<u>75,499,055</u>	<u>75,216,548</u>	<u>282,507</u>
Undistributed Expenditures					
Instruction					
Tuition Other LEA's Within the State - Regular	177,752	(160,000)	17,752	17,358	394
Tuition Other LEA's Within the State - Special	43,431	(16,000)	27,431	27,249	182
Tuition to County Vocational School - Regular	8,189,012	(23,500)	8,165,512	8,165,127	385
Tuition to County Vocational School - Special	37,658	56,487	94,145	84,732	9,413
Tuition to CSSD & Regional Day Schools	1,254,950	(168,606)	1,086,344	1,086,338	6
Tuition for Private Schools for the Disabled - Within State	6,033,484	(2,395,987)	3,637,497	3,637,174	323
Tuition for Private Schools for the Disabled - Outside State		64,500	64,500	64,201	299
Tuition- State Facilities	70,944	-	70,944	70,944	-
Tuition - Other	51,792	-	51,792	9,898	41,894
Total Undistributed Expenditures - Instruction	<u>15,859,023</u>	<u>(2,643,106)</u>	<u>13,215,917</u>	<u>13,163,021</u>	<u>52,896</u>
Attendance and Social Work Services					
Salaries	319,571	127,000	446,571	444,779	1,792
Purchased Professional/Technical Services	50,500	(20,000)	30,500	4,700	25,800
Other Purchased Services	1,000	500	1,500	1,024	476
Supplies and Materials	5,850	10,000	15,850	10,163	5,687
Total Attendance and Social Work Services	<u>376,921</u>	<u>117,500</u>	<u>494,421</u>	<u>460,666</u>	<u>33,755</u>
Health Services					
Salaries	1,854,641	(87,840)	1,766,801	1,741,482	25,319
Purchased Professional and Technical Services	70,500	100,000	170,500	58,997	111,503
Other Purchased Services	500	-	500	-	500
Supplies and Materials	31,000	(5,444)	25,556	22,122	3,434
Total Health Services	<u>1,956,641</u>	<u>6,716</u>	<u>1,963,357</u>	<u>1,822,601</u>	<u>140,756</u>

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Speech OT/PT and Related Services					
Salaries	\$ 2,803,675	\$ (196,923)	\$ 2,606,752	\$ 2,601,409	\$ 5,343
Purchased Professional and Technical Services	175,000	204,923	379,923	301,144	78,779
Supplies and Materials	7,937	2,340	10,277	9,427	850
Other Objects	300	-	300	-	300
Total Speech, OT/PT & Related Serv.	<u>2,986,912</u>	<u>10,340</u>	<u>2,997,252</u>	<u>2,911,980</u>	<u>85,272</u>
Other Support Services - Students Extra Serv.					
Salaries	3,415,335	33,500	3,448,835	3,448,584	251
Purchased Professional-Educational Services	1,522,521	4,300	1,526,821	1,433,268	93,553
Other Objects	2,000	-	2,000	-	2,000
Total Other Support Serv. - Students Extra Serv.	<u>4,939,856</u>	<u>37,800</u>	<u>4,977,656</u>	<u>4,881,852</u>	<u>95,804</u>
Guidance					
Salaries of Other Professional Staff	3,298,423	(44,400)	3,254,023	3,254,020	3
Salaries of Secretarial and Clerical Staff	384,429	(24,879)	359,550	358,995	555
Other Salaries	32,500	-	32,500	26,460	6,040
Purchased Professional/Educational Services	2,500	15,000	17,500	12,840	4,660
Other Purchased Professional/Technical Services	28,000	-	28,000	25,893	2,107
Other Purchased Services	6,000	-	6,000	778	5,222
Supplies and Materials	19,500	1,700	21,200	21,190	10
Total Guidance	<u>3,771,352</u>	<u>(52,579)</u>	<u>3,718,773</u>	<u>3,700,176</u>	<u>18,597</u>
Child Study Teams					
Salaries of Other Professional Staff	3,706,044	(206,245)	3,499,799	3,487,724	12,075
Salaries of Secretarial and Clerical Staff	226,154	-	226,154	212,759	13,395
Purchased Professional/Educational Services	125,000	(64,900)	60,100	60,061	39
Other Purchased Professional/Technical Services	31,000	(9,000)	22,000	17,939	4,061
Other Purchased Services	5,500	-	5,500	1,881	3,619
Supplies and Materials	41,000	24,000	65,000	56,836	8,164
Total Child Study Teams	<u>4,134,698</u>	<u>(256,145)</u>	<u>3,878,553</u>	<u>3,837,200</u>	<u>41,353</u>
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	911,193	(100,000)	811,193	799,785	11,408
Salaries of Facilitators, Math& Literereary Coaches	169,387	181,500	350,887	350,453	434
Purchased Professional/Education Services	156,000	-	156,000	128,862	27,138
Supplies and Materials	10,000	-	10,000	7,541	2,459
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	<u>1,246,580</u>	<u>81,500</u>	<u>1,328,080</u>	<u>1,286,641</u>	<u>41,439</u>
Educational Media Services/School Library					
Salaries	1,291,822	(24,415)	1,267,407	1,267,392	15
Salaries of Technology Coordinators	121,601	(39,383)	82,218	82,218	-
Purchased Professional/Technical Services	122,000	2,200	124,200	119,080	5,120
Other Purchased Services	1,000	-	1,000	-	1,000
Supplies and Materials	171,727	(2,200)	169,527	134,468	35,059
Total Educational Media Services/School Library	<u>1,708,150</u>	<u>(63,798)</u>	<u>1,644,352</u>	<u>1,603,158</u>	<u>41,194</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	275,000	(60,000)	215,000	213,878	1,122
Other Purchased Prof. and Tech. Services	150,000	-	150,000	137,245	12,755
Other Purchased Services	1,000	-	1,000	49	951
Total Instructional Staff Training Services	<u>426,000</u>	<u>(60,000)</u>	<u>366,000</u>	<u>351,172</u>	<u>14,828</u>

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 841,101	\$ 303,700	\$ 1,144,801	\$ 1,132,849	\$ 11,952
Legal Services	300,000	(66,965)	233,035	139,146	93,889
Audit Fees	66,500	69,500	136,000	68,000	68,000
Other Purchased Professional Services	105,000	11,650	116,650	103,963	12,687
Purchased Technical Services	118,150	135	118,285	109,427	8,858
Communications/Telephone	417,500	(32,500)	385,000	253,394	131,606
BOE Other Purchased Services	9,000	-	9,000	3,068	5,932
Misc. Purchased Services	995,973	134,650	1,130,623	1,105,150	25,473
General Supplies	14,000	63,700	77,700	77,533	167
BOE In-House Training/Meeting Supplies	1,500	25,100	26,600	26,569	31
Judgements Against the School Entity	131,525	(93,525)	38,000	38,000	-
Miscellaneous Expenditures	7,500	3,670	11,170	11,166	4
BOE Membership Dues and Fees	27,500	22,000	49,500	49,462	38
Total Support Services General Administration	3,035,249	441,115	3,476,364	3,117,727	358,637
School Administration					
Salaries of Principals/Assistant Principals	3,647,422	289,650	3,937,072	3,937,058	14
Salaries of Other Professional Staff	993,812	83,000	1,076,812	1,068,499	8,313
Salaries of Secretarial and Clerical Assistants	1,619,498	(135,200)	1,484,298	1,484,285	13
Purchased Professional and Technical Services	141,300	(8,500)	132,800	87,386	45,414
Other Purchased Services	20,000	-	20,000	-	20,000
Supplies and Materials	191,555	(11,000)	180,555	107,414	73,141
Other Objects	1,000	-	1,000	239	761
Total School Administration	6,614,587	217,950	6,832,537	6,684,881	147,656
Central Services					
Salaries	1,344,471	126,850	1,471,321	1,471,199	122
Purchased Professional Services	3,500	-	3,500	3,500	-
Purchased Technical Services	84,500	5,500	90,000	88,847	1,153
Miscellaneous Purchased Services	4,500	-	4,500	1,125	3,375
Supplies and Materials	23,000	21,600	44,600	43,136	1,464
Miscellaneous Expenditures	4,500	6,375	10,875	10,868	7
Total Central Services	1,464,471	160,325	1,624,796	1,618,675	6,121
Administrative Information Technology					
Salaries	370,537	54,850	425,387	425,329	58
Purchased Technical Services	650,650	(132,700)	517,950	486,952	30,998
Supplies and Materials	64,300	(50,000)	14,300	6,307	7,993
Total Administrative Information Technology	1,085,487	(127,850)	957,637	918,588	39,049
Required Maintenance for School Facilities					
Salaries	653,200	116,000	769,200	761,864	7,336
Cleaning, Repair and Maintenance Services	620,000	176,045	796,045	762,004	34,041
Cleaning, Repair and Maintenance Services (Non-Budget)	-	-	-	3,081,545	(3,081,545)
General Supplies	280,000	200,800	480,800	480,746	54
Total Required Maintenance for School Facilities	1,553,200	492,845	2,046,045	5,086,159	(3,040,114)

