

CLIFTON
Public Schools

CLIFTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



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, 2023

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

February 1, 2024

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, 2023 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 2022-2023 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 2023-2024.
- 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 health insurance 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 2022-2023 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 approximately 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, ESSER II Grant, and ARP ESSER III.]
- 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]
- Implemented security specialists at the Secondary level. If successful pending the budget it will be expanded throughout the district to the primary level.
- Planned and implemented capital improvement projects as follows:
 - i) Completed the Clifton High School Tennis Court and Band Field Renovation.
 - ii) Budgeted for the repaving of the parking lot at School #14.
 - iii) Completed the Clifton High School Hallway Renovation Project.
 - iv) Utilizing ESSER II funds the district started and completed Window Replacements at School #1, #2, #3, #4, #5, and #13. Also, exterior door replacements at Christopher Columbus Middle School.
 - v) Utilizing Cafeteria funds the district installed a kitchen at School #13.
 - vi) Utilizing Cafeteria funds the district renovated the kitchens at Christopher Columbus Middle School and Woodrow Wilson Middle School.
 - vii) 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 hired a Construction Manager and Construction Attorney. The bid packages were advertised in February 2022 for work to start in the summer of 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, 2023.

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, 2023 the Clifton Board of Education's outstanding long-term debt issued included \$165,850,000 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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. 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 ACFR 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.

submitting it to GFOA.

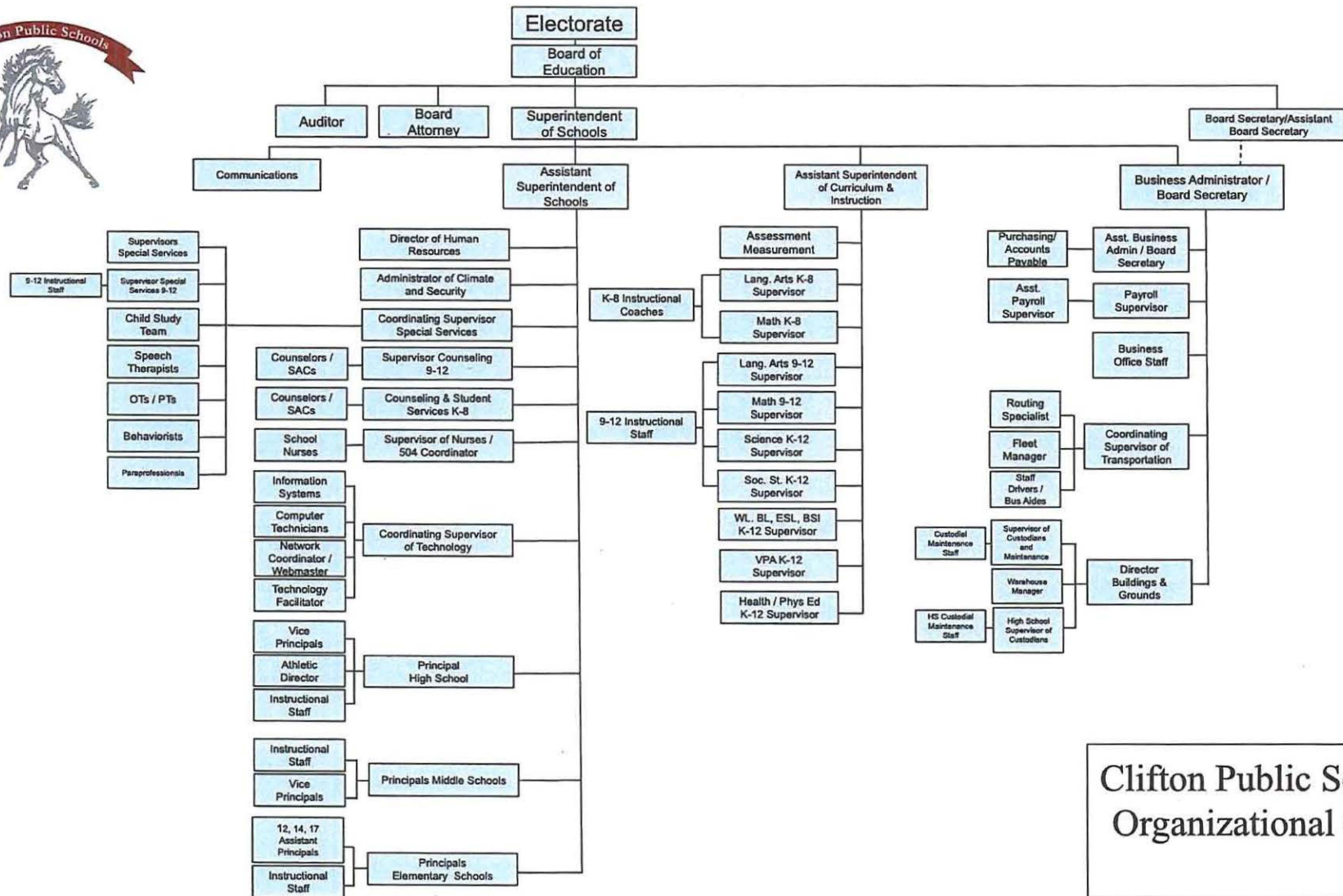
12) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Clifton Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the Board of Education and thereby contributing their full support to the development and maintenance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

Handwritten signatures of Danny Robertozzi and Michael Ucci. The signature of Danny Robertozzi is on the left, and the signature of Michael Ucci is on the right.

Danny Robertozzi
Superintendent of Schools

Michael Ucci
Board Secretary/
Business Administrator



Clifton Public Schools
Organizational Chart

CLIFTON BOARD OF EDUCATION

Consultants and Advisors

Architects

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

Audit Firm

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

Attorneys

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Clark Parkway Plaza
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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	Dec. 2023
Feras Awaad	Dec. 2023
Judith Bassford	Dec. 2024
Mark Brunciak	Dec. 2025
Lucy Danny	Dec. 2024
Richard Mejia	Dec. 2025
Alan Paris	Dec. 2024
Anthony Santiago	Dec. 2025
Jim Smith	Dec. 2023

Other Officials

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



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

Clifton Board of Education

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a horizontal line underneath.

**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a horizontal line underneath.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim 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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN 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, 2023 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, 2023, 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.

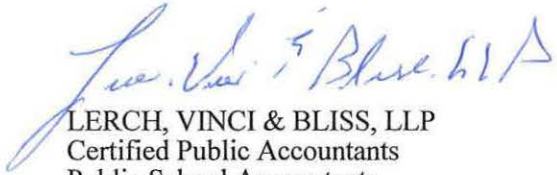
Other Information

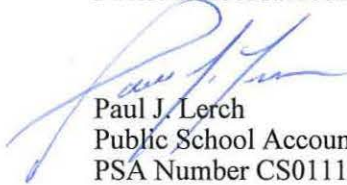
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial 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 February 1, 2024 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
February 1, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Clifton Board of Education annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Clifton Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$57,124,591 (net position).
- Overall District revenues were \$285,960,007. General revenues accounted for \$203,872,453 or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$82,087,554 or 29% of total revenues.
- The School District had \$260,543,691 in expenses for governmental activities; only \$73,609,226 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$203,844,240 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$125,895,694 a decrease of \$46,641,313 when compared to the ending fund balance at June 30, 2022 of \$172,237,007.
- The General Fund unassigned fund balance at June 30, 2023 was \$(4,173,848), a decrease of \$6,002,819 when compared with the ending fund balance of \$1,828,971 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$5,823,493 which represents a decrease of \$3,763,718 when compared to the ending unassigned fund balance at June 30, 2022 of \$9,587,211.

CLIFTON BOARD OF EDUCATION

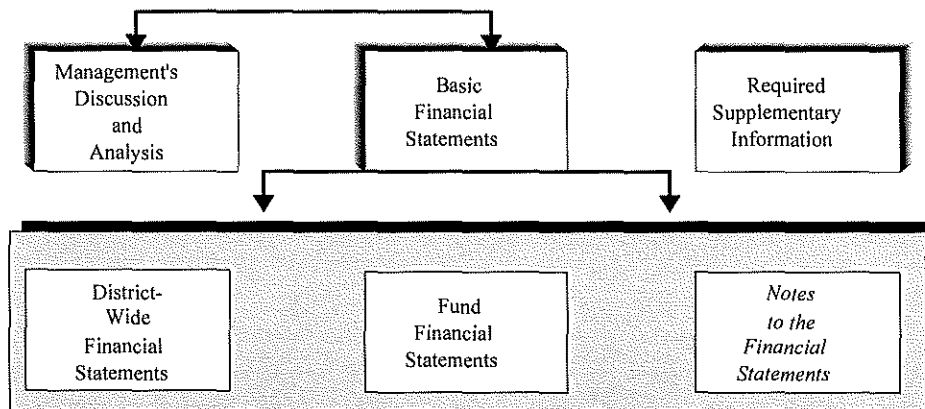
Management's Discussion and Analysis

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 basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
 - Proprietary Funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in 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/liability information	All assets, deferred outflows, liabilities, deferred inflows, 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, liabilities, deferred inflows, 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.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess 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 school buildings and other facilities.

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 instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service and Integrated Summer Enrichment Experience Program are included here.

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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

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 funds 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 additional information at the bottom of the governmental funds statements that explains 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. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

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. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$57,124,591 and \$40,068,236 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. 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.

Statement of Net Position
As of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 136,574,096	\$ 181,335,708	\$ 3,150,977	\$ 3,001,808	\$ 139,725,073	\$ 184,337,516
Capital Assets	<u>125,900,031</u>	<u>72,900,438</u>	<u>4,034,135</u>	<u>3,963,779</u>	<u>129,934,166</u>	<u>76,864,217</u>
Total Assets	<u>262,474,127</u>	<u>254,236,146</u>	<u>7,185,112</u>	<u>6,965,587</u>	<u>269,659,239</u>	<u>261,201,733</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	26,307	52,951			26,307	52,951
Deferred Amounts on Net Pension Liability	<u>2,916,982</u>	<u>2,557,727</u>	<u>-</u>	<u>-</u>	<u>2,916,982</u>	<u>2,557,727</u>
Total Deferred Outflows of Resources	<u>2,943,289</u>	<u>2,610,678</u>	<u>-</u>	<u>-</u>	<u>2,943,289</u>	<u>2,610,678</u>
Total Assets and Deferred Outflows of Resources	<u>265,417,416</u>	<u>256,846,824</u>	<u>7,185,112</u>	<u>6,965,587</u>	<u>272,602,528</u>	<u>263,812,411</u>
Liabilities						
Current Liabilities	11,968,540	12,127,423	128,228	54,756	12,096,768	12,182,179
Noncurrent Liabilities	<u>197,471,383</u>	<u>196,832,072</u>	<u>-</u>	<u>-</u>	<u>197,471,383</u>	<u>196,832,072</u>
Total Liabilities	<u>209,439,923</u>	<u>208,959,495</u>	<u>128,228</u>	<u>54,756</u>	<u>209,568,151</u>	<u>209,014,251</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue			7,508	8,035	7,508	8,035
Deferred Amounts on Net Pension Liability	<u>5,902,278</u>	<u>14,721,889</u>	<u>-</u>	<u>-</u>	<u>5,902,278</u>	<u>14,721,889</u>
Total Deferred Inflows of Resources	<u>5,902,278</u>	<u>14,721,889</u>	<u>7,508</u>	<u>8,035</u>	<u>5,909,786</u>	<u>14,729,924</u>
Total Liabilities and Deferred Inflows of Resources	<u>215,342,201</u>	<u>223,681,384</u>	<u>135,736</u>	<u>62,791</u>	<u>215,477,937</u>	<u>223,744,175</u>
Net Position						
Net Investment in Capital Assets	68,365,132	58,494,581	4,034,135	3,963,779	72,399,267	62,458,360
Restricted	13,824,408	11,286,499			13,824,408	11,286,499
Unrestricted	<u>(32,114,325)</u>	<u>(36,615,640)</u>	<u>3,015,241</u>	<u>2,939,017</u>	<u>(29,099,084)</u>	<u>(33,676,623)</u>
Total Net Position	<u>\$ 50,075,215</u>	<u>\$ 33,165,440</u>	<u>\$ 7,049,376</u>	<u>\$ 6,902,796</u>	<u>\$ 57,124,591</u>	<u>\$ 40,068,236</u>