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 4,975,539	\$ 152,699	\$ 5,128,238	\$ 5,126,115	\$ 2,123
Purchased Professional and Technical Services	350,000	1,644,624	1,994,624	1,994,381	243
Cleaning, Repair and Maintenance Services	265,200	(10,700)	254,500	254,479	21
Rental of Land/Bldg. Other than Lease Pur. Agrmt.	133,667	-	133,667	132,363	1,304
Other Purchased Property Services	5,000	235,676	240,676	237,645	3,031
Insurance	182,940	1	182,941	174,092	8,849
Miscellaneous Purchased Services	7,000	-	7,000	5,746	1,254
General Supplies	430,000	125,800	555,800	517,859	37,941
Energy (Natural Gas)	600,000	165,150	765,150	765,100	50
Energy (Electricity)	1,250,000	(250,000)	1,000,000	991,548	8,452
Other Objects	25,000	5,450	30,450	30,403	47
Total Custodial Services	8,224,346	2,068,700	10,293,046	10,229,731	63,315
Care & Upkeep of Grounds					
Salaries	184,950	(157,500)	27,450	27,015	435
Cleaning, Repair and Maintenance Services	30,000	30,550	60,550	48,440	12,110
General Supplies	30,000	-	30,000	14,176	15,824
Other Objects	-	2,025	2,025	2,025	-
Total Care & Upkeep of Grounds	244,950	(124,925)	120,025	91,656	28,369
Security					
Purchased Professional and Technical Services	60,000	30,100	90,100	89,707	393
Cleaning, Repair and Maintenance Services	75,000	27,227	102,227	65,491	36,736
General Supplies	115,000	-	115,000	112,285	2,715
Total Security	250,000	57,327	307,327	267,483	39,844
Student Transportation Services					
Salaries of Non-Instructional Aides	1,081,608	167,500	1,249,108	1,248,979	129
Salaries for Pupil Transportation (Between Home and School) - Regular	830,585	151,700	982,285	981,490	795
Salaries for Pupil Transportation (Between Home and School) - Special	592,076	115,750	707,826	707,809	17
Salaries for Pupil Transportation (Other Than Between Home and School)	165,224	5,550	170,774	170,761	13
Management Fee - ESC & CTSA Transportation	120,000	25,000	145,000	144,911	89
Other Purchased Professional/Technical Services	59,964	-	59,964	44,476	15,488
Cleaning, Repair and Maintenance Services	11,000	-	11,000	-	11,000
Lease Purchase Payments - School Buses	378,162	53,499	431,661	431,260	401
Contracted Services-Aid in Lieu of Payments- Non-Public Schools	900,000	(337,500)	562,500	562,372	128
Contracted Services (Other than Between Home & School)- Vendors	88,740	109,490	198,230	198,147	83
Contracted Services (Regular Students) - ESCs& CTSA	966,799	376,310	1,343,109	1,342,694	415
Contracted Services (Spl. Ed. Students) - ESCs& CTSA	2,224,838	1,074,000	3,298,838	3,298,615	223
Miscellaneous Purchased Services - Transportation	48,126	-	48,126	36,275	11,851
General Supplies	268,051	76,350	344,401	344,245	156
Transportation Supplies	48,000	-	48,000	34,140	13,860
Total Student Transportation Services	7,783,173	1,817,649	9,600,822	9,546,174	54,648

**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>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 2,305,000	\$ 19,700	\$ 2,324,700	\$ 2,301,737	\$ 22,963
Other Retirement Contributions - PERS	1,900,000	145,000	2,045,000	2,044,750	250
Other Retirement Contributions - Regular	171,000	-	171,000	156,374	14,626
Workmen's Compensation	620,669	(100,000)	520,669	507,310	13,359
Health Benefits	29,793,436	(784,050)	29,009,386	28,956,984	52,402
Tuition Reimbursement	110,000	(63,130)	46,870	46,851	19
Other Employee Benefits	4,650,000	(2,069,740)	2,580,260	2,579,971	289
Total Unallocated Benefits	39,550,105	(2,852,220)	36,697,885	36,593,977	103,908
Interest - Deposit to Maintenance Reserve	750	-	750	-	750
On-behalf TPAF Pension Contr. (Non-budgeted)					
Normal				29,144,061	(29,144,061)
NCGI				411,182	(411,182)
Post-Retirement Medical Costs				6,905,299	(6,905,299)
Long-Term Disability Insurance				13,916	(13,916)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	6,256,130	(6,256,130)
Total Undistributed Expenditures	107,212,451	(670,856)	106,541,595	150,904,106	(44,362,511)
Total Current Expenditures	181,249,193	791,457	182,040,650	226,120,654	(44,080,004)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5	40,000	71,641	111,641	33,856	77,785
Grades 6-8		98,400	98,400	38,620	59,780
Grades 9-12	165,000	73,185	238,185	212,142	26,043
Undistributed Expenditures					
Support Services - Students - Regular	6,000	(6,000)	-		-
Health Services		15,144	15,144	15,144	-
Educational Media Services/School Library		2,300	2,300	2,299	1
General Administration		2,155	2,155	2,152	3
School Administration	10,728	-	10,728	700	10,028
Required Maintenance of School Facilities	86,417	162,273	248,690	248,689	1
Non Instructional Equipment					
Student Transportation Services		126,600	126,600	126,600	-
School Buses - Regular	60,000	(60,000)	-		-
School Buses - Special	60,000	(60,000)	-		-
Total Equipment	428,145	425,698	853,843	680,202	173,641
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	185,000	7,364	192,364	131,322	61,042
Construction Services	1,665,000	-	1,665,000	159,313	1,505,687
Assessment for Debt Service on SDA Funding	130,701	-	130,701	130,701	-
Total Facilities Acquis. and Const. Services	1,980,701	7,364	1,988,065	421,336	1,566,729

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY (Continued)					
Interest Deposit to Capital Reserve	\$ 39,250	-	\$ 39,250	-	\$ 39,250
Total Capital Outlay	2,448,096	\$ 433,062	2,881,158	\$ 1,101,538	1,779,620
Transfer Funds to Charter School	9,569,236	(281,561)	9,287,675	9,287,675	-
Total Expenditures	193,266,525	942,958	194,209,483	236,509,867	(42,300,384)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,756,431)	(942,958)	(2,699,389)	248,732	2,948,121
Other Financing Sources					
Insurance Proceeds		-		3,002,132	3,002,132
Transfer Out - Special Revenue Fund - Co-Curricular Activities and Athletics	(40,000)	(10,000)	(50,000)	(50,000)	-
Transfer Out - Special Revenue Fund - Preschool Aid	(1,853,569)	-	(1,853,569)	(1,853,569)	-
Total Other Financing Sources	(1,893,569)	(10,000)	(1,903,569)	1,098,563	3,002,132
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,650,000)	(952,958)	(4,602,958)	1,347,295	5,950,253
Fund Balances, Beginning of Year	20,782,103	-	20,782,103	20,782,103	-
Fund Balances, End of Year	\$ 17,132,103	\$ (952,958)	\$ 16,179,145	\$ 22,129,398	\$ 5,950,253
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 6,265,285	
Capital Reserve - Designated for Subsequent Year's Expenditures				3,441,800	
Maintenance Reserve				777,952	
Unemployment Compensation Reserve				206,805	
Assigned Fund Balance					
Year-End Encumbrances				616,704	
Designated for Subsequent Year's Expenditures				1,233,641	
Unassigned Fund Balance				<u>9,587,211</u>	
Budgetary Fund Balance				22,129,398	
Reconciliation to Governmental Funds statements (GAAP):					
Last State Aid Payments not recognized on GAAP Basis				<u>7,758,240</u>	
Fund Balances Per Governmental Funds (GAAP)				<u>\$ 14,371,158</u>	

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 5,339,792	\$ 2,286,401	\$ 7,626,193	\$ 5,679,846	\$ (1,946,347)
Federal	7,673,243	37,348,315	45,021,558	17,956,340	(27,065,218)
Local Sources					
Miscellaneous	-	552,122	552,122	552,790	668
Total Revenues	<u>13,013,035</u>	<u>40,186,838</u>	<u>53,199,873</u>	<u>24,188,976</u>	<u>(29,010,897)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	6,334,289	36,720	6,371,009	4,892,345	1,478,664
Other Salaries for Instruction	445,495	(25,115)	420,380	420,380	-
Purchased Professional/Technical Services		234,543	234,543	186,890	47,653
Purchased Professional/Educational Services	1,000	4,500	5,500	5,379	121
Other Purchased Services	-	24,900	24,900	24,900	-
Tuition	3,031,940	97,500	3,129,440	2,950,811	178,629
General Supplies	60,066	1,595,656	1,655,722	416,906	1,238,816
School Sponsored Co-Curricular Activities and Athletics		503,938	503,938	543,066	(39,128)
Other Objects	-	20,969	20,969	10,210	10,759
Total Instruction	<u>9,872,790</u>	<u>2,493,611</u>	<u>12,366,401</u>	<u>9,450,887</u>	<u>2,915,514</u>
Support Services					
Salaries	718,929	2,654,020	3,372,949	1,013,180	2,359,769
Salaries of Supervisors of Instruction		29,627	29,627	28,585	1,042
Salaries of Principal, Asst. Principals & Directors	186,466	74,111	260,577	222,387	38,190
Salaries of Other Professional Staff	91,584	260,093	351,677	340,515	11,162
Salaries of Secretarial and Clerical Asst.	41,736	117,065	158,801	124,603	34,198
Other Salaries	49,440	1,309	50,749	50,748	1
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists	125,966	634	126,600	126,600	-
Salaries of Literacy/Math Coach	176,671	218,071	394,742	394,373	369
Salaries of Technology Coordinator		101,140	101,140	101,140	-
Personal Services- Employee Benefits	225,784	4,458,053	4,683,837	2,757,654	1,926,183
Purchased Professional/Technical Services		1,049,690	1,049,690	207,485	842,205
Purchased Prof./Educational Services	156,132	471,851	627,983	540,263	87,720
Purchased Educational Services - Contracted Pre-K	1,212,462	(181,931)	1,030,531	1,030,530	1
Purchased Educational Services - Head Start	1,510,740	(17,995)	1,492,745	1,492,745	-
Other Purchased Professional - Education Services	10,000	(10,000)	-	-	-
Other Purchased Professional Services	2,000	(2,000)	-	-	-
Other Purchased Professional and Technical Services	60,690	17,486	78,176	78,176	-
Cleaning, Repair and Maintenance Services	10,000	30,685	40,685	40,105	580
Rentals	259,410	55,458	314,868	314,867	1
Other Purchased Services		113,100	113,100	37,797	75,303
Travel		13,916	13,916	7,637	6,279
Supplies and Materials	119,818	1,110,290	1,230,108	1,173,148	56,960
Textbooks	35,986	7,168	43,154	37,385	5,769
Other Objects		1,700	1,700	1,700	-
Scholarships Awarded	-	48,184	48,184	4,000	44,184
Total Support Services	<u>4,993,814</u>	<u>10,621,725</u>	<u>15,615,539</u>	<u>10,125,623</u>	<u>5,489,916</u>
Facilities Acquisition and Construction					
Instructional Equipment		-	-	-	-
Non Instructional Equipment		1,699,026	1,699,026	679,938	1,019,088
Purchased Professional/Technical Services		425,500	425,500	425,500	-
Construction Services	-	23,093,407	23,093,407	5,344,212	17,749,195
Total Facilities Acquisition and Construction	<u>-</u>	<u>25,217,933</u>	<u>25,217,933</u>	<u>6,449,650</u>	<u>18,768,283</u>
Total Expenditures	<u>14,866,604</u>	<u>38,333,269</u>	<u>53,199,873</u>	<u>26,026,160</u>	<u>27,173,713</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,853,569)	1,853,569	-	(1,837,184)	(1,837,184)
Other Financing Sources/(Uses)					
Budgeted Transfer from General Fund	1,853,569	(1,853,569)	-	1,903,569	1,903,569
Operating Transfer Out - Food Service Fund	-	-	-	(23,565)	(23,565)
Fund Balances, Beginning of Year	<u>551,837</u>	<u>-</u>	<u>551,837</u>	<u>551,837</u>	<u>-</u>
Fund Balances, End of Year	\$ <u>551,837</u>	\$ <u>-</u>	\$ <u>551,837</u>	\$ <u>594,657</u>	\$ <u>42,820</u>
Restricted Fund Balances:					
Student Activities				\$ 550,473	
Scholarships				44,184	
				<u>\$ 594,657</u>	

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, 2022**

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>
Sources/inflows of resources					
Actual revenues (budgetary basis)	C-1	\$ 236,758,599	C-2	\$	24,188,976
Difference- Budget to GAAP					
State Aid payments (2020/2021) recognized for GAAP Purposes not recognized for budgetary statements.		6,341,000			482,651
Difference - Budget to GAAP:					
State Aid payments (2021/2022) recognized for budgetary purposes, not recognized for GAAP statements		(7,758,240)			(496,081)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					
Encumbrances, June 30, 2022					(5,835,071)
Encumbrances, June 30, 2021		-			1,769,566
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>235,341,359</u>	B-2	\$	<u>20,110,041</u>
Uses/outflows of resources					
Actual expenditures (budgetary basis)	C-1	\$ 236,509,867	C-2	\$	26,026,160
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, 2022					(5,835,071)
Encumbrances, June 30, 2021					1,769,566
Encumbrances, June 30, 2021 - Transfer to Enterprise Fund		-			(1,769,566)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 236,509,867</u>	B-2	\$	<u>20,191,089</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 Nine Fiscal Years *

	<u>2022</u>	<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)	0.17297 %	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)	\$ 20,490,387	\$ 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	\$ 12,486,899	\$ 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	164%	219%	258%	292%	343%	443%	334%	264%	287%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	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 Nine Fiscal Years

	<u>2022</u>	<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	\$ 2,025,630	\$ 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>2,025,630</u>	<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	\$ 12,835,884	\$ 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	15.78%	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 Nine Fiscal Years ***

	<u>2021</u>	<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>\$ 336,021,463</u>	<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>\$ 336,021,463</u>	<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	\$ 78,348,505	\$ 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%	0%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	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, 2022**

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 Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 21,281,788	\$ 11,736,770	\$ 10,833,933	\$ 12,544,401	\$ 15,223,842
Interest on Total OPEB Liability	9,672,995	9,092,989	10,829,170	11,822,101	10,155,276
Changes of Benefit Terms	(396,889)				
Differences Between Expected and Actual Experience	(70,319,607)	77,674,168	(39,046,669)	(34,502,853)	-
Changes of Assumptions	367,878	76,655,600	3,750,998	(31,293,787)	(42,431,320)
Gross Benefit Payments	(7,619,611)	(7,305,758)	(7,722,590)	(7,291,923)	(7,640,998)
Contribution from the Member	<u>247,291</u>	<u>221,437</u>	<u>228,919</u>	<u>252,021</u>	<u>281,361</u>
Net Change in Total OPEB Liability	(46,766,155)	168,075,206	(21,126,239)	(48,470,040)	(24,411,839)
Total OPEB Liability - Beginning	<u>419,649,813</u>	<u>251,574,607</u>	<u>272,700,846</u>	<u>321,170,886</u>	<u>345,582,725</u>
Total OPEB Liability - Ending	<u>\$ 372,883,658</u>	<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>\$ 372,883,658</u>	<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>\$ 372,883,658</u>	<u>\$ 419,649,813</u>	<u>\$ 251,574,607</u>	<u>\$ 272,700,846</u>	<u>\$ 321,170,886</u>
District's Covered-Employee Payroll	<u>\$ 90,835,404</u>	<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%	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, 2022**

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, 2022

	ESEA Title I	ESEA Title I SIA	ESSER - CARES Grant	ESEA Title II A	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 Exhibit E-1 Page 4	Total
REVENUES												
Local Sources									\$ 552,790	\$ -		\$ 552,790
State Sources									4,958,630	255,950	\$ 465,266	5,679,846
Federal Sources	\$ 2,976,271	\$ 19,597	\$ 210,024	\$ 508,946	\$ 145,268	\$ 87,390	\$ 447,092	\$ 337,302	4,171,796	9,052,654	-	17,956,340
Total Revenues	\$ 2,976,271	\$ 19,597	\$ 210,024	\$ 508,946	\$ 145,268	\$ 87,390	\$ 447,092	\$ 337,302	\$ 9,683,216	\$ 9,308,604	\$ 465,266	\$ 24,188,976
EXPENDITURES												
Instruction												
Salaries of Teachers	\$ 1,831,610		\$ 5,969		\$ 115,970	\$ 87,306	\$ 110,412	\$ 188,058	\$ 2,409,563	\$ 134,697	\$ 8,760	\$ 4,892,345
Other Salaries for Instruction									420,380	-		420,380
Purchased Professional/Technical Services	6,820								105,634	74,436		186,890
Purchased Professional/Educational Services	5,379								-	-		5,379
Other Purchased Services									-	24,900		24,900
Tuition									2,663,218	287,593		2,950,811
General Supplies	7,421	\$ 14,597				84	95,835		186,082	112,887		416,906
School Sponsored Co-Curricular Activities and Athletics									543,066			543,066
Other Objects	-	-	-	-	-	-	-	-	10,210	-	-	10,210
Total Instruction	1,851,230	14,597	5,969	-	115,970	87,390	206,247	188,058	6,338,153	634,513	8,760	9,450,887
Support Services												
Salaries			17,769						22,550	838,559		1,013,180
Salaries of Supervisors of Instruction							134,302		-	9,585		28,585
Salaries of Principal, Asst. Principals & Directors	28,518						19,000		151,039	42,830		222,387
Salaries of Other Professional Staff	5,827								289,497	45,191		340,515
Salaries of Secretarial and Clerical Asst.	41,003								66,991	3,759	\$ 12,850	124,603
Other Salaries									50,748			50,748
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists									126,600			126,600
Salaries of Literacy/Math Coach				\$ 169,963					224,410			394,373
Salaries of Technology Coordinator				101,140								101,140
Personal Services- Employee Benefits	1,034,565		22,760	231,046	19,467		85,081	136,060	917,095	311,580		2,757,654
Purchased Professional/Technical Services		5,000						6,299	39,588	156,598		207,485
Purchased Prof./Educational Services					9,831				316,281		214,151	540,263
Purchased Educational Services - Contracted Pre-K									1,030,530			1,030,530
Purchased Educational Services - Head Start									1,492,745			1,492,745
Other Purchased Professional - Education Services									-			-
Other Purchased Professional Services									-			-
Other Purchased Professional and Technical Services									-		78,176	78,176
Cleaning, Repair and Maintenance Services									40,105			40,105
Rentals									314,867			314,867
Other Purchased Services	15,128			6,797			2,462	6,885	6,525			37,797
Contracted Services (Other Than Between Home and School) - Grant Agreements									-			-
Travel									7,637			7,637
Miscellaneous Purchased Services									-			-
Supplies and Materials			163,526						102,904	792,774	113,944	1,173,148
Textbooks											37,385	37,385
Scholarships Awarded									4,000			4,000
Other Objects									1,700			1,700
Total Support Services	1,125,041	5,000	204,055	508,946	29,298	-	240,845	149,244	5,205,812	2,200,876	456,506	10,125,623
Facilities Acquisition and Construction												
Instructional Equipment									-			-
Non Instructional Equipment										679,938		679,938
Purchased Professional/Technical Services										425,500		425,500
Construction Services										5,344,212		5,344,212
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	6,449,650	-	6,449,650
Total Expenditures	2,976,271	19,597	210,024	508,946	145,268	87,390	447,092	337,302	11,543,965	9,285,039	465,266	26,026,160
Deficiency of Revenues Under Expenditures	-	-	-	-	-	-	-	-	(1,860,749)	23,565	-	(1,837,184)
Other Financing Sources/(Uses)												
Budgeted Transfer from General Fund									1,903,569			1,903,569
Operating Transfer Out									-	(23,565)		(23,565)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	551,837	-	-	551,837
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 594,657	\$ -	\$ -	\$ 594,657

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Local Programs	Student Activity/ Athletics	Scholarships	I.D.E.A.- Basic	I.D.E.A.- Preschool	ARP - I.D.E.A Basic	ARP - I.D.E.A Preschool	Twenty-First Century Current Year	Twenty-First Century Prior Year	Preschool Education Aid (PEA)	Carl D. Perkins	Total Exhibit E-1 Page 2
REVENUES												
Local Sources	\$ 12,904	\$ 539,886	\$ -									\$ 552,790
State Sources										\$ 4,958,630		4,958,630
Federal Sources				\$ 3,033,042	\$ 45,785	\$ 597,571	\$ 50,963	\$ 404,441	\$ 33,440		\$ 6,554	4,171,796
Total Revenues	\$ 12,904	\$ 539,886	\$ -	\$ 3,033,042	\$ 45,785	\$ 597,571	\$ 50,963	\$ 404,441	\$ 33,440	\$ 4,958,630	\$ 6,554	\$ 9,683,216
EXPENDITURES												
Instruction												
Salaries of Teachers	\$ 1,904			\$ 178,465				\$ 151,006	\$ 17,605	\$ 2,059,083	\$ 1,500	\$ 2,409,563
Other Salaries for Instruction				107,596						312,784		420,380
Purchased Professional/Technical Services				6,051				99,408	175			105,634
Purchased Professional/Educational Services												-
Other Purchased Services												-
Tuition				2,020,255	\$ 45,785	\$ 546,215	\$ 50,963					2,663,218
General Supplies				98,679		21,488		7,103	167	55,591	3,054	186,082
School Sponsored Co-Curricular Activities and Athletics		\$ 543,066										543,066
Other Objects								10,210				10,210
Total Instruction	1,904	543,066	-	2,411,046	45,785	567,703	50,963	267,727	17,947	2,427,458	4,554	6,338,153
Support Services												
Salaries	11,000						9,550				2,000	22,550
Salaries of Supervisors of Instruction												-
Salaries of Principal, Asst. Principals & Directors				3,700				42,083	12,839	\$ 92,417		151,039
Salaries of Other Professional Staff				190,080						99,417		289,497
Salaries of Secretarial and Clerical Asst.				6,440				15,039	2,390	43,122		66,991
Other Salaries										50,748		50,748
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists										126,600		126,600
Salaries of Literacy/Math Coach										224,410		224,410
Personal Services- Employee Benefits				37,095		730		43,641		835,629		917,095
Purchased Professional/Technical Services						19,588		20,000				39,588
Purchased Prof./Educational Services				316,281								316,281
Purchased Educational Services - Contracted Pre-K										1,030,530		1,030,530
Purchased Educational Services - Head Start										1,492,745		1,492,745
Other Purchased Professional - Education Services												-
Other Purchased Professional Services												-
Cleaning, Repair and Maintenance Services										40,105		40,105
Rentals										314,867		314,867
Other Purchased Services				2,025				4,500				6,525
Contracted Services (Other Than Between Home and School) - Grant Agreements												-
Travel								3,545		4,092		7,637
Miscellaneous Purchased Services												-
Supplies and Materials				66,375				7,906	264	28,359		102,904
Scholarships Awarded			\$ 4,000									4,000
Other Objects										1,700		1,700
Total Support Services	11,000	-	4,000	621,996	-	29,868	-	136,714	15,493	4,384,741	2,000	5,205,812
Facilities Acquisition and Construction												
Instructional Equipment												-
Non Instructional Equipment												-
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	12,904	543,066	4,000	3,033,042	45,785	597,571	50,963	404,441	33,440	6,812,199	6,554	11,543,965
Deficiency of Revenues Under Expenditures		(3,180)	(4,000)							(1,853,569)		(1,860,749)
Other Financing Sources/(Uses)												
Budgeted Transfer from General Fund		50,000								1,853,569		1,903,569
Operating Transfer Out												-
Fund Balance, Beginning of Year		503,653	48,184									551,837
Fund Balance, End of Year	\$ -	\$ 550,473	\$ 44,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 594,637