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

Changes in Net Position For the Fiscal Years Ended June 30, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 143,290	\$ 152,129	\$ 2,262,512	\$ 551,946	\$ 2,405,802	\$ 704,075
Operating Grants and Contributions	67,311,669	72,956,445	6,215,816	8,318,950	73,527,485	81,275,395
Capital Grants and Contributions	6,154,267	2,417,710			6,154,267	2,417,710
General Revenues						
Property Taxes	144,755,495	135,191,260			144,755,495	135,191,260
Unrestricted State Aid	52,557,046	40,135,962			52,557,046	40,135,962
State Aid Restricted for Debt Service	2,961,016				2,961,016	-
Other	3,570,683	914,172	28,213	1,648	3,598,896	915,820
Total Revenues	<u>277,453,466</u>	<u>251,767,678</u>	<u>8,506,541</u>	<u>8,872,544</u>	<u>285,960,007</u>	<u>260,640,222</u>
Expenses						
Instruction						
Regular	106,263,706	107,039,117			106,263,706	107,039,117
Special	31,728,901	32,167,314			31,728,901	32,167,314
Other Instruction	13,752,000	12,033,255			13,752,000	12,033,255
School Sponsored Activities & Ath.	3,940,912	3,482,543			3,940,912	3,482,543
Support Services						
Student and Instruction Related Serv.	45,542,380	41,116,267			45,542,380	41,116,267
Educational Media/School Library	2,807,721	2,533,184			2,807,721	2,533,184
School Administrative Services	11,214,120	11,167,375			11,214,120	11,167,375
General Administrative Services	4,140,263	3,704,076			4,140,263	3,704,076
Plant Operations and Maintenance	21,189,752	19,579,879			21,189,752	19,579,879
Pupil Transportation	13,069,701	10,741,994			13,069,701	10,741,994
Central Services	3,394,256	3,271,158			3,394,256	3,271,158
Food Service			8,247,032	7,703,646	8,247,032	7,703,646
Other Programs			112,929	18,284	112,929	18,284
Interest on Long-Term Debt	3,499,979	3,110,006	-	-	3,499,979	3,110,006
Total Expenses	<u>260,543,691</u>	<u>249,946,168</u>	<u>8,359,961</u>	<u>7,721,930</u>	<u>268,903,652</u>	<u>257,668,098</u>
Transfers	-	(1,793,131)	-	1,793,131	-	-
Change in Net Position	16,909,775	1,821,510	146,580	1,150,614	17,056,355	2,972,124
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 50,075,215</u>	<u>\$ 33,165,440</u>	<u>\$ 7,049,376</u>	<u>\$ 6,902,796</u>	<u>\$ 57,124,591</u>	<u>\$ 40,068,236</u>

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2023 and 2022**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Governmental Activities				
Instruction				
Regular	\$ 106,263,706	\$ 107,039,117	\$ 90,673,496	\$ 87,339,685
Special Education	31,728,901	32,167,314	14,207,306	13,335,277
Other Instruction	13,752,000	12,033,255	8,588,012	7,395,523
School Sponsored Activities and Athletics	3,940,912	3,482,543	2,784,507	2,387,138
Support Services				
Student and Instruction Related Svcs.	45,542,380	41,116,267	21,463,676	22,050,797
Educational Media/School Library	2,807,721	2,533,184	2,347,823	2,012,460
General Administrative Services	4,140,263	3,704,076	4,081,413	3,521,716
School Administrative Services	11,214,120	11,167,375	9,202,932	8,663,379
Plant Operations and Maintenance	21,189,752	19,579,879	17,186,597	14,605,360
Pupil Transportation	13,069,701	10,741,994	9,598,268	7,032,677
Central Services	3,394,256	3,271,158	3,300,456	2,965,866
Interest on Long-Term Debt	<u>3,499,979</u>	<u>3,110,006</u>	<u>3,499,979</u>	<u>3,110,006</u>
 Total Governmental Activities	 <u>\$ 260,543,691</u>	 <u>\$ 249,946,168</u>	 <u>\$ 186,934,465</u>	 <u>\$ 174,419,884</u>

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$125,895,694, a decrease of \$46,341,313 from last year's fund balance of \$172,237,007.

Revenues and other financing sources for the District's governmental funds were \$297,237,687 total expenditures and other financing uses, were \$343,579,000.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues and other financing sources of the General Fund were \$253,134,617 for the fiscal year ended June 30, 2023. State sources amounts to \$111,735,001, federal sources amount to \$741,198, local sources amounts to \$138,215,583 and a transfer from Capital Projects Fund amounts to \$2,442,835.

Expenditures and other financing uses of the General Fund were \$252,942,551. Instructional expenditures were \$155,600,488 for support services were \$90,450,290, debt service were \$716,515, transfers to Special Revenue Fund were \$2,219,007 and capital expenditures totaled \$3,956,251 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students.

Revenues and other financing sources of the Special Revenue Fund were \$30,888,169 for the fiscal year ended June 30, 2023. State sources amounts to \$7,713,839, federal sources amounts to \$18,479,536, local sources amounts to \$687,747, lease proceeds totals \$1,788,040 and transfers from the General Fund amounts to \$2,219,007.

Expenditures of the Special Revenue Fund were \$31,088,430. Instructional expenditures were \$10,218,737 for support services were \$12,585,288, debt service were \$342,098 and capital expenditures totaled \$7,942,307 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues by \$47,133,118 decreasing the fund balance from \$157,767,273 at June 30, 2022 to \$110,634,155 at June 30, 2023.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services and Integrated Summer Enrichment Experience Program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$129,934,166 and \$76,864,217 (net of accumulated depreciation), respectively. The capital assets consist of land, construction in progress, land improvements, right-to-use leases buildings, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$6,032,083 for governmental activities and \$279,561 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 8,374,289	\$ 8,374,289			\$ 8,374,289	\$ 8,374,289
Land Improvements	4,051,558	3,715,705			4,051,558	3,715,705
Construction in Progress	66,166,729	11,336,778			66,166,729	11,336,778
Right-to-use Leased Buildings	1,788,040				1,788,040	-
Buildings and Improvements	130,187,059	129,456,478	\$ 3,905,044	\$ 3,854,998	134,092,103	133,311,476
Machinery, Equipment and Vehicles	13,472,830	12,159,574	1,593,768	1,293,897	15,066,598	13,453,471
Total	224,040,505	165,042,824	5,498,812	5,148,895	229,539,317	170,191,719
Less: Accumulated Depreciation	98,140,474	92,142,386	1,464,677	1,185,116	99,605,151	93,327,502
Total	\$ 125,900,031	\$ 72,900,438	\$ 4,034,135	\$ 3,963,779	\$ 129,934,166	\$ 76,864,217

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$4,049,263, serial bonds (net of premium) of \$165,883,390, capital financing agreements of \$820,136, leases payable of \$1,491,835 and net pension liability of \$25,226,759 totaling \$197,471,383. This is in comparison to long-term liabilities at June 30, 2022 of \$196,832,072 or an increase of \$639,311.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and 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 information contact the Business Office, Clifton Board of Education, 745 Clifton Avenue, Clifton, NJ 07013.

BASIC FINANCIAL STATEMENTS

CLIFTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 131,471,304	\$ 2,040,607	\$ 133,511,911
Receivables, net			
Receivables from Other Governments	4,737,848	1,133,350	5,871,198
Other	64,163	204,522	268,685
Internal Balances	300,781	(300,781)	-
Inventories		73,279	73,279
Capital Assets, net			
Not Being Depreciated	74,541,018		74,541,018
Being Depreciated	51,359,013	4,034,135	55,393,148
Total Assets	<u>262,474,127</u>	<u>7,185,112</u>	<u>269,659,239</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	26,307		26,307
Deferred Amounts on Net Pension Liability	2,916,982	-	2,916,982
Total Deferred Outflows of Resources	<u>2,943,289</u>	<u>-</u>	<u>2,943,289</u>
Total Assets and Deferred Outflows of Resources	<u>265,417,416</u>	<u>7,185,112</u>	<u>272,602,528</u>
LIABILITIES			
Accounts Payable and Other Liabilities	9,370,924	74,535	9,445,459
Payable to State and Federal Government	220,685		220,685
Unearned Revenues	1,086,793	53,693	1,140,486
Accrued Interest Payable	1,290,138		1,290,138
Noncurrent Liabilities			
Due within one year	5,513,574		5,513,574
Due beyond one year	191,957,809	-	191,957,809
Total Liabilities	<u>209,439,923</u>	<u>128,228</u>	<u>209,568,151</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		7,508	7,508
Deferred Amounts on Net Pension Liability	5,902,278	-	5,902,278
Total Deferred Inflows of Resources	<u>5,902,278</u>	<u>7,508</u>	<u>5,909,786</u>
Total Liabilities and Deferred Inflows of Resources	<u>215,342,201</u>	<u>135,736</u>	<u>215,477,937</u>
NET POSITION			
Net Investment in Capital Assets	68,365,132	4,034,135	72,399,267
Restricted for			
Capital Projects	10,129,280		10,129,280
Debt Service	800,000		800,000
Other Purposes	2,895,128		2,895,128
Unrestricted	(32,114,325)	3,015,241	(29,099,084)
Total Net Position	<u>\$ 50,075,215</u>	<u>\$ 7,049,376</u>	<u>\$ 57,124,591</u>

**CLIFTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	\$ 106,263,706	\$ 17,161	\$ 15,573,049		\$ (90,673,496)		\$ (90,673,496)
Special Education	31,728,901	126,129	17,395,466		(14,207,306)		(14,207,306)
Other Instruction	13,752,000		5,163,988		(8,588,012)		(8,588,012)
School Sponsored Activities and Athletics	3,940,912		1,156,405		(2,784,507)		(2,784,507)
Support Services							
Student and Instruction Related Services	45,542,380		17,924,437	\$ 6,154,267	(21,463,676)		(21,463,676)
Educational Media/School Library	2,807,721		459,898		(2,347,823)		(2,347,823)
General Administrative Services	4,140,263		58,850		(4,081,413)		(4,081,413)
School Administrative Services	11,214,120		2,011,188		(9,202,932)		(9,202,932)
Plant Operations and Maintenance	21,189,752		4,003,155		(17,186,597)		(17,186,597)
Pupil Transportation	13,069,701		3,471,433		(9,598,268)		(9,598,268)
Central Services	3,394,256		93,800		(3,300,456)		(3,300,456)
Interest on Long-Term Debt	3,499,979	-	-	-	(3,499,979)	-	(3,499,979)
Total Governmental Activities	<u>260,543,691</u>	<u>143,290</u>	<u>67,311,669</u>	<u>6,154,267</u>	<u>(186,934,465)</u>	<u>-</u>	<u>(186,934,465)</u>
Business-Type Activities							
Food Service	8,247,032	1,875,725	6,521,719			\$ 150,412	150,412
Other Programs	112,929	80,884	-	-	-	(32,045)	(32,045)
Total Business-Type Activities	<u>8,359,961</u>	<u>1,956,609</u>	<u>6,521,719</u>	<u>-</u>	<u>-</u>	<u>118,367</u>	<u>118,367</u>
Total Primary Government	<u>\$ 268,903,652</u>	<u>\$ 2,099,899</u>	<u>\$ 73,833,388</u>	<u>\$ 6,154,267</u>	<u>(186,934,465)</u>	<u>118,367</u>	<u>(186,816,098)</u>
General Revenues							
Property Taxes, Levied for General Purposes, Net					136,944,445		136,944,445
Property Taxes Levied for Debt Service					7,811,050		7,811,050
State Aid - Restricted for Debt Service					2,961,016		2,961,016
State Aid Unrestricted					52,557,046		52,557,046
Miscellaneous Income					3,570,683	28,213	3,598,896
Total General Revenues					<u>203,844,240</u>	<u>28,213</u>	<u>203,872,453</u>
Change in Net Position					16,909,775	146,580	17,056,355
Net Position, Beginning of Year					33,165,440	6,902,796	40,068,236
Net Position, End of Year					<u>\$ 50,075,215</u>	<u>\$ 7,049,376</u>	<u>\$ 57,124,591</u>

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

FUND FINANCIAL STATEMENTS

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<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	\$ 9,222,894	\$ 2,986,493	\$ 118,461,917	\$ 800,000	\$ 131,471,304
Receivables, Net					
Receivables from Other Governments	631,460	4,106,388			4,737,848
Other	64,163				64,163
Due from Other Funds	<u>7,069,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,069,076</u>
Total Assets	<u>\$ 16,987,593</u>	<u>\$ 7,092,881</u>	<u>\$ 118,461,917</u>	<u>\$ 800,000</u>	<u>\$ 143,342,391</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Accrued Salaries	\$ 2,262,715	\$ 1,949,514	\$ 5,158,695		\$ 9,370,924
Due to Other Funds		4,099,228	2,669,067		6,768,295
Payable to Other Government	161,654	59,031			220,685
Unearned Revenue	<u>-</u>	<u>1,086,793</u>	<u>-</u>	<u>-</u>	<u>1,086,793</u>
Total Liabilities	<u>2,424,369</u>	<u>7,194,566</u>	<u>7,827,762</u>	<u>-</u>	<u>17,446,697</u>
Fund Balances					
Restricted:					
Capital Reserve	8,779,280				8,779,280
Capital Reserve- Designated for Subsequent Year's Expenditures	1,350,000				1,350,000
Maintenance Reserve	2,061,107				2,061,107
Capital Projects			110,634,155		110,634,155
Debt Service				\$ 800,000	800,000
Unemployment Compensation Reserve	215,730				215,730
Co-Curricular Student Activities and Athletics		576,555			576,555
Scholarship Awards		41,736			41,736
Assigned:					
Year End Encumbrances	995,305				995,305
Designated for Subsequent Year's Expenditures	5,335,650				5,335,650
Unassigned (Deficit), Reported in:					
General Fund	(4,173,848)				(4,173,848)
Special Revenue Fund	<u>-</u>	<u>(719,976)</u>	<u>-</u>	<u>-</u>	<u>(719,976)</u>
Total Fund Balances	<u>14,563,224</u>	<u>(101,685)</u>	<u>110,634,155</u>	<u>800,000</u>	<u>125,895,694</u>
Total Liabilities and Fund Balances	<u>\$ 16,987,593</u>	<u>\$ 7,092,881</u>	<u>\$ 118,461,917</u>	<u>\$ 800,000</u>	<u>\$ 143,342,391</u>

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

Total Fund Balances (Exhibit B-1)		\$ 125,895,694
<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 \$224,040,505 and the accumulated depreciation is \$98,140,474.</p>		125,900,031
<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>		26,307
<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	\$ 2,916,982	
Deferred Inflows of Resources	<u>(5,902,278)</u>	(2,985,296)
<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>		(1,290,138)
<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	(165,883,390)	
Leases Payable	(1,491,835)	
Capital Financing Agreements	(820,136)	
Compensated Absences Payable	(4,049,263)	
Net Pension Liability	<u>(25,226,759)</u>	<u>(197,471,383)</u>
Net position of governmental activities (Exhibit A-1)		<u>\$ 50,075,215</u>

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 136,944,445			\$ 7,811,050	\$ 144,755,495
Miscellaneous	1,271,138	\$ 687,747	\$ 2,442,835	-	4,401,720
Total - Local Sources	138,215,583	687,747	2,442,835	7,811,050	149,157,215
State Sources	111,735,001	7,713,839		2,961,016	122,409,856
Federal Sources	741,198	18,479,536	-	-	19,220,734
Total Revenues	250,691,782	26,881,122	2,442,835	10,772,066	290,787,805
EXPENDITURES					
Current					
Instruction					
Regular Instruction	109,648,370	3,474,601			113,122,971
Special Education Instruction	31,008,835	2,805,983			33,814,818
Other Instruction	11,468,260	3,236,048			14,704,308
School-Sponsored Activities and Athletics	3,475,023	702,105			4,177,128
Support Services					
Student and Instruction Related Services	35,493,476	12,585,288			48,078,764
Educational Media/School Library	3,034,887				3,034,887
General Administrative Services	4,444,235				4,444,235
School Administrative Services	12,192,091				12,192,091
Plant Operations and Maintenance	17,712,583				17,712,583
Pupil Transportation	13,678,627				13,678,627
Central Services	3,894,391				3,894,391
Debt Service					
Principal	686,737	296,205		4,802,000	5,784,942
Interest and Other Charges	29,778	45,893		5,170,066	5,245,737
Capital Outlay	3,956,251	7,942,307	47,133,118	-	59,031,676
Total Expenditures	250,723,544	31,088,430	47,133,118	9,972,066	338,917,158
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,762)	(4,207,308)	(44,690,283)	800,000	(48,129,353)
OTHER FINANCING SOURCES (USES)					
Lease Proceeds (Non-Budgeted)	-	1,788,040		-	1,788,040
Transfer In	2,442,835	2,219,007			4,661,842
Transfer Out	(2,219,007)	-	(2,442,835)	-	(4,661,842)
Total Other Financing Sources (Uses)	223,828	4,007,047	(2,442,835)	-	1,788,040
Net Change in Fund Balances	192,066	(200,261)	(47,133,118)	800,000	(46,341,313)
Fund Balance, Beginning of Year	14,371,158	98,576	157,767,273	-	172,237,007
Fund Balance, End of Year (Deficit)	\$ 14,563,224	\$ (101,685)	\$ 110,634,155	\$ 800,000	\$ 125,895,694

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (46,341,313)**

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	\$ 59,031,676	
Depreciation Expense	(6,032,083)	
	52,999,593	52,999,593

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	66,341	
Decrease in Pension Expense	4,442,494	
	4,508,835	4,508,835

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		
Lease Payable	(1,788,040)	
Principal Payments-		
Bonds	4,802,000	
Leases Payable	296,205	
Capital Financing Agreements	686,737	
	3,996,902	3,996,902

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	33,818	
Amortization of Deferred Amount on Refunding	(26,644)	
	7,174	7,174

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

Decrease in Accrued Interest		1,738,584
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 16,909,775**

**CLIFTON BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	<u>Food Service</u>	<u>Other Non Major Enterprise Fund</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,893,257	\$ 147,350	\$ 2,040,607
Intergovernmental Receivable			
State	29,193		29,193
Federal	1,104,157		1,104,157
Other Receivables	204,522		204,522
Inventories	<u>73,279</u>	<u>-</u>	<u>73,279</u>
Total Current Assets	<u>3,304,408</u>	<u>147,350</u>	<u>3,451,758</u>
Capital Assets			
Building Improvements	3,905,044		3,905,044
Equipment	1,593,768		1,593,768
Less: Accumulated Depreciation	<u>(1,464,677)</u>	<u>-</u>	<u>(1,464,677)</u>
Total Capital Assets, Net	<u>4,034,135</u>	<u>-</u>	<u>4,034,135</u>
Total Assets	<u>7,338,543</u>	<u>147,350</u>	<u>7,485,893</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	74,535		74,535
Due to Other Funds	300,781		300,781
Unearned Revenue	<u>53,693</u>	<u>-</u>	<u>53,693</u>
Total Current Liabilities	<u>429,009</u>	<u>-</u>	<u>429,009</u>
Total Liabilities	<u>429,009</u>	<u>-</u>	<u>429,009</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>7,508</u>	<u>-</u>	<u>7,508</u>
Total Liabilities and Deferred Inflows of Resources	<u>436,517</u>	<u>-</u>	<u>436,517</u>
NET POSITION			
Investment in Capital Assets	4,034,135		4,034,135
Unrestricted	<u>2,867,891</u>	<u>147,350</u>	<u>3,015,241</u>
Total Net Position	<u>\$ 6,902,026</u>	<u>\$ 147,350</u>	<u>\$ 7,049,376</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, 2023**

	<u>Food Service</u>	<u>Other Non Major Enterprise Fund</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Charges for Services			
Program Fees		\$ 80,877	\$ 80,877
Daily Sales - Reimbursable	\$ 500,856		500,856
Daily Sales - Nonreimbursable	1,016,888		1,016,888
Special Functions - Nonreimbursable	339,584		339,584
Miscellaneous	18,397	7	18,404
Total Operating Revenues	<u>1,875,725</u>	<u>80,884</u>	<u>1,956,609</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable	1,601,592		1,601,592
Cost of Sales - Nonreimbursable	2,227,297		2,227,297
Salaries and Employee Benefits	2,954,100	106,801	3,060,901
Purchased Services	661,598		661,598
Supplies and Materials	522,884	6,128	529,012
Depreciation	279,561	-	279,561
Total Operating Expenses	<u>8,247,032</u>	<u>112,929</u>	<u>8,359,961</u>
Operating Income/(Loss)	<u>(6,371,307)</u>	<u>(32,045)</u>	<u>(6,403,352)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	123,609		123,609
School Breakfast Program	25,969		25,969
Federal Sources			
School Breakfast Program	574,152		574,152
National School Lunch Program	3,444,286		3,444,286
Child and Adult Food Program	1,009,391		1,009,391
After School Snack	29,396		29,396
Supply Chain Assistance Program	316,480		316,480
Seamless Summer Options Program	179,287		179,287
Food Distribution Program - Non Cash Assistance	513,246		513,246
Local Sources			
Payroll Protection Program Vendor Reimbursement	305,903		305,903
Interest and Investment Revenue	28,213	-	28,213
Total Nonoperating Revenues	<u>6,549,932</u>	<u>-</u>	<u>6,549,932</u>
Change in Net Position	178,625	(32,045)	146,580
Total Net Position, Beginning of Year	<u>6,723,401</u>	<u>179,395</u>	<u>6,902,796</u>
Total Net Position, End of Year	<u>\$ 6,902,026</u>	<u>147,350</u>	<u>\$ 7,049,376</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, 2023**

	<u>Food Service</u>	<u>Other Non Major Enterprise Fund</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 1,681,472	\$ 80,884	\$ 1,762,356
Cash Payments for Employees' Salaries and Benefits	(2,954,100)	(106,801)	(3,060,901)
Cash Payments to Suppliers for Goods and Services	<u>(4,328,772)</u>	<u>(6,972)</u>	<u>(4,335,744)</u>
Net Cash Provided by (Used by) Operating Activities	<u>(5,601,400)</u>	<u>(32,889)</u>	<u>(5,634,289)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Federal Subsidy Reimbursements	5,206,413	-	5,206,413
Cash Received for Payroll Protection Program Vendor Reimbursement	<u>305,903</u>	<u>-</u>	<u>305,903</u>
Net Cash Provided by Noncapital Financing Activities	<u>5,512,316</u>	<u>-</u>	<u>5,512,316</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	<u>(349,917)</u>	<u>-</u>	<u>(349,917)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(349,917)</u>	<u>-</u>	<u>(349,917)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	<u>28,213</u>	<u>-</u>	<u>28,213</u>
Net Cash Provided by Investing Activities	<u>28,213</u>	<u>-</u>	<u>28,213</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(410,788)	(32,889)	(443,677)
Cash and Cash Equivalents, Beginning of Year	<u>2,304,045</u>	<u>180,239</u>	<u>2,484,284</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,893,257</u>	<u>\$ 147,350</u>	<u>\$ 2,040,607</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES			
Operating (Loss)	\$ (6,371,307)	\$ (32,045)	\$ (6,403,352)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	279,561		279,561
Food Distribution Program- Non Cash Assistance	513,246		513,246
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable	(202,869)		(202,869)
Increase/(Decrease) in Due to Other Funds	109,028		109,028
Increase/(Decrease) in Accounts Payable	65,700	(844)	64,856
Increase/(Decrease) in Unearned Revenue	8,616		8,616
Increase/(Decrease) in Deferred Commodities Revenue	(527)		(527)
(Increase)/Decrease in Inventory	<u>(2,848)</u>	<u>-</u>	<u>(2,848)</u>
Total Adjustments	<u>769,907</u>	<u>(844)</u>	<u>769,063</u>
Net Cash Provided by (Used by) Operating Activities	<u>\$ (5,601,400)</u>	<u>\$ (32,889)</u>	<u>\$ (5,634,289)</u>
NON CASH INVESTING, INVESTING CAPITAL AND FINANCING ACTIVITIES VALUE RECEIVE - FOOD DISTRIBUTION PROGRAM			
	\$ 512,719		

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, 2023**

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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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.