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA- ESSER II			AMERICAN RESCUE PLAN - ESSER III			SDA Emergent Needs	Total Exhibit E-1 Page 3
	ESSER II	Learning Acceleration	Mental Health	ARP ESSER III	Evidence Based Comprehensive Beyond School Day	ACSERS		
REVENUES								
Local Sources								\$ -
State Sources							\$ 255,950	255,950
Federal Sources	\$ 7,710,286	\$ 157,050	\$ 2,397	\$ 820,892	\$ 74,436	\$ 287,593	-	9,052,654
Total Revenues	\$ 7,710,286	\$ 157,050	\$ 2,397	\$ 820,892	\$ 74,436	\$ 287,593	\$ 255,950	\$ 9,308,604
EXPENDITURES								
Instruction								
Salaries of Teachers		\$ 132,300	\$ 2,397					\$ 134,697
Other Salaries for Instruction								-
Purchased Professional/Technical Services					\$ 74,436			74,436
Purchased Professional/Educational Services								-
Other Purchased Services	\$ 24,900							24,900
Tuition						\$ 287,593		287,593
General Supplies				\$ 112,887				112,887
School Sponsored Co-Curricular Activities and Athletics								-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	24,900	132,300	2,397	112,887	74,436	287,593	-	634,513
Support Services								
Salaries	696,849	24,750		116,960				838,559
Salaries of Supervisors of Instruction	9,585							9,585
Salaries of Principal, Asst. Principals & Directors	42,830							42,830
Salaries of Other Professional Staff	45,191							45,191
Salaries of Secretarial and Clerical Asst.	3,759							3,759
Other Salaries								-
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists								-
Salaries of Literacy/Math Coach								-
Personal Services- Employee Benefits	129,923			181,657				311,580
Purchased Professional/Technical Services				156,598				156,598
Purchased Prof./Educational Services								-
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								-
Rentals								-
Other Purchased Services								-
Contracted Services (Other Than Between Home and School) - Grant Agreements								-
Travel								-
Miscellaneous Purchased Services								-
Supplies and Materials	536,824						\$ 255,950	792,774
Scholarships Awarded								-
Other Objects	-	-	-	-	-	-	-	-
Total Support Services	1,464,961	24,750	-	455,215	-	-	255,950	2,200,876
Facilities Acquisition and Construction								
Instructional Equipment								-
Non Instructional Equipment	679,938							679,938
Purchased Professional/Technical Services	425,500							425,500
Construction Services	5,091,422			252,790				5,344,212
Total Facilities Acquisition and Construction	6,196,860			252,790				6,449,650
Total Expenditures	7,686,721	157,050	2,397	820,892	74,436	287,593	255,950	9,285,039
Deficiency of Revenues Under Expenditures	23,565	-	-	-	-	-	-	23,565
Other Financing Sources/(Uses)								
Budgeted Transfer from General Fund	-	-						-
Operating Transfer Out	(23,565)							(23,565)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2022**

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Final To Actual Variance
Instruction					
Salaries of Teachers	\$ 2,423,824	\$ (364,740)	\$ 2,059,084	\$ 2,059,083	\$ 1
Other Salaries for Instruction	445,495	(132,708)	312,787	312,784	3
Purchased Professional Educational Services	1,000	(1,000)			-
General Supplies	27,000	28,592	55,592	55,591	1
Total Instruction	2,897,319	(469,856)	2,427,463	2,427,458	5
Support Services					
Salaries of Program Directors	186,466	(94,049)	92,417	92,417	-
Salaries of Other Professional Staff	91,584	7,834	99,418	99,417	1
Salaries of Secr. and Clerical Assistants	41,736	1,386	43,122	43,122	-
Other Salaries	49,440	1,309	50,749	50,748	1
Salaries of Family/Parent Liaison	125,966	634	126,600	126,600	-
Salaries of Facilitators/Master Teachers	176,671	48,108	224,779	224,410	369
Personal Services - Employee Benefits	225,784	611,937	837,721	835,629	2,092
Purchased Ed. Services - Contracted Pre-K	1,212,462	(181,931)	1,030,531	1,030,530	1
Purchased Ed. Services - Head Start	1,510,740	(17,995)	1,492,745	1,492,745	-
Other Purchased Prof. - Ed. Services	10,000	(10,000)			-
Other Purchased Professional Services	2,000	(2,000)			-
Cleaning, Repair & Maintenance	10,000	30,685	40,685	40,105	580
Rentals	259,410	55,458	314,868	314,867	1
Other Purchased Services	4,800	(708)	4,092	4,092	-
Supplies and Materials	10,000	18,360	28,360	28,359	1
Other Objects	-	1,700	1,700	1,700	-
Total Support Services	3,917,059	470,728	4,387,787	4,384,741	3,046
Total Expenditures	\$ 6,814,378	\$ 872	\$ 6,815,250	\$ 6,812,199	\$ 3,051

Calculation of Budget Carryover

Total revised 2021-2022 Preschool Education Aid Allocation	\$ 4,960,809
General Fund Contribution	1,853,569
Add: Actual PEA Carryover (June 30, 2021)	39,869
Total Preschool Ed. Aid Funds Available for 2021-2022 Budget	6,854,247
Less 2021-22 Budgeted Preschool Education Aid	(6,815,250)
Available and Unbudgeted Preschool Education Aid as of June 30, 2022	38,997
Add: June 30, 2022 Unexpended Preschool Education Aid	3,051
2021-2022 C/O - Preschool Education Aid Programs	<u>\$ 42,048</u>
2021-2022 Preschool Education Aid Carryover Budgeted in 2022-2023	<u>\$ -</u>

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Balance, July 1, <u>2021</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2022</u>
MIDDLE SCHOOLS				
Woodrow Wilson	\$ 37,185	\$ 79,872	\$ 66,825	\$ 50,232
Christopher Columbus	<u>10,864</u>	<u>18,992</u>	<u>23,234</u>	<u>6,622</u>
Total Middle Schools	<u>48,049</u>	<u>98,864</u>	<u>90,059</u>	<u>56,854</u>
HIGH SCHOOL				
Clifton High School	<u>392,962</u>	<u>289,968</u>	<u>252,771</u>	<u>430,159</u>
OTHER				
Internal Account	40,554	117,528	117,051	41,031
Athletic Account	12,635	67,770	72,838	7,567
Athletic Hall of Fame Acct	<u>9,453</u>	<u>15,756</u>	<u>10,347</u>	<u>14,862</u>
Total Other	<u>62,642</u>	<u>201,054</u>	<u>200,236</u>	<u>63,460</u>
Total All Schools	<u>\$ 503,653</u>	<u>\$ 589,886</u>	<u>\$ 543,066</u>	<u>\$ 550,473</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, 2022

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2022</u>
		<u>Prior Years</u>	<u>Current Year</u>	
2021 Referendum - Various Improvements	\$ 168,282,735	\$ 1,732,343	\$ 8,782,384	\$ 157,768,008
	<u>\$ 168,282,735</u>	<u>\$ 1,732,343</u>	<u>\$ 8,782,384</u>	<u>\$ 157,768,008</u>
<u>Recapitulation of Balance:</u>				
Restricted for Capital Projects:				
				\$ 33,151,275
				<u>124,616,733</u>
				Project Balance 157,768,008
Less:				
				Debt Authorized but Not Issued (735)
				<u>\$ 157,767,273</u>
				Fund Balance - GAAP Basis

**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, 2022**

Revenues and Other Financing Sources	
Bond Proceeds	\$ 168,282,000
	<u>168,282,000</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	6,343,901
Facilities Acquisition and Construction Services	<u>2,438,483</u>
	<u>8,782,384</u>
Total Expenditures and Other Financing Uses	<u>8,782,384</u>
Excess of Revenues Overexpenditures	159,499,616
Fund Balance, July 1, 2021 - Budgetary Basis	<u>(1,732,343)</u>
Fund Balance, June 30, 2022 - Budgetary Basis	<u>\$ 157,767,273</u>
Reconciliation of Fund Balance - GAAP Basis	
Fund Balance, June 30, 2022 - GAAP Basis	<u>\$ 157,767,273</u>

**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, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bonds Authorized	-	\$ 168,282,000	\$ 168,282,000	\$ 168,282,735
Total Revenues and Other Financing Sources	-	168,282,000	168,282,000	168,282,735
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 1,732,343	6,343,901	8,076,244	
Facilities Acquisition and Construction Services	-	2,438,483	2,438,483	168,282,735
Total Expenditures and Other Financing Uses	1,732,343	8,782,384	10,514,727	168,282,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,732,343)	\$ 159,499,616	\$ 157,767,273	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	4/20/2021
Bonds Authorized	\$ 168,282,735
Bonds Issued	\$ 168,282,000
Original Authorized Cost	\$ 168,282,735
Additional Appropriation	-
Revised Authorized Cost	\$ 168,282,735
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	6.25%
Original Target Completion Date	6/30/2023
Revised Target Completion Date	6/30/2023

PROPRIETARY FUNDS

EXHIBIT G-1

**CLIFTON BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

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, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
Refunding Bonds	6/4/2013	\$ 7,410,000	3/1/2023-24	\$ 800,000	4.00%	\$ 3,175,000		\$ 805,000	\$ 2,370,000
			3/1/2025	770,000	4.00%				
School Bonds, Series 2021	8/19/2021	168,282,000	8/15/2022	4,002,000	2.000%				
			8/15/2023	4,000,000	2.000%				
			8/15/2024	4,250,000	2.000%				
			8/15/2025	5,500,000	2.000%				
			8/15/2026	6,000,000	2.000%				
			8/15/2027	6,000,000	2.000%				
			8/15/2028	6,250,000	2.000%				
			8/15/2029	6,250,000	2.000%				
			8/15/2030	6,500,000	2.000%				
			8/15/2031	6,500,000	2.000%				
			8/15/2032	6,750,000	2.000%				
			8/15/2033	6,750,000	2.000%				
			8/15/2034	7,000,000	2.000%				
			8/15/2035	7,250,000	2.000%				
			8/15/2036	7,250,000	2.000%				
			8/15/2037	7,500,000	2.000%				
			8/15/2038	7,500,000	2.000%				
			8/15/2039	7,500,000	2.000%				
			8/15/2040	7,750,000	2.000%				
			8/15/2041	7,780,000	2.000%				
8/15/2042	8,000,000	2.125%							
8/15/2043	8,000,000	2.125%							
8/15/2044	8,000,000	2.125%							
8/15/2045	8,000,000	2.250%							
8/15/2046	8,000,000	2.250%							
						-	\$ 168,282,000	-	168,282,000
						<u>\$ 3,175,000</u>	<u>\$ 168,282,000</u>	<u>\$ 805,000</u>	<u>\$ 170,652,000</u>

**CLIFTON BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2021</u>	<u>Issued Current Year</u>	<u>Payments</u>	<u>Balance June 30, 2022</u>
2018 (3) 54 Passenger Buses and (3) 24 Passenger Buses	1.74%	\$ 485,083	\$ 204,977		\$ 71,031	\$ 133,946
2019 (3) 54 Passenger Buses and (3) 24 Passenger Buses	3.16%	524,277	219,116		107,854	111,262
2019 LED Lighting Project	3.14%	316,344	145,695		71,723	73,972
2020 (3) 54 Passenger Buses and (3) 24 Passenger Buses	2.40%	518,375	311,198		101,282	209,916
2020 Phone System	2.51%	736,416	420,563		136,727	283,836
2021 (2) 54 Passenger Buses and (2) 24 Passenger Buses	1.238%	359,621	359,621		51,998	307,623
2021 (3) 54 Passenger Buses and (3) 24 Passenger Buses	1.460%	539,431	461,802	-	75,484	386,318
			<u>\$ 2,122,972</u>	<u>\$ -</u>	<u>\$ 616,099</u>	<u>\$ 1,506,873</u>

**CLIFTON BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 932,000	-	\$ 932,000	\$ 932,000	-
Total Revenues	<u>932,000</u>	<u>-</u>	<u>932,000</u>	<u>932,000</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	805,000		805,000	805,000	
Interest	127,000	-	127,000	127,000	-
Total Expenditures	<u>932,000</u>	<u>-</u>	<u>932,000</u>	<u>932,000</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 annual comprehensive 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 district'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 district'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 district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net Investment in capital assets	\$ 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	\$ 58,494,581
Restricted	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	11,286,499
Unrestricted	<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>	<u>(36,615,640)</u>
Total governmental activities net position	<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>	<u>\$ 33,165,440</u>
Business-type activities										
Net Investment in Capital Assets	\$ 215,922	\$ 219,498	\$ 182,189	\$ 149,283	\$ 124,275	\$ 238,609	\$ 300,988	\$ 364,249	\$ 1,093,032	\$ 3,963,779
Unrestricted	<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>	<u>2,939,017</u>
Total business-type activities net position	<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>	<u>\$ 6,902,796</u>
District-wide										
Net Investment in capital assets	\$ 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	\$ 62,458,360
Restricted	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	11,286,499
Unrestricted	<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>	<u>(33,676,623)</u>
Total district net position	<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>	<u>\$ 40,068,236</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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 107,039,117
Special education	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	32,167,314
Other instruction	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	12,033,255
School Sponsored Activities and Athletics	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	3,482,543
Support Services:										
Student & instruction related services	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	41,116,267
Educational Media/School Library	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	2,533,184
School Administrative services	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	11,167,375
General administration	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	3,704,076
Central Services	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	3,271,158
Plant operations and maintenance	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	19,579,879
Pupil transportation	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	10,741,994
Interest on long-term debt	968,684	873,173	535,980	534,816	468,462	407,088	362,794	343,184	178,826	3,110,006
Total governmental activities expenses	162,883,747	168,008,716	189,703,527	204,173,404	224,958,353	234,514,969	228,554,916	227,325,439	252,560,128	249,946,168
Business-type activities:										
Food service	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	7,703,646
Other Non Major	305,275	430,995	519,929	615,910	589,960	50,074	54,133	62,696	2,699	18,284
Total business-type activities expense	4,517,752	5,096,709	4,990,770	5,023,714	5,013,072	5,329,873	5,210,528	4,722,035	4,202,188	7,721,930
Total district expenses	\$ 167,401,499	\$ 173,105,425	\$ 194,694,297	\$ 209,197,118	\$ 229,971,425	\$ 239,844,842	\$ 233,765,444	\$ 232,047,474	\$ 256,762,316	\$ 257,668,098
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)			\$ 102,656	\$ 288,939	\$ 815,769	\$ 898,803	\$ 1,186,971	\$ 657,232	\$ 281,430	\$ 152,129
Support Services (tuition)					25,854					
Operating grants and contributions	\$ 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	72,956,445
Capital grants and contributions	-	-	1,238,641	649,771	64,385	11,808	45,848	12,050	27,508	2,417,710
Total governmental activities program revenues	29,870,023	29,398,684	47,433,670	57,694,325	74,168,320	80,980,207	71,516,818	64,084,553	89,235,934	75,526,284
Business-type activities:										
Charges for services										
Food service	\$ 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	\$ 447,323
Other Non Major	348,439	449,785	513,999	496,031	624,330	69,957	76,241	75,353	40,300	104,623
Operating grants and contributions	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	8,318,950
Total business type activities program revenues	4,606,560	4,948,859	5,028,557	4,943,510	4,961,924	5,131,571	5,435,353	5,183,465	6,436,474	8,870,896
Total district program revenues	\$ 34,476,583	\$ 34,347,543	\$ 52,462,227	\$ 62,637,835	\$ 79,130,244	\$ 86,111,778	\$ 76,952,171	\$ 69,268,018	\$ 95,672,408	\$ 84,397,180
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (174,419,884)
Business-type activities	88,808	(147,850)	37,787	(80,204)	(51,148)	(198,302)	224,825	461,430	2,234,286	1,148,966
Total district-wide net expense	\$ (132,924,916)	\$ (138,757,882)	\$ (142,232,070)	\$ (146,559,283)	\$ (150,841,181)	\$ (153,733,064)	\$ (156,813,273)	\$ (162,779,456)	\$ (161,089,908)	\$ (173,270,918)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes general purposes and debt svc	\$ 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	\$ 135,191,260
State Aid restricted for debt service	178,050	174,797	170,304	145,357	140,439	39,634				
Unrestricted grants and contributions	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	40,135,962
Miscellaneous income	2,866,965	1,107,607	811,998	899,379	849,270	1,198,392	1,002,676	1,243,284	867,570	914,172
Other								(117,378)		
Transfers	-	-	32,836	-	-	-	-	-	(330,886)	(1,793,131)
Total governmental activities	142,452,830	142,997,434	145,514,729	147,791,246	150,101,252	156,051,142	156,254,348	162,077,544	164,213,489	174,448,263
Business-type activities:										
Investment earnings	916	1,532	265	819	1,586	1,423	359	2,515	2,031	1,648
Miscellaneous income					608	6,856				
Transfers	-	-	(32,836)	-	-	-	-	-	330,886	1,793,131
Total business-type activities	916	1,532	(32,571)	819	2,194	8,279	359	2,515	332,917	1,794,779
Total district-wide	\$ 142,453,746	\$ 142,998,966	\$ 145,482,158	\$ 147,792,065	\$ 150,103,446	\$ 156,059,421	\$ 156,254,707	\$ 162,080,059	\$ 164,546,406	\$ 176,243,042
Change in Net Position										
Governmental activities	\$ 9,439,106	\$ 4,387,402	\$ 3,244,872	\$ 1,312,167	\$ (688,781)	\$ 2,516,380	\$ (783,750)	\$ (1,163,342)	\$ 889,295	\$ 28,379
Business-type activities	89,724	(146,318)	5,216	(79,385)	(48,954)	(190,023)	225,184	463,945	2,567,203	2,943,745
Total district	\$ 9,528,830	\$ 4,241,084	\$ 3,250,088	\$ 1,232,782	\$ (737,735)	\$ 2,326,357	\$ (558,566)	\$ (699,397)	\$ 3,456,498	\$ 2,972,124