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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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.

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, financing agreements, grants 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets 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.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1. E.10 and E.11, respectively. 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
Right-to-use Leased Buildings	3-5
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, 2023**

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. Leases

Leases Payable

Non-cancellable leases for the use of another entity's buildings are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *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.

10. *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.

11. *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.

CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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 2023/2024 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.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

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

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 2023/2024 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *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.

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 2021-2022 and 2022-2023 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of N.J.S.A. 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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. 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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the General Fund by \$616,704 and the Special Revenue Fund by \$6,864,121. The increase was funded by grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Excess Expenditures Over Appropriations

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

	Final Budget	Actual	Unfavorable Variance
<u>Special Revenue Fund</u>			
Instruction			
Other Objects	\$ 24,500	\$ 25,019	\$ (519)
Support			
Salaries of Other Professional Staff	376,610	377,723	(1,113)
Salaries of Secretarial and Clerical Asst.	111,826	149,283	(37,457)
Other Salaries	93,395	121,105	(27,710)
Salaries of Literacy/Math Coach	565,172	566,321	(1,149)
Purchased Educational Services - Contracted Pre-K	2,143,261	2,317,995	(174,734)
Purchased Educational Services - Head Start	1,517,692	1,517,693	(1)
Cleaning, Repair and Maintenance Services	4,213	92,946	(88,733)
Rentals	414,511	700,202	(285,691)

The above variances were offset with other available resources.

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$4,173,848 in the General Fund and \$719,976 in the Special Revenue Fund as of June 30, 2023 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 2022/2023 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 General and Special Revenue Fund deficits do 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, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. 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 District deficits in the GAAP (fund) financial statements of \$4,173,848 in the General Fund and \$719,976 in the Special Revenue Fund are equal to or less than the delayed state aid payments at June 30, 2023.

D. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 9,707,085
Increased by:		
Interest Earnings	\$ 59,167	
Deposits Approved by Board Resolution	3,666,402	
Return of Unencumbered Withdrawals from Capital Outlay	<u>138,426</u>	
		<u>3,863,995</u>
		13,571,080
Decreased by:		
Withdrawals Approved in District Budget		<u>3,441,800</u>
Balance, June 30, 2023		<u>\$ 10,129,280</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,350,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, June 30, 2022		\$	777,952
Increased by:			
Interest Earnings	\$	33,155	
Deposits Approved by Board Resolution		<u>1,250,000</u>	
			<u>1,283,155</u>
Balance, June 30, 2023		\$	<u>2,061,107</u>

The June 30, 2023 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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2023, the book value of the Board's deposits was \$133,511,911 and bank and brokerage firm balances of the Board's deposits amounted to \$146,089,063. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$	144,529,005
Uninsured and Collateralized		<u>1,560,058</u>
	\$	<u>146,089,063</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023 the Board’s bank balance of \$1,560,058 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.

\$ 1,560,058

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, 2023, 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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2023 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	\$ 64,163		\$ 204,522	\$ 268,685
Intergovernmental				
Federal		\$ 4,090,801	1,104,157	5,194,958
State	631,460	6,029	29,193	666,682
Local	-	9,558	-	9,558
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Total Receivables	<u>\$ 695,623</u>	<u>\$ 4,106,388</u>	<u>\$ 1,337,872</u>	<u>\$ 6,139,883</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	\$ 197,483
Reserve for Encumbrances	<u>889,310</u>
 Total Unearned Revenues for Governmental Funds	 <u>\$ 1,086,793</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,374,289			\$ 8,374,289
Construction in Progress	<u>11,336,778</u>	<u>\$ 54,829,951</u>	<u>-</u>	<u>66,166,729</u>
 Total Capital Assets, Not Being Depreciated	 <u>19,711,067</u>	 <u>54,829,951</u>	 <u>-</u>	 <u>74,541,018</u>
Capital Assets, Being Depreciated:				
Land Improvements	3,715,705	335,853		4,051,558
Right-to-Use Leased Buildings		1,788,040		1,788,040
Building and Building Improvements	129,456,478	730,581		130,187,059
Machinery and Equipment	<u>12,159,574</u>	<u>1,347,251</u>	<u>\$ (33,995)</u>	<u>13,472,830</u>
 Total Capital Assets Being Depreciated	 <u>145,331,757</u>	 <u>4,201,725</u>	 <u>(33,995)</u>	 <u>149,499,487</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,964,687)	(158,101)		(2,122,788)
Right-to-Use Leased Buildings		(357,608)		(357,608)
Building and Building Improvements	(81,434,898)	(4,669,324)		(86,104,222)
Machinery and Equipment	<u>(8,742,801)</u>	<u>(847,050)</u>	<u>33,995</u>	<u>(9,555,856)</u>
 Total Accumulated Depreciation	 <u>(92,142,386)</u>	 <u>(6,032,083)</u>	 <u>33,995</u>	 <u>(98,140,474)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>53,189,371</u>	 <u>(1,830,358)</u>	 <u>-</u>	 <u>51,359,013</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 72,900,438</u>	 <u>\$ 52,999,593</u>	 <u>\$ -</u>	 <u>\$ 125,900,031</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2022</u>	Increases	Decreases	Balance, <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building and Building Improvements	\$ 3,854,998	\$ 50,046	-	\$ 3,905,044
Machinery and Equipment	<u>1,293,897</u>	<u>299,871</u>	-	<u>1,593,768</u>
 Total Capital Assets Being Depreciated	 <u>5,148,895</u>	 <u>349,917</u>	 -	 <u>5,498,812</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(193,425)	(195,838)		(389,263)
Machinery and Equipment	<u>(991,691)</u>	<u>(83,723)</u>	-	<u>(1,075,414)</u>
 Total Accumulated Depreciation	 <u>(1,185,116)</u>	 <u>(279,561)</u>	 -	 <u>(1,464,677)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>3,963,779</u>	 <u>70,356</u>	 -	 <u>4,034,135</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 3,963,779</u>	 <u>\$ 70,356</u>	 <u>\$ -</u>	 <u>\$ 4,034,135</u>

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

Governmental activities:

Instruction	
Regular	\$ <u>101,116</u>
 Total Instruction	 <u>101,116</u>

Support Services

Student and instruction related services	102,104
General administration services	10,432
School administration services	15,457
Operations and maintenance of plant	5,342,139
Student transportation	459,845
Central Services	<u>990</u>
 Total Support Services	 <u>5,930,967</u>

Total depreciation expense - governmental activities	<u>\$ 6,032,083</u>
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Business-type activities:

Food Service Fund	<u>\$ 279,561</u>
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**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023:

<u>Project/Purposes</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Facility Upgrades at Clifton High School	\$ 10,885,580	\$ 12,216,040
Window Replacement at Various Schools	4,825,595	284,905
Referendum Architectural Services	8,861,618	815,884
Tennis Court Expansion	1,654,534	41,766
Building Management Systems Upgrade	365,750	786,594
New Turf Field and Fieldhouse at Woodrow Wilson MS & Weight Room Addition and Toilet Renovations at Clifton High School	6,215,224	1,897,076
Facility Upgrades at Various Schools	16,511,298	<u>84,697,702</u>
		<u>\$ 100,739,967</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 4,099,228
General Fund	Capital Projects Fund	2,669,067
General Fund	Food Service Fund	<u>300,781</u>
Total		<u>\$ 7,069,076</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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	Transfer In:		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Transfer Out:			
General Fund		\$ 2,219,007	\$ 2,219,007
Capital Projects Fund	\$ 2,442,835	-	2,442,835
 Total Transfers Out	 \$ 2,442,835	 \$ 2,219,007	 \$ 4,661,842

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

F. Leases

Leases Payable

On July 6, 2022, the District entered into a five year lease agreement as lessee for the use of building space at St. John Kanty Church. An initial lease liability was recorded in the amount of \$1,788,040. The lease has an interest rate of 2.80%. The District is required to make monthly payments that increase 2% each year. In addition, at the conclusion of the initial 5 year lease term the District has the option to renew the lease for an additional 5 year term. As of June 30, 2023 the value of the lease liability was \$1,491,835. The building has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$1,788,040 and had accumulated depreciation of \$357,608.

The future principal and interest lease payments as of June 30, 2023 are as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Leases Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 338,312	\$ 41,771	\$ 380,083
2025	355,390	32,298	387,688
2026	373,094	22,348	395,442
2027	391,450	11,901	403,351
2028	33,589	79	33,668
 Total	 \$ 1,491,835	 \$ 108,397	 \$ 1,600,232

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. 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, 2023 are comprised of the following:

\$518,375, fiscal year 2020 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installment of \$106,203 through August 1, 2023 interest at 2.40%	\$ 106,203
\$736,416, fiscal year 2020 Agreement for the acquisition of a phone system for a term of 6 years due in annual principal installment of \$143,677 through October 6, 2023 interest at 2.51%	143,677
\$359,621, fiscal year 2021 Agreement for the acquisition of school buses for a term of 6 years due in annual principal installments of \$49,901 through \$106,770 through June 15, 2026 interest at 1.238%	258,333
\$539,431, fiscal year 2021 Agreement for the acquisition of technology equipment for a term of 6 years due in annual principal installments of \$75,481 and \$159,859 through June 15, 2025 interest at 1.460%	311,923
	<u>820,136</u>
	<u>\$ 820,136</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Financing Agreements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 820,136</u>	<u>\$ 24,981</u>	<u>\$ 845,117</u>

H. 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, 2023 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%	\$ 1,570,000
\$168,282,000, 2021 School Bonds, due in an annual installment of \$4,000,000 to \$8,000,000 through August 15, 2046 interest at 2.00 to 2.25%	<u>164,280,000</u>
	<u>\$ 165,850,000</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
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	6,000,000	2,900,600	8,900,600
2029-2033	32,250,000	12,615,500	44,865,500
2034-2038	35,750,000	9,225,500	44,975,500
2039-2043	38,530,000	5,497,100	44,027,100
2044-2047	<u>32,000,000</u>	<u>1,420,000</u>	<u>33,420,000</u>
	<u>\$ 165,850,000</u>	<u>\$ 44,457,200</u>	<u>\$ 210,307,200</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 461,907,010
Less: Net Debt	<u>165,850,735</u>
Remaining Borrowing Power	<u>\$ 296,056,275</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 170,652,000		\$ 4,802,000	\$ 165,850,000	\$ 4,800,000
Deferred Amounts					
Add: Original Issue Premium	<u>67,208</u>	<u>-</u>	<u>33,818</u>	<u>33,390</u>	<u>-</u>
Total Bonds Payable	170,719,208	-	4,835,818	165,883,390	4,800,000
Capital Financing Agreements	1,506,873		686,737	820,136	375,262
Leases Payable		\$ 1,788,040	296,205	1,491,835	338,312
Compensated Absences	4,115,604		66,341	4,049,263	
Net Pension Liability	<u>20,490,387</u>	<u>6,844,341</u>	<u>2,107,969</u>	<u>25,226,759</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 196,832,072</u>	<u>\$ 8,632,381</u>	<u>\$ 7,993,070</u>	<u>\$ 197,471,383</u>	<u>\$ 5,513,574</u>

For the governmental activities, the liabilities for compensated absences, capital financing agreements and net pension liability are generally liquidated by the general fund and leases payable are liquidated by the Special Revenue 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, 2023**

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>
2023	\$ -	\$ 415,975	\$ 8,925	\$ 554,501	\$ 215,730
2022		510,764	731	316,361	206,805
2021		607,439	677	257,212	206,074

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, 2023, 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, 2023, 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, 2023**

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, 2023**

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, 2023**

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, 2023**

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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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>
2023	\$ 2,107,969	\$ 28,601,298	\$ 174,996
2022	2,025,630	29,555,243	156,374
2021	1,759,585	20,704,195	133,750