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 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	\$ 10,691,842
Committed				579,811	1,516,704	2,647,302	871,427	1,320,851		
Assigned	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	1,850,345
Unassigned	<u>(179,677)</u>	<u>(185,926)</u>	<u>(54,937)</u>	<u>130,380</u>	<u>(42,465)</u>	<u>(21,659)</u>	<u>(354,379)</u>	<u>(903,043)</u>	<u>2,650,799</u>	<u>1,828,971</u>
Total general fund	<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>	<u>\$ 14,371,158</u>
All Other Governmental Funds										
Restricted	\$ 33,412	\$ 172,484	\$ 2,192,139	\$ 1,336,745	\$ 1,247,838	\$ 1,233,265	\$ 1,242,248	\$ 730,868	\$ (1,180,506)	\$ 158,361,930
Unassigned							<u>(83,473)</u>	<u>(400,646)</u>	<u>(482,651)</u>	<u>(496,081)</u>
Total all other governmental funds	<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>	<u>\$ 157,865,849</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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property Taxes	\$ 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	\$ 135,191,260
Miscellaneous	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	1,619,091
State sources	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	105,340,728
Federal sources	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	14,232,321
Total revenue	172,322,853	172,396,118	178,288,712	184,850,733	190,845,996	200,405,460	209,587,872	215,809,003	229,883,222	256,383,400
Expenditures										
Instruction										
Regular Instruction	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	110,391,027
Special education instruction	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	33,167,877
Other instruction	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	12,436,662
School sponsored activities and athletics	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	3,585,452
Support Services:										
Student & inst. related services	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	42,252,418
Educational Media/School Library	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	2,629,647
General administration	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	4,001,689
School administrative services	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	11,620,938
Central services	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	3,798,313
Plant operations and maintenance	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	19,309,757
Pupil transportation	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	11,182,194
Capital outlay	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	10,452,530
Debt service:										
Refunding bond issuance costs	100,366	-	26,068							
Advance Refunding Escrow	610,495	-								
Principal	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	1,421,099
Interest and other charges	895,237	805,306	673,270	546,453	475,868	395,954	378,228	350,279	209,385	165,737
Total expenditures	167,640,971	173,955,054	181,139,556	186,312,024	189,630,213	197,587,894	211,700,606	220,689,925	232,085,350	266,415,340
Excess (Deficiency) of revenues over (under) expenditures	4,681,882	(1,558,936)	(2,850,844)	(1,461,291)	1,215,783	2,817,566	(2,112,734)	(4,880,922)	(2,202,128)	(10,031,940)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing sources (uses)										
Proceeds from borrowing:										
Capital leases (non-budgeted)	\$ 444,870	\$ 1,452,997	\$ 353,572	\$ 362,000	\$ 466,200	\$ 485,083	\$ 840,621	\$ 1,254,791	\$ 899,052	\$ -
School Bond Proceeds										168,282,000
Refunding Bond Proceeds	7,410,000	-	2,530,000							
Premium on Refunding Bonds	774,861	-								
Payment to refunded bond escrow agent	(7,474,000)	-	(2,503,932)							
Insurance Proceeds										3,002,132
Cancellation of Capital Leases								(9,029)		
Cancellation of SDA Grant Receivable								(108,349)		
Transfers in	-	445,000	3,539,489					2,776,414	1,815,305	1,903,569
Transfers out	-	(445,000)	(3,506,653)	-	-	-	-	(2,776,414)	(2,146,191)	(3,696,700)
Total other financing sources (uses)	1,155,731	1,452,997	412,476	362,000	466,200	485,083	840,621	1,137,413	568,166	169,491,001
Net change in fund balances	\$ 5,837,613	\$ (105,939)	\$ (2,438,368)	\$ (1,099,291)	\$ 1,681,983	\$ 3,302,649	\$ (1,272,113)	\$ (3,743,509)	\$ (1,633,962)	\$ 159,459,061
Debt service as a percentage of noncapital expenditures	2.40%	2.49%	2.32%	1.95%	1.87%	1.28%	0.76%	0.86%	0.73%	0.62%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Interest Earned	Book Fines	Rentals	Refund P/Y Expend	Cancellation PY Payables	Tuition	E-Rate Refund	Miscellaneous	Total
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
2022	265,419	921	32,135	541,870		152,129		73,827	1,066,301

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 ^a
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
2022	44,120,700	3,823,457,600	298,500	12,700	795,287,800	542,218,700	140,958,400	5,346,354,400	6,315,636	5,352,670,036	11,512,232,791	2.705

101 Source: County Abstract of Ratables

^a 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)

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
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
2022	2.705	1.654	1.351	5.710

Source: County Abstract of Ratables

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

Taxpayer	2022	
	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%
Public Service	33,466,700	0.63%
Clifton Commons, LLC	27,509,800	0.51%
PB Nutcliff Master LLC & PB Nutcliff Med LLC	26,211,300	0.49%
Clifton Lifestyle Ctr LLC	24,962,800	0.47%
Country Club Towers I & II LLC	23,531,900	0.44%
Styertowne Shopping Center	19,696,500	0.37%
Exelis Inc	19,500,000	0.36%
	\$ 300,380,500	5.61%

	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman La Roche	\$ 103,623,100	1.95%
Clifton Commons, LLC	40,841,100	0.77%
Castleton Assoc. LLC	40,501,500	0.76%
Public Service	31,678,500	0.60%
Country Club Towers I & II LLC	23,581,900	0.44%
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	0.31%
Target Corp	15,659,400	0.29%
	\$ 334,015,800	6.28%

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	
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%	
2022	135,191,260	135,191,260	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 Financing Agreements			
2013	\$ 16,872,000	\$ 877,152	\$ 17,749,152	84,750	\$ 209
2014	14,122,000	1,709,793	15,831,793	84,951	186
2015	11,512,000	1,728,103	13,240,103	85,190	155
2016	9,217,000	1,396,518	10,613,518	85,287	124
2017	6,935,000	1,155,295	8,090,295	85,229	95
2018	5,535,000	933,271	6,468,271	85,327	76
2019	4,770,000	1,327,171	6,097,171	85,314	71
2020	3,985,000	1,873,314	5,858,314	85,115	69
2021	3,175,000	2,122,972	5,297,972	85,025	62
2022	170,652,000	1,506,873	172,158,873	89,367	1,926

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 16,872,000	\$ 33,412	\$ 16,838,588	0.32%	\$ 199
2014	14,122,000	44,170	14,077,830	0.26%	166
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
2022	170,652,000		170,652,000	3.19%	1,910

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, 2021
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Board of Education	\$ 171,392,735	\$ 171,392,735	
City	<u>119,734,630</u>	<u>29,721,181</u>	\$ 90,013,449
	<u>\$ 291,127,365</u>	<u>\$ 201,113,916</u>	90,013,449
Overlapping Debt Apportioned to the Municipality:			
Passaic County:			
County of Passaic (A)			102,796,218
Passaic County Utilities Authority- Solid Waste (A)			8,344,411
Passaic Valley Sewerage Commission (B)			21,431,352
Passaic Valley Water Commission (C)			14,448,156
North Jersey District Water Supply Commission (B)			<u>2,194,232</u>
Total Direct and Overlapping Debt			<u>\$ 239,227,818</u>

Source:

(1) City's 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to the City by dividing the municipality's 2021 equalized value by the total 2021 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	\$ 436,139,714
Total net debt applicable to limit	<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>	<u>170,652,735</u>
Legal debt margin	<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>	<u>\$ 265,486,979</u>
Total net debt applicable to the limit as a percentage of debt limit	4.34%	3.70%	3.04%	2.43%	1.83%	1.45%	1.23%	0.98%	0.76%	39.13%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2021 \$ 11,324,457,325
	2020 10,610,333,599
	2019 <u>10,775,687,614</u>
	<u>\$ 32,710,478,538</u>
Average equalized valuation of taxable property	\$ 10,903,492,846
Debt limit (4 % of average equalization value)	436,139,714
Total Net Debt Applicable to Limit	<u>170,652,735</u>
Legal debt margin	<u>\$ 265,486,979</u>

Source: Annual Debt Statements

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

Year	Population	County Per Capita Personal Income	Unemployment Rate
2013	84,750	\$ 42,537	8.8%
2014	84,951	44,908	6.9%
2015	85,190	46,045	5.8%
2016	85,287	46,617	5.0%
2017	85,229	47,191	4.7%
2018	85,327	49,167	4.2%
2019	85,314	51,203	3.5%
2020	85,115	55,775	11.2%
2021	85,025	N/A	7.1%
2022	89,367	N/A	N/A

Source: New Jersey State Department of Labor and Workforce Development

N/A - Not Available

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

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</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>	<u>2022</u>
Instruction										
Regular	682	693	703	705	702	705	708	710	711	718
Special education	143	150	152	160	167	172	177	179	191	201
Other special education	146	160	168	177	181	178	210	213	216	237
Other instruction	22	26	23	24	23	21	26	26	19	19
Support Services:										
Student & instruction related services	177	177	186	182	180	181	183	185	188	192
General administration	7	7	7	7	7	7	7	7	9	9
School administrative services	72	77	78	70	68	68	70	70	72	72
Central services	18	18	17	17	16	16	17	17	20	21
Administrative Information Technology	3	3	3	3	3	3	3	3	3	4
Plant operations and maintenance	94	98	96	98	97	98	98	99	103	100
Pupil transportation	47	47	47	46	46	46	91	91	95	97
Other support services	24	24	24	24	24	24	24	24	22	22
Food Service	10	10	7	7	4	3	2	2	2	1
Total	<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>	<u>1,693</u>

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Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
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%
2022	10,954	254,375,974	23,222	12.66%	919	12.54	10.61	12.62	11,106	10,424	1.44%	93.86%

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)**

<u>District Building</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>	<u>2022</u>
<u>Elementary</u>										
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	307	297	301	308	289	281	280	275	270	276
School No. 2 (1930)										
Square Feet	60,600	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 ^a	419	432	439	436	411	426	421	418	415	422
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	319	312	292	291	298	296	298	299	305	301
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	165	174	168	179	176	170	168	160	155	166
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 ^a	376	365	384	382	368	378	374	371	375	381
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	232	226	217	220	233	227	223	220	220	224
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	342	345	325	315	325	335	339	338	339	341
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 ^a	461	482	500	471	468	461	460	464	462	466
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	664	668	661	541	574	570	579	581	586	592

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building (Continued)</u>										
<u>Elementary (Continued)</u>										
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 ^a	440	475	462	480	499	484	484	481	476	491
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	339	332	348	373	399	416	421	406	402	407
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	361	362	364	363	351	344	341	338	344	340
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 ^a	214	225	249	217	244	248	248	242	252	248
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	552	593	600	629	622	604	604	600	607	611
<u>Middle School</u>										
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	1,201	1,173	1,152	1,197	1,225	1,224	1,226	1,197	1,185	1,198
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	1,295	1,263	1,218	1,205	1,187	1,194	1,198	1,179	1,171	1,189
<u>High School</u>										
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	3,235	3,130	2,712	3,001	2,919	2,929	2,962	2,911	2,863	2,902