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$13,976, \$13,916 and \$14,778, 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 \$6,440,362 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$25,226,759 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was .16716 percent, which was a decrease of .00581 percent from its proportionate share measured as of June 30, 2021 of .17297 percent.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension (benefit) of \$(2,334,525) for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, 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	\$ 182,075	\$ 160,564
Changes of Assumptions	78,160	3,777,444
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,044,113	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,612,634</u>	<u>1,964,270</u>
Total	<u>\$ 2,916,982</u>	<u>\$ 5,902,278</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (2,509,109)
2024	(1,155,688)
2025	(384,203)
2026	1,073,538
2027	(9,834)
Thereafter	<u>-</u>
	<u>\$ (2,985,296)</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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 percent, 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	<u>\$ 32,408,996</u>	<u>\$ 25,226,759</u>	<u>\$ 19,114,386</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District's net pension liability at June 30, 2022 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, 2023**

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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$9,830,304 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$365,265,099. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .70795 percent, which was an increase of .00900 percent from its proportionate share measured as of June 30, 2021 of .69895 percent.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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, 2023**

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 <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 428,281,091</u>	<u>\$ 365,265,099</u>	<u>\$ 312,182,044</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 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 post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

Measurement Focus and Basis of Accounting

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

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

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, 2023, 2022 and 2021 were \$7,513,492, \$6,905,299 and \$6,488,372, 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, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$12,950,141. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$315,352,671. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .62265 percent, which was an increase of .00126 percent from its proportionate share measured as of June 30, 2021 of .62139 percent.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on 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 disabled 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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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, 2023**

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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>372,883,658</u>
Changes Recognized for the Fiscal Year:	
Service Cost	18,606,934
Interest on the Total OPEB Liability	8,357,194
Differences Between Expected and Actual Experience	8,113,552
Changes of Assumptions	(84,596,183)
Gross Benefit Payments	(8,278,048)
Contributions from the Member	<u>265,564</u>
Net Changes	<u>(57,530,987)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>315,352,671</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 3.54%, 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 (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 370,663,893</u>	<u>\$ 315,352,671</u>	<u>\$ 271,023,492</u>

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	<u>\$ 260,658,258</u>	<u>\$ 315,352,671</u>	<u>\$ 387,197,104</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$39,136,373 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 136,944,445		\$ 136,944,445	\$ 136,944,445	
Interest Earned on Maintenance Reserve	750		750	33,155	\$ 32,405
Interest Earned on Capital Reserve	39,250		39,250	59,167	19,917
Interest Earned on Unemployment Funds				8,925	8,925
Tuition				143,290	143,290
Unrestricted Miscellaneous	850,000	-	850,000	1,026,601	176,601
Sub-Total Local Sources	137,834,445	-	137,834,445	138,215,583	381,138
State Sources					
Categorical Special Education Aid	7,350,637		7,350,637	7,350,637	-
Equalization Aid	53,769,087		53,769,087	53,769,087	-
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	2,000,000		2,000,000	3,364,653	1,364,653
Nonpublic Transportation Aid				251,372	251,372
Homeless Tuition Reimbursements				58,014	58,014
Lead Testing for Schools Aid				19,262	19,262
On-behalf TPAF Pension Contrib. (Non-budgeted)					
Normal				28,209,917	28,209,917
NCGI				391,381	391,381
Post-Retirement Medical Contribution				7,513,492	7,513,492
Long-Term Disability Insurance				13,976	13,976
Reimbursed TPAF Social Security Contr. (Non-budgeted)	-	-	-	6,440,362	6,440,362
Sub-Total State Sources	69,711,673	-	69,711,673	113,974,102	44,262,429
Federal Sources					
FEMA - Public Assistance Grant - Hurricane Ida				63,524	63,524
Medicaid Reimbursement	356,472	-	356,472	677,674	321,202
Sub-Total Federal Sources	356,472	-	356,472	741,198	384,726
Total Revenues	207,902,590	-	207,902,590	252,930,883	45,028,293
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	2,783,058	\$ (280,300)	2,502,758	2,502,242	516
Grades 1-5	18,841,706	30,500	18,872,206	18,871,333	873
Grades 6-8	12,834,295	50,000	12,884,295	12,883,015	1,280
Grades 9-12	14,013,754	448,500	14,462,254	14,462,161	93
Regular Programs - Home Instruction					
Salaries of Teachers	150,000	39,500	189,500	188,614	886
Purchased Professional-Educational Services	75,000	85,250	160,250	159,769	481
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	253,679	94,000	347,679	347,523	156
Purchased Technical Services	577,719	(73,905)	503,814	501,314	2,500
Other Purchased Services	5,000	-	5,000	1,717	3,283
General Supplies	3,817,280	(55,121)	3,762,159	3,760,156	2,003
Textbooks	1,008,411	(102,700)	905,711	905,666	45
Other Objects	500	-	500	77	423
Total Regular Programs	54,360,402	235,724	54,596,126	54,583,587	12,539
Special Education					
Cognitive - Moderate					
Salaries of Teachers	188,793	750	189,543	180,504	9,039
Other Purchased Services	1,250	250	1,500	551	949
General Supplies	791	(791)	-	-	-
Total Cognitive - Moderate	190,834	209	191,043	181,055	9,988

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	\$ 2,896,321	\$ 36,450	\$ 2,932,771	\$ 2,932,685	\$ 86
Other Salaries for Instruction	741,683	5,800	747,483	747,002	481
General Supplies	11,882	2,500	14,382	13,996	386
Total Learning/Language Disabilities	<u>3,649,886</u>	<u>44,750</u>	<u>3,694,636</u>	<u>3,693,683</u>	<u>953</u>
Behavioral Disabilities					
Salaries of Teachers	303,497	(157,500)	145,997	141,723	4,274
Other Salaries for Instruction	220,437	(139,000)	81,437	77,531	3,906
Other Purchased Services	1,208	3	1,211	300	911
General Supplies	2,497	-	2,497	2,335	162
Total Behavioral Disabilities	<u>527,639</u>	<u>(296,497)</u>	<u>231,142</u>	<u>221,889</u>	<u>9,253</u>
Multiple Disabilities					
Salaries of Teachers	541,392	(91,300)	450,092	450,090	2
Other Purchased Services	500	-	500	197	303
General Supplies	938	-	938	318	620
Total Multiple Disabilities	<u>542,830</u>	<u>(91,300)</u>	<u>451,530</u>	<u>450,605</u>	<u>925</u>
Resource Room/Resource Center					
Salaries of Teachers	9,790,848	(1,043,456)	8,747,392	8,744,036	3,356
General Supplies	8,000	-	8,000	6,626	1,374
Total Resource Room/Resource Center	<u>9,798,848</u>	<u>(1,043,456)</u>	<u>8,755,392</u>	<u>8,750,662</u>	<u>4,730</u>
Autism					
Salaries of Teachers	1,176,866	(406,363)	770,503	770,414	89
Other Salaries for Instruction	129,510	73,750	203,260	193,697	9,563
Purchased Technical Services	1,512	-	1,512		1,512
General Supplies	4,464	425	4,889	4,881	8
Total Autism	<u>1,312,352</u>	<u>(332,188)</u>	<u>980,164</u>	<u>968,992</u>	<u>11,172</u>
Preschool Disabilities - Part - Time					
Other Salaries for Instruction		121,620	121,620	115,605	6,015
Other Purchased Services	467	(467)			-
General Supplies	4,863	-	4,863	4,513	350
Total Preschool Disabilities - Part - Time	<u>5,330</u>	<u>121,153</u>	<u>126,483</u>	<u>120,118</u>	<u>6,365</u>
Home Instruction					
Purchased Professional Educational Services	135,000	44,000	179,000	138,494	40,506
Total Home Instruction	<u>135,000</u>	<u>44,000</u>	<u>179,000</u>	<u>138,494</u>	<u>40,506</u>
Total Special Education	<u>16,162,719</u>	<u>(1,553,329)</u>	<u>14,609,390</u>	<u>14,525,498</u>	<u>83,892</u>
Basic Skills/Remedial					
Salaries of Teachers	2,522,612	437,650	2,960,262	2,960,165	97
General Supplies	10,500	5,200	15,700	14,180	1,520
Total Basic Skills/Remedial	<u>2,533,112</u>	<u>442,850</u>	<u>2,975,962</u>	<u>2,974,345</u>	<u>1,617</u>

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 3,191,743	\$ 132,750	\$ 3,324,493	\$ 3,324,019	\$ 474
Other Salaries for Instruction	220,904	48,250	269,154	268,690	464
Purchased Professional/Educational Services	11,500	(11,500)	-	-	-
General Supplies	41,000	(14,160)	26,840	17,903	8,937
Textbooks	27,000	(4,000)	23,000	22,665	335
Total Bilingual Education	3,492,147	151,340	3,643,487	3,633,277	10,210
School Sponsored Co-Curricular Activities					
Salaries	448,095	125,500	573,595	561,475	12,120
Purchased Professional and Technical Services	-	59,515	59,515	58,761	754
Purchased Services	359,095	(156,315)	202,780	202,639	141
Supplies and Materials	13,350	-	13,350	2,084	11,266
Other Objects	48,395	(39,500)	8,895	8,876	19
Total School Sponsored Co-Curricular Activities	868,935	(10,800)	858,135	833,835	24,300
School Sponsored Athletics					
Salaries	1,048,763	15,250	1,064,013	1,063,939	74
Purchased Services	91,000	(27,500)	63,500	63,463	37
Supplies and Materials	169,000	-	169,000	164,007	4,993
Other Objects	155,000	(10,800)	144,200	144,117	83
Total School Sponsored Athletics	1,463,763	(23,050)	1,440,713	1,435,526	5,187
Total - Instruction	78,881,078	(757,265)	78,123,813	77,986,068	137,745
Undistributed Expenditures					
Instruction					
Tuition Other LEA's Within the State - Regular	72,854	116,770	189,624	176,584	13,040
Tuition Other LEA's Within the State - Special	-	64,013	64,013	63,816	197
Tuition to County Vocational School - Regular	8,034,880	25,000	8,059,880	8,059,724	156
Tuition to County Vocational School - Special	94,145	13,000	107,145	106,959	186
Tuition to CSSD & Regional Day Schools	1,317,697	(167,199)	1,150,498	1,132,411	18,087
Tuition for Private Schools for the Disabled - Within State	6,829,364	(1,645,341)	5,184,023	4,506,451	677,572
Tuition- State Facilities	27,053	-	27,053	27,053	-
Tuition - Other	51,792	(51,792)	-	-	-
Total Undistributed Expenditures - Instruction	16,427,785	(1,645,549)	14,782,236	14,072,998	709,238
Attendance and Social Work Services					
Salaries	425,219	60,150	485,369	485,275	94
Purchased Professional/Technical Services	37,500	(4,150)	33,350	33,034	316
Other Purchased Services	3,500	-	3,500	1,108	2,392
Supplies and Materials	18,350	(15,000)	3,350	34	3,316
Total Attendance and Social Work Services	484,569	41,000	525,569	519,451	6,118
Health Services					
Salaries	2,149,654	(98,000)	2,051,654	2,049,272	2,382
Purchased Professional and Technical Services	72,500	167,150	239,650	185,967	53,683
Other Purchased Services	500	-	500	-	500
Supplies and Materials	31,000	2,575	33,575	33,562	13
Total Health Services	2,253,654	71,725	2,325,379	2,268,801	56,578

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Speech OT/PT and Related Services					
Salaries	\$ 2,884,093	\$ (188,000)	\$ 2,696,093	\$ 2,694,871	\$ 1,222
Purchased Professional and Technical Services	175,000	612,986	787,986	682,087	105,899
Other Purchased Services		200	200	195	5
Supplies and Materials	7,927	1,800	9,727	9,051	676
Other Objects	300	(300)	-	-	-
Total Speech, OT/PT & Related Serv.	3,067,320	426,686	3,494,006	3,386,204	107,802
Other Support Services - Students Extra Serv.					
Salaries	3,198,082	149,750	3,347,832	3,346,934	898
Purchased Professional-Educational Services	1,598,647	740,200	2,338,847	2,338,824	23
Other Objects	2,000	(2,000)	-	-	-
Total Other Support Serv. - Students Extra Serv.	4,798,729	887,950	5,686,679	5,685,758	921
Guidance					
Salaries of Other Professional Staff	3,746,077	(298,450)	3,447,627	3,446,812	815
Salaries of Secretarial and Clerical Staff	387,683	(45,950)	341,733	341,611	122
Other Salaries	35,000	28,450	63,450	53,450	10,000
Purchased Professional/Educational Services	35,000	26,870	61,870	61,868	2
Other Purchased Professional/Technical Services	40,500	(12,500)	28,000	26,217	1,783
Other Purchased Services	5,880	-	5,880	3,706	2,174
Supplies and Materials	19,500	(5,000)	14,500	10,744	3,756
Other Objects	-	5,000	5,000	234	4,766
Total Guidance	4,269,640	(301,580)	3,968,060	3,944,642	23,418
Child Study Teams					
Salaries of Other Professional Staff	4,027,746	(186,000)	3,841,746	3,841,576	170
Salaries of Secretarial and Clerical Staff	226,618	(5,725)	220,893	212,388	8,505
Purchased Professional/Educational Services	123,000	(57,500)	65,500	65,476	24
Other Purchased Professional/Technical Services	31,000	(9,000)	22,000	19,675	2,325
Other Purchased Services	5,500	-	5,500	3,515	1,985
Supplies and Materials	51,000	22,725	73,725	73,486	239
Total Child Study Teams	4,464,864	(235,500)	4,229,364	4,216,116	13,248
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	800,480	57,800	858,280	858,200	80
Salaries of Facilitators, Math& Literary Coaches	455,273	27,000	482,273	481,780	493
Purchased Professional/Education Services	147,360	(2,000)	145,360	141,533	3,827
Supplies and Materials	10,000	-	10,000	6,784	3,216
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	1,413,113	82,800	1,495,913	1,488,297	7,616
Educational Media Services/School Library					
Salaries	1,447,477	40,770	1,488,247	1,478,048	10,199
Salaries of Technology Coordinators	125,515	(36,819)	88,696	85,096	3,600
Purchased Professional/Technical Services	130,000	(11,000)	119,000	116,708	2,292
Other Purchased Services	1,000	-	1,000	216	784
Supplies and Materials	180,750	14,650	195,400	195,346	54
Total Educational Media Services/School Library	1,884,742	7,601	1,892,343	1,875,414	16,929
Instructional Staff Training Services					
Salaries of Other Professional Staff	275,000	69,200	344,200	343,381	819
Other Purchased Prof. and Tech. Services	150,000	22,950	172,950	172,940	10
Other Purchased Services	1,000	-	1,000	885	115
Total Instructional Staff Training Services	426,000	92,150	518,150	517,206	944

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 1,216,200	\$ (10,517)	\$ 1,205,683	\$ 1,205,385	\$ 298
Legal Services	300,000	34,000	334,000	333,690	310
Audit Fees	66,500	74,356	140,856	75,606	65,250
Other Purchased Professional Services	105,000	40,450	145,450	132,132	13,318
Purchased Technical Services	118,285	11,070	129,355	129,262	93
Communications/Telephone	417,500	(49,250)	368,250	356,109	12,141
BOE Other Purchased Services	9,000	-	9,000	4,592	4,408
Misc. Purchased Services	1,016,658	236,438	1,253,096	1,250,523	2,573
General Supplies	14,000	6,100	20,100	20,058	42
BOE In-House Training/Meeting Supplies	1,500	10,000	11,500	1,833	9,667
Judgements Against the School District	178,141	(178,141)	-	-	-
Miscellaneous Expenditures	16,000	2,880	18,880	18,807	73
BOE Membership Dues and Fees	35,000	(3,000)	32,000	31,743	257
Total Support Services General Administration	3,493,784	174,386	3,668,170	3,559,740	108,430
School Administration					
Salaries of Principals/Assistant Principals	3,785,710	268,950	4,054,660	4,053,576	1,084
Salaries of Other Professional Staff	1,048,709	97,651	1,146,360	1,146,269	91
Salaries of Secretarial and Clerical Assistants	1,462,276	174,222	1,636,498	1,635,980	518
Purchased Professional and Technical Services	141,300	(18,000)	123,300	108,016	15,284
Other Purchased Services	20,000	-	20,000	12,113	7,887
Supplies and Materials	232,503	(66,950)	165,553	165,551	2
Other Objects	1,000	-	1,000	68	932
Total School Administration	6,691,498	455,873	7,147,371	7,121,573	25,798
Central Services					
Salaries	1,540,119	(59,050)	1,481,069	1,480,984	85
Purchased Professional Services	3,500	-	3,500	3,500	-
Purchased Technical Services	94,500	-	94,500	91,097	3,403
Miscellaneous Purchased Services	4,500	1,415	5,915	5,865	50
Supplies and Materials	23,000	(250)	22,750	17,974	4,776
Miscellaneous Expenditures	4,500	7,927	12,427	12,306	121
Total Central Services	1,670,119	(49,958)	1,620,161	1,611,726	8,435
Administrative Information Technology					
Salaries	426,594	20,500	447,094	440,264	6,830
Purchased Technical Services	700,650	(48,650)	652,000	636,294	15,706
Supplies and Materials	64,300	(59,000)	5,300	4,644	656
Total Administrative Information Technology	1,191,544	(87,150)	1,104,394	1,081,202	23,192
Required Maintenance for School Facilities					
Salaries	1,021,969	(230,813)	791,156	791,073	83
Unused Vacation Payments to Terminated/Retired Staff	-	5,116	5,116	5,116	-
Cleaning, Repair and Maintenance Services	682,000	406,329	1,088,329	827,023	261,306
General Supplies	308,000	582,080	890,080	679,917	210,163
Total Required Maintenance for School Facilities	2,011,969	762,712	2,774,681	2,303,129	471,552

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 5,511,185	\$ 35,935	\$ 5,547,120	\$ 5,534,101	\$ 13,019
Purchased Professional and Technical Services	550,000	360,175	910,175	864,312	45,863
Cleaning, Repair and Maintenance Services	265,200	38,500	303,700	303,547	153
Rental of Land/Bldg. Other than Lease Pur. Agrmt.	137,009	-	137,009	134,349	2,660
Other Purchased Property Services	5,000	223,559	228,559	228,460	99
Insurance	192,087	(9,290)	182,797	182,797	-
Miscellaneous Purchased Services	7,000	300	7,300	7,264	36
General Supplies	430,000	240,100	670,100	633,676	36,424
Energy (Natural Gas)	600,000	206,500	806,500	806,023	477
Energy (Electricity)	1,250,000	13,010	1,263,010	1,260,536	2,474
Other Objects	25,000	(2,450)	22,550	14,930	7,620
Total Custodial Services	8,972,481	1,106,339	10,078,820	9,969,995	108,825
Care & Upkeep of Grounds					
Salaries	-	50,750	50,750	50,524	226
Cleaning, Repair and Maintenance Services	35,000	49,091	84,091	66,111	17,980
General Supplies	30,000	(2,500)	27,500	17,117	10,383
Other Objects	2,000	-	2,000	1,775	225
Total Care & Upkeep of Grounds	67,000	97,341	164,341	135,527	28,814
Security					
Salaries	440,000	334,375	774,375	774,363	12
Purchased Professional and Technical Services	75,000	27,950	102,950	91,104	11,846
Cleaning, Repair and Maintenance Services	80,000	(20,900)	59,100	21,831	37,269
Other Purchased Services	-	1,000	1,000	69	931
General Supplies	125,000	-	125,000	112,251	12,749
Total Security	720,000	342,425	1,062,425	999,618	62,807
Student Transportation Services					
Salaries of Non-Instructional Aides	1,159,785	249,400	1,409,185	1,409,110	75
Salaries for Pupil Transportation (Between Home and School) - Regular	806,872	727,516	1,534,388	1,531,704	2,684
Salaries for Pupil Transportation (Between Home and School) - Special	551,153	402,499	953,652	953,290	362
Salaries for Pupil Transportation (Other Than Between Home and School)	176,710	27,000	203,710	203,432	278
Management Fee - ESC & CTSA Transportation	155,000	60,200	215,200	179,146	36,054
Other Purchased Professional/Technical Services	62,971	(33,300)	29,671	28,593	1,078
Cleaning, Repair and Maintenance Services	11,550	-	11,550	1,000	10,550
Lease Purchase Payments - School Buses	356,664	138,452	495,116	495,116	-
Contracted Services-Aid in Lieu of Payments- Non-Public Schools	750,000	(78,000)	672,000	671,809	191
Contracted Services (Other than Between Home & School)- Vendors	130,000	84,250	214,250	214,077	173
Contracted Services (Regular Students) - ESCs & CTSA	1,254,600	740,650	1,995,250	1,975,950	19,300
Contracted Services (Spl. Ed. Students) - ESCs & CTSA	2,744,418	781,300	3,525,718	3,525,345	373
Miscellaneous Purchased Services - Transportation	49,000	17,500	66,500	57,686	8,814
General Supplies	257,750	155,350	413,100	412,764	336
Transportation Supplies	59,075	(22,220)	36,855	26,421	10,434
Other Objects	10,500	(10,500)	-	-	-
Total Student Transportation Services	8,536,048	3,240,097	11,776,145	11,685,443	90,702

**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)					
Unallocated Benefits					
Social Security Contributions	\$ 2,508,165	\$ (1,050)	\$ 2,507,115	\$ 2,507,100	\$ 15
Other Retirement Contributions - PERS	2,290,400	(150,477)	2,139,923	2,139,922	1
Other Retirement Contributions - Regular	180,000	(5,000)	175,000	174,996	4
Workmen's Compensation	533,685	8,752	542,437	542,275	162
Health Benefits	34,155,897	(4,007,484)	30,148,413	30,142,248	6,165
Tuition Reimbursement	125,000	(52,500)	72,500	72,330	170
Other Employee Benefits	2,650,000	127,655	2,777,655	2,777,151	504
Total Unallocated Benefits	42,443,147	(4,080,104)	38,363,043	38,356,022	7,021
Interest - Deposit to Maintenance Reserve	750	-	750	-	750
On-behalf TPAF Pension Contr. (Non-budgeted)					
Normal				28,209,917	(28,209,917)
NCGI				391,381	(391,381)
Post-Retirement Medical Costs				7,513,492	(7,513,492)
Long-Term Disability Insurance				13,976	(13,976)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	6,440,362	(6,440,362)
Total Undistributed Expenditures	115,288,756	1,389,244	116,678,000	157,367,990	(40,689,990)
Total Current Expenditures	194,169,834	631,979	194,801,813	235,354,058	(40,552,245)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5	40,000	386,427	426,427	379,724	46,703
Grades 6-8	24,400	(15,574)	8,826	8,080	746
Grades 9-12	443,000	(333,213)	109,787	102,465	7,322
School-Sponsored and Other Instructional Program	50,000	79,083	129,083	99,263	29,820
Undistributed Expenditures					
Health Services	6,000	20,063	26,063	15,827	10,236
Related & Extraordinary Services	115,000	(66,982)	48,018	48,018	-
Educational Media Services/School Library		6,490	6,490	6,490	-
School Administration		1,225	1,225		1,225
School Administration	62,426	(62,426)			-
Custodial Services	76,000	404,854	480,854	347,915	132,939
Non Instructional Equipment					
Student Transportation Services	-	51,213	51,213	51,213	-
Total Equipment	816,826	471,160	1,287,986	1,058,995	228,991
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	161,800	13,509	175,309	113,090	62,219
Construction Services	3,225,000	13,401	3,238,401	2,764,434	473,967
Supplies & Materials	55,000	(55,000)			-
Assessment for Debt Service on SDA Funding	130,701	-	130,701	130,701	-
Total Facilities Acquis. and Const. Services	3,572,501	(28,090)	3,544,411	3,008,225	536,186