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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	317
Clifton Early Learner Academy - Allwood Road Square Feet				12,995	12,995	12,995	12,995	12,995	12,995	12,995
Capacity (students)				150	150	150	150	150	150	150
Enrollment				110	130	115	115	115	115	115
School No. 12 Annex Square Feet				11,000	11,000	11,000	11,000	11,000	11,000	11,000
Capacity (students)				150	150	150	150	150	150	150
Enrollment				120	120	120	121	120	120	119
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, 2022										
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>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>	<u>2022</u>
SCHOOL FACILITIES										
Board of Education Building	\$ 29,801	\$ 26,843	\$ 21,398	\$ 28,309	\$ 37,528	\$ 44,170	\$ 45,405	\$ 35,893	\$ 45,255	\$ 140,523
Clifton Stadium	4,845	6,283	1,420	12,655		15,555	9,203	63,075	63,075	195,856
Transportation	28,127	20,164	19,862	26,754	35,555	29,129	43,018	34,006	42,876	133,135
Clifton High School	258,469	222,711	199,160	240,603	326,721	368,996	390,736	254,448	335,927	1,043,096
Clifton High School Annex	51,734	52,144	37,077	49,418	65,674	77,298	139,716	110,447	139,254	432,401
Woodrow Wilson Middle School	106,304	103,273	97,673	106,352	134,547	142,740	165,822	129,741	163,304	507,080
Christopher Columbus Middle School	92,079	64,681	76,951	86,894	115,478	151,540	36,363	28,746	36,243	112,539
School No. 1	23,676	21,650	30,719	22,616	30,055	35,375	68,856	54,432	68,629	213,102
School No. 2	45,171	40,140	35,699	42,824	56,901	66,964	52,596	41,578	52,422	162,777
School No. 3	35,862	29,390	41,882	32,711	43,471	51,167	24,269	19,185	24,189	75,110
School No. 4	15,801	21,752	18,632	15,094	20,059	23,609	56,353	44,548	56,167	174,406
School No. 5	37,600	29,828	37,791	35,048	46,577	54,822	31,590	24,973	31,486	97,768
School No. 8	20,568	18,718	27,195	19,647	26,110	30,732	59,281	46,863	59,086	183,470
School No. 9	38,597	31,811	28,221	36,869	48,997	57,670	64,640	51,099	64,427	200,054
School No. 11	42,086	34,458	34,960	40,201	53,427	62,883	81,761	63,596	79,908	248,125
School No. 12	51,509	46,535	42,060	54,574	65,436	77,054	59,548	47,074	59,352	184,295
School No. 13	38,771	30,839	27,396	37,035	49,218	57,929	54,389	42,995	54,210	168,329
School No. 14	35,668	27,598	33,094	33,826	44,954	52,911	37,015	27,850	34,839	108,180
School No. 15	22,068	19,564	18,996	29,929	28,015	32,973	42,788	33,825	42,647	132,424
School No. 16	27,859	26,952	21,572	26,611	35,365	41,626	108,038	83,890	105,495	327,575
School No. 17	69,103	76,836	68,007	70,279	86,607	101,937	79,458	62,813	79,196	245,914
GRAND TOTAL	\$ 1,075,698	\$ 952,170	\$ 919,765	\$ 1,048,249	\$ 1,350,695	\$ 1,577,080	\$ 1,650,845	\$ 1,301,077	\$ 1,637,987	\$ 5,086,159

Source: District Records

**CLIFTON BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2022**

	<u>Coverage</u>	<u>Deductible</u>
Package Policy - National Union Fire Insurance of Pittsburgh, PA		
 <i>Property and Casualty</i>		
Building & Contents Including Equipment Breakdown	\$ 383,250,000	\$ 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
<i>Underlying Insurance \$10,000,000</i>		
 <u>School Board Legal Liability E&O - Greenwich Insurance Company</u>		
	Limit	Deductible
<i>Educators Legal</i>	\$ 1,000,000	\$ 25,000
<i>Employment Practices Liability</i>	\$ 1,000,000	\$ 75,000
 <u>Public Official Bonds-Hartford Fidelity Bonding</u>		
Michael Ucci	\$ 605,000	N/A
Ahmed Shehata - Assistant Business Adm	\$ 10,000	N/A
Victoria Rogers - Student Activity Fund Director	\$ 50,000	N/A
 <u>Accidental Death & 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, 2022
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<u>Student Accident -</u>		
American Fidelity Insurance Company	\$ 25,000.00	\$0
United States Fire Insurance Company	\$ 5,000,000	\$25,000
<u>Cyber Coverage - Indian Harbor Insurance Co</u>		
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



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ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

**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, 2022 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 27, 2023.

Report on 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.


Report on 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.

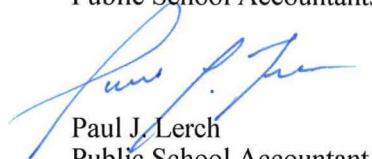
However, we noted a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the Clifton Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 27, 2023.

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 & BLISS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 27, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**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 of Education
Clifton Board of Education
Clifton, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Clifton Board of Education's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the Clifton Board of Education complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Clifton Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Clifton Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Clifton Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Clifton Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Clifton Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Clifton Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Clifton Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Clifton Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

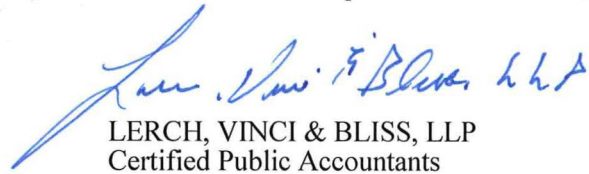
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.


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 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 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, 2022, 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 27, 2023, 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 27, 2023

CLIFTON BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2021	A/R Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2022			MEMO GAAP Receivable
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	
General Fund													
U.S. Department of Health & Human Services- Passed-Through State Dept. of Education Special Education Medicaid Initiative	93.778	2105NJSMAP	7/1/21-6/30/22	\$ 331,486				\$ 307,993	\$ 331,486	\$ (23,493)			\$ (23,493)
U.S. Department of Homeland Security - Passed-Through Dept of Law & Public Safety FEMA - Public Assistance Grant - Hurricane IDA	97.036	N/A	7/1/21-6/30/22	3,564	-	-	-	3,564	3,564	-	-	-	-
Total General Fund					-	-	-	311,557	335,050	(23,493)	-	-	(23,493)
U.S. Department of Agriculture													
Passed-Through State Dept. of Education Food Distribution Program - Non Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	440,396				440,396	432,361		\$ 8,035		
Food Distribution Program - Non Cash Assistance School Breakfast Program	10.555	211NJ304N1099	7/1/20-6/30/21	306,537	\$ 10,592				10,592				
Seemless Summer Food Service Program	10.559	221NJ304N1099	7/1/21-6/30/22	1,038,118				925,869	1,038,118	(112,249)			(112,249)
Seemless Summer Food Service Program	10.559	221NJ304N1099	7/1/21-6/30/22	562,399				562,399	562,399				
Seemless Summer Food Service Program	10.559	211NJ304N1099	7/1/20-6/30/21	1,226,715	(696,433)			696,433					
P-EBT Administrative Program	10.649	2022225900941	7/1/21-6/30/22	11,764				11,764	11,764				
Emergency Operational Cost Program-Schools	10.555	202121H170341	7/1/21-6/30/22	66,502				66,502	66,502				
National School Lunch Program	10.555	221NJ304N1099	7/1/21-6/30/22	6,035,577				5,523,979	6,035,577	(511,598)			(511,598)
After School Snacks	10.555	221NJ304N1099	7/1/21-6/30/22	19,979				18,407	19,979	(1,572)			(1,572)
Total Child Nutrition Cluster					(685,841)	-	-	8,245,749	8,177,292	(625,419)	8,035	-	(625,419)
Total Enterprise Funds					(685,841)	-	-	8,245,749	8,177,292	(625,419)	8,035	-	(625,419)
U.S. Department of Education													
Passed-Through State Dept. of Education I.D.E.A. Part B, Basic	84.027A	H027A200100	7/1/20-9/30/21	2,832,847	(909,908)	\$ 1,425,391	\$ (515,483)						
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	2,746,631		(1,425,391)	515,483	2,886,492	3,033,042	(1,285,530)	229,072		(1,056,458)
I.D.E.A. ARP Part B, Basic	84.027X	H027X210100	7/1/21-9/30/22	600,390				523,839	597,571	(76,551)	2,819		(73,732)
I.D.E.A. ARP Part B, Preschool	84.173X	H173X200114	7/1/21-9/30/22	50,964				38,314	50,963	(12,650)	1		(12,649)
I.D.E.A. Part B, Preschool	84.173A	H173A200114	7/1/20-9/30/21	87,369		39,662	(39,662)						
I.D.E.A. Part B, Preschool	84.173A	H173A210114	7/1/21-9/30/22	88,668		(39,662)	39,662	71,811	45,785	(56,519)	82,545		
Total Special Education Cluster (IDEA)									3,727,361				
Twenty-First Century	84.287C	S287C200030	9/1/20-8/31/21	499,994	(145,575)	350,556	(204,981)	33,440	33,440				
Twenty-First Century	84.287C	S287C210030	9/1/21-8/31/22	496,222		(350,556)	204,981	451,537	404,441	(395,241)	296,762		(98,479)
Total Twenty-First Century Cluster									437,881				
ESEA Title III	84.365A	S365A200030	7/1/20-9/30/21	120,444	(26,443)	115,903	(89,460)						
ESEA Title III	84.365A	S365A210030	7/1/21-9/30/22	130,399		(115,903)	89,460	151,621	145,268	(94,681)	74,591		(20,090)
Total English Language Acquisition Cluster (Title III)													
ESEA Title I	84.010A	S010A200030	7/1/20-9/30/21	3,161,467	(2,213,334)	230,269	(230,269)	2,213,334					
ESEA Title I - SIA	84.010A	S010A200030	7/1/20-9/30/21	11,200		21,300	(21,300)						
ESEA Title I Reallocated	84.010A	S010A190030	7/1/19-9/30/20	42,688	30,415						30,415		
ESEA Title I Reallocated	84.010A	S010A200030	7/1/20-9/30/21	56,422						(56,422)	56,422		
ESEA Title I	84.010A	S010A210030	7/1/21-9/30/22	2,877,021		(230,269)	230,269	1,867,019	2,976,271	(1,240,271)	131,019		(1,109,252)
ESEA Title I - SIA	84.010A	S010A210030	7/1/21-9/30/22	10,000		(21,300)	21,300	6,200	19,597	(25,100)	11,703		(13,397)
Total Title I Part A Grants Cluster									2,995,868				
ESEA Title II, Part A	84.367A	S367A200029	7/1/20-9/30/21	425,221	(376,140)	521,237	(145,097)						
ESEA Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	400,569		(521,237)	145,097	713,464	508,946	(208,342)	36,720		(171,622)
ESEA Title IV	84.424	S424A200031	7/1/20-9/30/21	230,145	(97,838)	378,410	(280,572)						
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	228,249		(378,410)	280,572	323,560	337,302	(283,099)	171,519		(111,580)
Preschool Expansion Aid	84.419B	S419B170020	7/1/17-6/30/18	3,428,547	23,952						\$ 23,952		
Climate Grant	84.184G	S184G200078	10/1/20-9/30/21	378,709	(429,026)	616,158	(187,132)						
Climate Grant	84.184G	S184G210078	10/1/21-9/30/22	404,924		(616,158)	187,132	749,374	534,482	(271,708)	57,574		(214,134)
ACRSERS Aid	21.027	SLFRFDOE1SES	7/1/21-6/30/22	575,186				287,593	287,593	(287,593)	287,593		-