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	4,428,577	\$ 443,070	4,871,647	\$ 4,067,220	804,427
Transfer Funds to Charter School	11,767,613	(465,345)	11,302,268	11,302,266	2
Total Expenditures	210,366,024	609,704	210,975,728	250,723,544	(39,747,816)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,463,434)	(609,704)	(3,073,138)	2,207,339	5,280,477
Other Financing Sources					
Transfer In				2,442,835	2,442,835
Transfer Out - Special Revenue Fund - Co-Curricular Activities and Athletics	(43,000)	(7,000)	(50,000)	(50,000)	-
Transfer Out - Special Revenue Fund - Preschool Aid	(2,169,007)	-	(2,169,007)	(2,169,007)	-
Total Other Financing Sources	(2,212,007)	(7,000)	(2,219,007)	223,828	2,442,835
Net Change in Fund Balance	(4,675,441)	(616,704)	(5,292,145)	2,431,167	7,723,312
Fund Balances, Beginning of Year	22,129,398	-	22,129,398	22,129,398	-
Fund Balances, End of Year	\$ 17,453,957	\$ (616,704)	\$ 16,837,253	\$ 24,560,565	\$ 7,723,312
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 8,779,280	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,350,000	
Maintenance Reserve				2,061,107	
Unemployment Compensation Reserve				215,730	
Assigned Fund Balance					
Year-End Encumbrances				995,305	
Designated for Subsequent Year's Expenditures				5,335,650	
Unassigned Fund Balance				5,823,493	
Budgetary Fund Balance				24,560,565	
Reconciliation to Governmental Funds statements (GAAP):					
Last State Aid Payments not recognized on GAAP Basis				9,997,341	
Fund Balances Per Governmental Funds (GAAP)				\$ 14,563,224	

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
State	\$ 7,600,154	\$ 496,245	\$ 8,096,399	\$ 7,987,709	\$ (108,690)
Federal	34,442,502	6,367,876	40,810,378	13,483,800	(27,326,578)
Local Sources					
Miscellaneous	552,121	-	552,121	687,747	135,626
Total Revenues	<u>42,594,777</u>	<u>6,864,121</u>	<u>49,458,898</u>	<u>22,159,256</u>	<u>(27,299,642)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	7,096,064	1,607,741	8,703,805	5,993,041	2,710,764
Other Salaries for Instruction	1,019,344	97,345	1,116,689	550,333	566,356
Purchased Professional/Technical Services	63,271	162,654	225,925	153,896	72,029
Purchased Professional/Educational Services		81,106	81,106	5,867	75,239
Tuition	2,881,878	(178,224)	2,703,654	2,489,895	213,759
General Supplies	34,450	1,389,539	1,423,989	522,837	901,152
School Sponsored Co-Curricular Activities and Athletics (Non-Budget)	503,938	-	503,938	702,105	(198,167)
Other Objects	-	24,500	24,500	25,019	(519)
Total Instruction	<u>11,598,945</u>	<u>3,184,661</u>	<u>14,783,606</u>	<u>10,442,993</u>	<u>4,340,613</u>
Support Services					
Salaries	928,014	828,042	1,756,056	547,864	1,208,192
Salaries of Principal, Asst. Principals & Directors	223,293	140,733	364,026	310,061	53,965
Salaries of Other Professional Staff	151,576	225,034	376,610	377,723	(1,113)
Salaries of Secretarial and Clerical Asst.	46,307	65,519	111,826	149,283	(37,457)
Other Salaries	93,395	-	93,395	121,105	(27,710)
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists	134,970	-	134,970	131,970	3,000
Salaries of Literacy/Math Coach	848,831	(283,659)	565,172	566,321	(1,149)
Salaries of Technology Coordinator		102,024	102,024	102,024	-
Personal Services- Employee Benefits	1,019,401	4,996,662	6,016,063	3,927,854	2,088,209
Purchased Professional/Technical Services	129,283	143,909	273,192	232,806	40,386
Purchased Prof./Educational Services	400,390	463,655	864,045	660,589	203,456
Purchased Educational Services - Contracted Pre-K	2,143,261	-	2,143,261	2,317,995	(174,734)
Purchased Educational Services - Head Start	1,517,692	-	1,517,692	1,517,693	(1)
Other Purchased Professional Services	2,000	-	2,000	270	1,730
Other Purchased Professional and Technical Services		141,065	141,065	-	141,065
Cleaning, Repair and Maintenance Services	4,213	-	4,213	92,946	(88,733)
Rentals	414,511	-	414,511	700,202	(285,691)
Other Purchased Services		141,618	141,618	89,503	52,115
Travel	5,010	5,010	5,010	4,246	764
Supplies and Materials		1,395,012	1,395,012	841,444	553,568
Textbooks		49,764	49,764	49,028	736
Other Objects		10,000	10,000	9,728	272
Scholarships Awarded (Non-Budget)	48,183	-	48,183	2,450	45,733
Total Support Services	<u>8,105,320</u>	<u>8,424,388</u>	<u>16,529,708</u>	<u>12,753,105</u>	<u>3,776,603</u>
Facilities Acquisition and Construction					
Non Instructional Equipment		1,475,984	1,475,984	-	1,475,984
Purchased Professional/Technical Services		58,969	58,969	2,795	56,174
Assets Acquired Under Lease Agreement (Non-Budgeted)				1,788,040	(1,788,040)
Construction Services	25,059,519	(6,279,881)	18,779,638	1,155,736	17,623,902
Total Facilities Acquisition and Construction	<u>25,059,519</u>	<u>(4,744,928)</u>	<u>20,314,591</u>	<u>2,946,571</u>	<u>17,368,020</u>
Total Expenditures	<u>44,763,784</u>	<u>6,864,121</u>	<u>51,627,905</u>	<u>26,142,669</u>	<u>25,485,236</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,169,007)	-	(2,169,007)	(3,983,413)	(1,814,406)
Other Financing Sources/(Uses)					
Budgeted Transfer from General Fund	2,169,007	-	2,169,007	2,219,007	50,000
Lease Proceeds (Non-Budgeted)	-	-	-	1,788,040	1,788,040
Total Other Financing Sources/(Uses)	<u>2,169,007</u>	<u>-</u>	<u>2,169,007</u>	<u>4,007,047</u>	<u>1,838,040</u>
Net Change in Fund Balance	-	-	-	23,634	23,634
Fund Balances, Beginning of Year	594,657	-	594,657	594,657	-
Fund Balances, End of Year	<u>\$ 594,657</u>	<u>\$ -</u>	<u>\$ 594,657</u>	<u>\$ 618,291</u>	<u>\$ 23,634</u>
Restricted Fund Balances:					
Student Activities				\$ 576,555	
Scholarships				41,736	
				<u>\$ 618,291</u>	
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Revenue Not Recognized on GAAP Basis				(719,976)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				<u>\$ (101,685)</u>	

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**CLIFTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	\$ 252,930,883	C-2	\$ 22,159,256
Difference- Budget to GAAP				
State Aid payments (2021/2022) recognized for GAAP Purposes not recognized for budgetary statements.		7,758,240		496,081
Difference - Budget to GAAP:				
State Aid payments (2022/2023) recognized for budgetary purposes, not recognized for GAAP statements		(9,997,341)		(719,976)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, June 30, 2023				(889,310)
Encumbrances, June 30, 2022		-		<u>5,835,071</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>250,691,782</u>	B-2	<u>\$ 26,881,122</u>
Uses/outflows of resources				
Actual expenditures (budgetary basis)	C-1	\$ 250,723,544	C-2	\$ 26,142,669
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, 2023				(889,310)
Encumbrances, June 30, 2022		-		<u>5,835,071</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 250,723,544</u>	B-2	<u>\$ 31,088,430</u>

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years *

	<u>2023</u>	<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)	0.16716 %	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)	\$ 25,226,759	\$ 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	\$ 12,835,884	\$ 12,486,899	\$ 11,965,656	\$ 11,719,102	\$ 11,733,384	\$ 12,066,823	\$ 12,143,859	\$ 12,507,490	\$ 12,593,399	\$ 12,135,990
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	197%	164%	219%	258%	292%	343%	443%	334%	264%	287%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	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.

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years**

	<u>2023</u>	<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	\$ 2,107,969	\$ 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>2,107,969</u>	<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	\$ 14,521,448	\$ 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	14.52%	15.78%	14.09%	13.63%	14.78%	14.05%	13.38%	13.68%	11.55%	11.52%

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 Ten Fiscal Years *

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	\$ 365,265,099	\$ 336,021,463	\$ 456,445,258	\$ 421,059,514	\$ 432,381,737	\$ 470,122,841	\$ 549,222,947	\$ 429,496,667	\$ 340,101,994	\$ 318,957,104
Total	\$ 365,265,099	\$ 336,021,463	\$ 456,445,258	\$ 421,059,514	\$ 432,381,737	\$ 470,122,841	\$ 549,222,947	\$ 429,496,667	\$ 340,101,994	\$ 318,957,104
District's Covered-Employee Payroll	\$ 84,514,415	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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.

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, 2023

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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 18,606,934	\$ 21,281,788	\$ 11,736,770	\$ 10,833,933	\$ 12,544,401	\$ 15,223,842
Interest on Total OPEB Liability	8,357,194	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	8,113,552	(70,319,607)	77,674,168	(39,046,669)	(34,502,853)	-
Changes of Assumptions	(84,596,183)	367,878	76,655,600	3,750,998	(31,293,787)	(42,431,320)
Gross Benefit Payments	(8,278,048)	(7,619,611)	(7,305,758)	(7,722,590)	(7,291,923)	(7,640,998)
Contribution from the Member	265,564	247,291	221,437	228,919	252,021	281,361
Net Change in Total OPEB Liability	<u>(57,530,987)</u>	<u>(46,766,155)</u>	<u>168,075,206</u>	<u>(21,126,239)</u>	<u>(48,470,040)</u>	<u>(24,411,839)</u>
Total OPEB Liability - Beginning	<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>	<u>345,582,725</u>
Total OPEB Liability - Ending	<u>\$ 315,352,671</u>	<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>\$ 315,352,671</u>	<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>\$ 315,352,671</u>	<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>\$ 97,350,299</u>	<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%	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, 2023

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, 2023

	ESEA Title I	ESEA Title II.A	ESEA Title III	ESEA Title III Immigrant	ESEA Title IV	Climate Grant Current Year	Climate Grant Prior Year	Total Exhibit E-1 Page 2	Total Exhibit E-1 Page 3	Total Exhibit E-1 Page 4	Total
REVENUES											
Local Sources								\$ 687,747	\$ -		\$ 687,747
State Sources								7,156,609	240,402	\$ 590,638	7,987,709
Federal Sources	\$ 4,535,733	\$ 579,412	\$ 235,173	\$ 54,221	\$ 187,936	\$ 347,561	\$ 119,849	3,557,523	3,866,392	-	13,483,800
Total Revenues	\$ 4,535,733	\$ 579,412	\$ 235,173	\$ 54,221	\$ 187,936	\$ 347,561	\$ 119,849	\$ 11,401,939	\$ 4,106,794	\$ 590,638	\$ 22,159,256
EXPENDITURES											
Instruction											
Salaries of Teachers	\$ 2,471,897		\$ 210,864	\$ 25,701	\$ 95,950	\$ 230,394	\$ 21,412	\$ 2,484,315	\$ 442,055	\$ 10,453	\$ 5,993,041
Other Salaries for Instruction							395	545,225	4,713		550,333
Purchased Professional/Technical Services	19,395							112,916	21,585		153,896
Purchased Professional/Educational Services	5,867							-	-		5,867
Other Purchased Services								-	-		-
Tuition								1,983,664	506,231		2,489,895
General Supplies	7,631		3,672			74,206	73,404	229,190	134,734		522,837
School Sponsored Co-Curricular Activities and Athletics								702,105			702,105
Other Objects								25,019			25,019
Total Instruction	2,504,790	-	214,536	25,701	95,950	304,600	95,211	6,082,434	1,109,318	10,453	10,442,993
Support Services											
Salaries						14,784	20,698	-	512,382		547,864
Salaries of Supervisors of Instruction								-	-		-
Salaries of Principal, Asst. Principals & Directors	46,945							263,116	-		310,061
Salaries of Other Professional Staff	5,850							371,873	-		377,723
Salaries of Secretarial and Clerical Asst.	42,387						120	93,467		13,309	149,283
Other Salaries								120,344	761		121,105
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists								131,970			131,970
Salaries of Literacy/Math Coach		\$ 180,157						386,164			566,321
Salaries of Technology Coordinator		102,024									102,024
Personal Services- Employee Benefits	1,924,450	256,797	20,637	28,520	57,960	24,264		998,101	617,125		3,927,854
Purchased Professional/Technical Services					21,424			37,182	174,200		232,806
Purchased Prof./Educational Services								325,023		335,566	660,589
Purchased Educational Services - Contracted Pre-K								2,317,995			2,317,995
Purchased Educational Services - Head Start								1,517,693			1,517,693
Other Purchased Professional - Education Services								-			-
Other Purchased Professional Services								270			270
Other Purchased Professional and Technical Services											-
Cleaning, Repair and Maintenance Services								92,946			92,946
Rentals								700,202			700,202
Other Purchased Services	11,311	40,434			12,602	3,913	1,586	19,657			89,503
Contracted Services (Other Than Between Home and School) - Grant Agreements								-			-
Travel								4,246			4,246
Miscellaneous Purchased Services								-			-
Supplies and Materials								132,179	524,749	182,282	841,444
Textbooks							2,234			49,028	49,028
Scholarships Awarded								2,450			2,450
Other Objects								-	9,728		9,728
Total Support Services	2,030,943	579,412	20,637	28,520	91,986	42,961	24,638	7,514,878	1,838,945	580,185	12,753,105
Facilities Acquisition and Construction											
Instructional Equipment								-			-
Non Instructional Equipment											-
Purchased Professional/Technical Services									2,795		2,795
Construction Services									1,155,736		1,155,736
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	1,158,531	-	1,158,531
Total Expenditures	4,535,733	579,412	235,173	54,221	187,936	347,561	119,849	13,597,312	4,106,794	590,638	24,354,629
Deficiency of Revenues Under Expenditures								(2,195,373)			(2,195,373)
Other Financing Sources/(Uses)											
Budgeted Transfer from General Fund								2,219,007			2,219,007
Fund Balance, Beginning of Year								594,657			594,657
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,291	\$ -	\$ -	\$ 618,291