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CLIFTON BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2021	A/R Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2022			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	S5425D20027	3/13/20-9/30/22	\$ 2,785,998	\$ (691,172)			\$ 685,529	\$ 210,024	\$ (215,669)	\$ 2	\$ (215,667)	
Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ESSER II	84.425D	S425D210027	3/13/20-9/30/23	10,249,428	(2,476,601)		4,501,009	7,710,286	(5,748,419)	62,541		(5,685,878)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	657,756				157,050	(657,756)	500,706		(157,050)	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	56,455				2,397	(56,455)	54,058		(2,397)	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)													
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	23,034,927			121,753	820,892	(22,913,174)	22,214,035		(699,139)	
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	1,091,781					(1,091,781)	1,091,781		-	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	74,436					(74,436)	74,436		-	
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	74,436				74,436	(74,436)	-		(74,436)	
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	88,501				-	(88,501)	88,501		-	
Total Education Stabilization Cluster - ESSER/ARP								<u>8,975,085</u>					
Carl D. Perkins	84.048	V048A210030	7/1/21-6/30/22	6,977				3,054	6,554	(3,923)	423	(3,500)	
Carl D. Perkins	84.048	V048A200030	7/1/20-6/30/21	14,010	\$ (3,799)	-	-	3,799	-	-	-	-	
Total Special Revenue Fund					<u>(7,315,469)</u>	<u>-</u>	<u>-</u>	<u>15,632,742</u>	<u>17,956,340</u>	<u>(35,218,257)</u>	<u>25,555,238</u>	<u>\$ 23,952</u>	<u>(9,719,460)</u>
Total					<u>\$ (8,001,310)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,190,048</u>	<u>\$ 26,468,682</u>	<u>\$ (35,867,169)</u>	<u>\$ 25,563,273</u>	<u>\$ 23,952</u>	<u>* \$ (10,368,372)</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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2022			Memo Only	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education																
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 28,681,409	\$ (2,753,035)			\$ 2,753,035									
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	41,437,830				37,382,927	\$ 41,437,830			\$ (4,054,903)				\$ 41,437,830	
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	7,350,637	(705,564)			705,564									
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	7,350,637				6,631,340	7,350,637			(719,297)				7,350,637	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	3,571,640	(342,830)			342,830									
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	3,571,640				3,222,137	3,571,640			(349,503)				3,571,640	
Total State Aid Public Cluster								<u>52,360,107</u>							<u>52,360,107</u>	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	3,020,309				2,724,756	3,020,309			(295,553)				3,020,309	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	3,020,309	(289,910)			289,910									
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	227,070	(227,070)			227,070									
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	194,175					194,175			(194,175)			\$ (194,175)	194,175	
Total Transportation Aid Cluster								<u>3,214,484</u>							<u>3,214,484</u>	
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	2,249,661	(2,249,661)			2,249,661									
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	2,338,984					2,338,984			(2,338,984)				2,338,984	
School Security Grant	20E00316	7/1/19-6/30/20	457,389				457,389	457,389							457,389	
TPAF Pension and Annuity Aid- Normal	22-495-034-5094-002	7/1/21-6/30/22	29,144,061				29,144,061	29,144,061							29,144,061	
NCGI	22-495-034-5094-004	7/1/21-6/30/22	411,182				411,182	411,182							411,182	
Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	13,916				13,916	13,916							13,916	
Post Retirement Medical	22-495-034-5094-001	7/1/21-6/30/22	6,905,299				6,905,299	6,905,299							6,905,299	
TPAF Social Security Aid	21-495-034-5094-003	7/1/20-6/30/21	5,538,098	(280,422)			280,422									
TPAF Social Security Aid	22-495-034-5094-003	7/1/21-6/30/22	6,256,130				5,954,935	6,256,130			(301,195)			(301,195)	6,256,130	
Total General Fund				<u>(6,848,492)</u>				<u>99,696,434</u>	<u>101,101,552</u>			<u>(8,253,610)</u>			<u>(495,370)</u>	<u>101,101,552</u>
SDA Emergent and Capital Maintenance Needs Grant Program	N/A	7/1/21-6/30/22	256,650				256,650	255,950				\$ 700			255,950	
Preschool Education Aid (PEA)	20-495-034-5120-086	7/1/19-6/30/20	4,006,463		\$ 37,013	\$ (37,013)										
Preschool Education Aid (PEA)	21-495-034-5120-086	7/1/20-6/30/21	4,826,510	(482,651)	2,856		(2,856)	482,651								
Preschool Education Aid (PEA)	22-495-034-5120-086	7/1/21-6/30/22	4,960,809			39,869	4,464,728	6,812,199		\$ 1,853,569	(496,081)	42,048			6,812,199	
New Jersey Nonpublic Aid																
Auxiliary Services																
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	209,437				209,437	188,136				\$ 21,301			188,136	
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	148,490		\$ 70,204				\$ 70,204							
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	8,953				8,953	7,456					1,497		7,456	
Total Nonpublic Auxiliary Services Aid Cluster (Chapter 192)								<u>195,592</u>							<u>195,592</u>	
Handicapped Services																
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	6,445				6,445	4,739					1,706		4,739	
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	15,991		10,096				10,096							
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	26,970				26,970	17,831					9,139		17,831	
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	27,160		12,246				12,246							
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	16,520				16,520	8,839					7,681		8,839	
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	22,504		19,555				19,555							
Total Nonpublic Handicapped Services Aid Cluster (Chapter 193)								<u>31,409</u>							<u>31,409</u>	
Nonpublic STEM	22-100-034-5068-051	7/1/21-6/30/22	10,012				6,029	8,760			(3,983)	1,252		(3,983)	8,760	
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	43,154				43,154	37,385					5,769		37,385	
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	42,337		5,328				5,328							
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	78,176				78,176	78,176							78,176	
Technology	22-100-034-5120-373	7/1/21-6/30/22	30,198				30,198	28,378					1,820		28,378	
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	125,300				125,300	85,566					39,734		85,566	
Security Aid	21-100-034-5120-509	7/1/20-6/30/21	123,550		16,786				16,786							
Total Special Revenue Fund				<u>(482,651)</u>	<u>39,869</u>	<u>134,215</u>		<u>5,755,211</u>	<u>7,533,415</u>	<u>134,215</u>	<u>1,853,569</u>	<u>(500,064)</u>	<u>44,000</u>	<u>88,647</u>	<u>(3,983)</u>	<u>7,533,415</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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2022			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)	22-100-010-3350-023	7/1/21-6/30/22	\$ 141,658	-	-	-	-	\$ 129,884	\$ 141,658	-	-	\$ (11,774)	-	-	\$ (11,774)	\$ 141,658
Total Enterprise Funds				-	-	-	-	129,884	141,658	-	-	(11,774)	-	-	(11,774)	141,658
Total State Financial Assistance Subject to Single Audit Determination				\$ (7,331,143)	\$ 39,869	\$ 134,215	\$ -	\$ 105,581,529	\$ 108,776,625	\$ 134,215	\$ 1,853,569	\$ (8,765,448)	\$ 44,000	\$ 88,647	\$ (511,127)	\$ 108,776,625
Less On-Behalf TPAF Pension and Annuity Aid																
Normal	22-495-034-5094-002	7/1/21-6/30/22	29,144,061						29,144,061							
NCGI	22-495-034-5094-004	7/1/21-6/30/22	411,182						411,182							
Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	13,916						13,916							
Post Retirement Medical	22-495-034-5094-001	7/1/21-6/30/22	6,905,299						6,905,299							
Total State Financial Assistance Subject to Major Program Determination									<u>\$ 72,302,167</u>							

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, 2022**

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 \$1,417,240 for the general fund and a decrease of \$4,078,935 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	\$ 331,486	\$ 99,684,312	\$ 100,015,798
Special Revenue Fund	13,900,835	5,656,416	19,557,251
Food Service Fund	<u>8,177,292</u>	<u>141,658</u>	<u>8,318,950</u>
Total Financial Assistance	<u>\$ 22,409,613</u>	<u>\$ 105,482,386</u>	<u>\$ 127,891,999</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, 2022**

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 \$6,256,130 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$29,555,243, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$6,905,299 and TPAF Long-Term Disability Insurance in the amount of \$13,916 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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, 2022**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to the basic financial statements noted? _____ yes X no

Federal Awards Section

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

Internal Control over compliance:

1) Material weakness(es) identified? _____ yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? _____ yes X none reported

Dollar threshold used to distinguish between Type A and Type B Programs \$ 794,060

Auditee qualified as low-risk auditee? X yes _____ no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D 84.425U	S5425D20027 S425D210027	Elementary and Secondary Emergency Relief (ESSER) (ESSERII) (CARES Act) American Rescue Plan (ARP-ESSER)
21.027	SLFRFDOEISES	ACSERS Aid

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor’s Results

State Awards Section

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

Internal Control over compliance:

1) Material weakness(es) identified? yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? yes X none reported

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,169,065

Auditee qualified as low-risk auditee? X yes no

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>22-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>22-495-034-5120-086</u>	<u>Preschool Education Aid</u>
<u>22-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>22-495-034-5120-014</u>	<u>Additional Non-Public Transportation Reimb</u>
<u>22-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022

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

There are none

CLIFTON BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 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.

Current Status:

Corrective action has been taken.