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Local Programs	Student Activity/ Athletics	Scholarships	I.D.E.A.- Basic	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	\$ 9,558	\$ 678,187	\$ 2							\$ 687,747
State Sources								\$ 7,156,669		7,156,669
Federal Sources				\$ 2,815,850	\$ 163,548	\$ 492,631	\$ 51,356		\$ 34,138	3,557,523
Total Revenues	\$ 9,558	\$ 678,187	\$ 2	\$ 2,815,850	\$ 163,548	\$ 492,631	\$ 51,356	\$ 7,156,669	\$ 34,138	\$ 11,401,939
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 9,558			\$ 191,723		\$ 181,850	\$ 34,900	\$ 2,066,284		\$ 2,484,315
Other Salaries for Instruction				92,625				452,600		545,225
Purchased Professional/Technical Services						112,916				112,916
Purchased Professional/Educational Services										-
Other Purchased Services										-
Tuition				1,837,298	\$ 146,366					1,983,664
General Supplies				31,740		9,248		157,064	\$ 31,138	229,190
School Sponsored Co-Curricular Activities and Athletics		\$ 702,105								702,105
Other Objects						20,289	1,730		3,000	25,019
Total Instruction	9,558	702,105	-	2,153,386	146,366	324,303	36,630	2,675,948	34,138	6,082,434
Support Services										
Salaries										-
Salaries of Supervisors of Instruction										-
Salaries of Principal, Asst. Principals & Directors				3,700		54,177	12,646	\$ 192,593		263,116
Salaries of Other Professional Staff				219,184				152,689		371,873
Salaries of Secretarial and Clerical Asst.				6,640		27,739	2,080	57,008		93,467
Other Salaries						1,600		118,744		120,344
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists								131,970		131,970
Salaries of Literacy/Math Coach								386,164		386,164
Personal Services- Employee Benefits				46,516		48,214		903,371		998,101
Purchased Professional/Technical Services					17,182	20,000				37,182
Purchased Prof./Educational Services				325,023						325,023
Purchased Educational Services - Contracted Pre-K								2,317,995		2,317,995
Purchased Educational Services - Head Start								1,517,693		1,517,693
Other Purchased Professional - Education Services										-
Other Purchased Professional Services								270		270
Cleaning, Repair and Maintenance Services								92,946		92,946
Rentals								700,202		700,202
Other Purchased Services				13,798		5,859				19,657
Contracted Services (Other Than Between Home and School) - Grant Agreements										-
Travel						4,246				4,246
Miscellaneous Purchased Services										-
Supplies and Materials				47,603		6,493		78,083		132,179
Scholarships Awarded			\$ 2,450							2,450
Other Objects										-
Total Support Services	-	-	2,450	662,464	17,182	168,328	14,726	6,649,728	-	7,514,878
Facilities Acquisition and Construction										
Instructional Equipment										-
Non Instructional Equipment										-
Total Facilities Acquisition and Construction										-
Total Expenditures	9,558	702,105	2,450	2,815,850	163,548	492,631	51,356	9,325,676	34,138	13,597,312
Deficiency of Revenues Under Expenditures	-	(23,918)	(2,448)	-	-	-	-	(2,169,007)	-	(2,195,373)
Other Financing Sources/(Uses)										
Budgeted Transfer from General Fund	-	50,000	-	-	-	-	-	2,169,007	-	2,219,007
Fund Balance, Beginning of Year	-	550,473	44,184	-	-	-	-	-	-	594,657
Fund Balance, End of Year	\$ -	\$ 576,555	\$ 41,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,291

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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	Accelerated Learning Coach and Educator Support	NJTSS Mental Health Support	ARP Homeless II	ACSERS		
REVENUES										
Local Sources										\$ -
State Sources									\$ 240,402	240,402
Federal Sources	\$ 62,541	\$ 500,160	\$ 54,057	\$ 2,513,106	\$ 134,734	\$ 9,360	\$ 86,203	\$ 506,231	-	3,866,392
Total Revenues	\$ 62,541	\$ 500,160	\$ 54,057	\$ 2,513,106	\$ 134,734	\$ 9,360	\$ 86,203	\$ 506,231	\$ 240,402	\$ 4,106,794
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 711	\$ 367,492		\$ 73,852						\$ 442,055
Other Salaries for Instruction		4,713								4,713
Purchased Professional/Technical Services				21,585						21,585
Purchased Professional/Educational Services										-
Other Purchased Services										-
Tuition								\$ 506,231		506,231
General Supplies					\$ 134,734					134,734
School Sponsored Co-Curricular Activities and Athletics										-
Other Objects										-
Total Instruction	711	372,205	-	95,437	134,734	-	-	506,231	-	1,109,318
Support Services										
Salaries		33,938		478,444						512,382
Salaries of Supervisors of Instruction										-
Salaries of Principal, Asst. Principals & Directors										-
Salaries of Other Professional Staff										-
Salaries of Secretarial and Clerical Asst.				761						761
Other Salaries										-
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists										-
Salaries of Literacy/Math Coach										-
Personal Services- Employee Benefits	57,426	94,017	\$ 183	465,499						617,125
Purchased Professional/Technical Services			\$ 53,874	50,826		\$ 9,360	\$ 60,140			174,200
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	1,609			415,191			16,335		\$ 91,614	524,749
Scholarships Awarded										-
Other Objects							9,728			9,728
Total Support Services	59,035	127,955	54,057	1,410,721	-	9,360	86,203	-	91,614	1,838,945
Facilities Acquisition and Construction										
Instructional Equipment										-
Non Instructional Equipment										-
Purchased Professional/Technical Services	2,795									2,795
Construction Services				1,006,948					148,788	1,155,736
Total Facilities Acquisition and Construction	2,795			1,006,948					148,788	1,158,531
Total Expenditures	62,541	500,160	54,057	2,513,106	134,734	9,360	86,203	506,231	240,402	4,106,794
Deficiency of Revenues Under Expenditures										
Other Financing Sources/(Uses)										
Budgeted Transfer from General Fund										
Fund Balance, Beginning of Year										
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic <u>Nursing</u>	Nonpublic <u>Textbooks</u>	Nonpublic <u>Security</u>	Nonpublic <u>ESL</u>	Nonpublic <u>STEM</u>	Nonpublic <u>Compensatory Education</u>	Nonpublic <u>Technology</u>	Nonpublic <u>Supplemental Instruction</u>	Nonpublic <u>Exam. and Class</u>	Nonpublic <u>Corrective Speech</u>	Total Exhibit <u>E-1 Page 4</u>
REVENUES											
Local Sources											
State Sources	\$ 82,096	\$ 49,028	\$ 150,714	\$ 7,015	\$ 10,453	\$ 177,268	\$ 31,568	\$ 15,746	\$ 37,362	\$ 29,388	\$ 590,638
Federal Sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 82,096</u>	<u>\$ 49,028</u>	<u>\$ 150,714</u>	<u>\$ 7,015</u>	<u>\$ 10,453</u>	<u>\$ 177,268</u>	<u>\$ 31,568</u>	<u>\$ 15,746</u>	<u>\$ 37,362</u>	<u>\$ 29,388</u>	<u>\$ 590,638</u>
EXPENDITURES											
Instruction											
Salaries of Teachers					\$ 10,453						\$ 10,453
General Supplies											-
Textbooks	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	-	-	10,453	-	-	-	-	-	10,453
Support Services											
Salaries of Secretarial and Clerical Asst.						\$ 13,309					13,309
Purchased Prof./Educational Services	\$ 82,096			\$ 7,015		163,959		\$ 15,746	\$ 37,362	\$ 29,388	335,566
Other Purchased Professional and Technical Services											-
Supplies and Materials			\$ 150,714				\$ 31,568				182,282
Textbooks	-	\$ 49,028	-	-	-	-	-	-	-	-	49,028
Total Support Services	<u>82,096</u>	<u>49,028</u>	<u>150,714</u>	<u>7,015</u>	<u>-</u>	<u>177,268</u>	<u>31,568</u>	<u>15,746</u>	<u>37,362</u>	<u>29,388</u>	<u>580,185</u>
Total Expenditures	<u>82,096</u>	<u>49,028</u>	<u>150,714</u>	<u>7,015</u>	<u>10,453</u>	<u>177,268</u>	<u>31,568</u>	<u>15,746</u>	<u>37,362</u>	<u>29,388</u>	<u>590,638</u>
Deficiency of Revenues Under Expenditures	-	-	-	-	-	-	-	-	-	-	-
Other Financing Sources/(Uses)											
Budgeted Transfer from General Fund											
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original</u> <u>Budget</u>	<u>Adjustments</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Final To Actual</u> <u>Variance</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 2,203,293	\$ -	\$ 2,203,293	\$ 2,066,284	\$ 137,009
Other Salaries for Instruction	1,019,344	-	1,019,344	452,600	566,744
General Supplies	10,500	-	10,500	157,064	(146,564)
Total Instruction	<u>3,233,137</u>	<u>-</u>	<u>3,233,137</u>	<u>2,675,948</u>	<u>557,189</u>
Support Services					
Salaries of Program Directors	223,293	-	223,293	192,593	30,700
Salaries of Other Professional Staff	151,576	-	151,576	152,689	(1,113)
Salaries of Secr, and Clerical Assistants	46,307	-	46,307	57,008	(10,701)
Other Salaries	93,395	-	93,395	118,744	(25,349)
Salaries of Community Parent Involvement Spec.	134,970	-	134,970	131,970	3,000
Salaries of Master Teachers	385,015	-	385,015	386,164	(1,149)
Personal Services - Employee Benefits	1,019,401	-	1,019,401	903,371	116,030
Purchased Ed. Services - Contracted Pre-K	2,143,261	-	2,143,261	2,317,995	(174,734)
Purchased Ed. Services - Head Start	1,517,692	-	1,517,692	1,517,693	(1)
Other Purchased Professional Services	2,000	-	2,000	270	1,730
Cleaning, Repair & Maintenance	4,213	-	4,213	92,946	(88,733)
Rentals	414,511	-	414,511	700,202	(285,691)
Supplies and Materials	-	-	-	78,083	(78,083)
Total Support Services	<u>6,135,634</u>	<u>-</u>	<u>6,135,634</u>	<u>6,649,728</u>	<u>(514,094)</u>
Total Expenditures	<u>\$ 9,368,771</u>	<u>\$ -</u>	<u>\$ 9,368,771</u>	<u>\$ 9,325,676</u>	<u>\$ 43,095</u>

Calculation of Budget Carryover

Total revised 2022-2023 Preschool Education Aid Allocation	\$ 7,199,764
General Fund Contribution	2,169,007
Add: Actual PEA Carryover (June 30, 2022)	42,048
Total Preschool Ed. Aid Funds Available for 2022-2023 Budget	9,410,819
Less 2022-23 Budgeted Preschool Education Aid	(9,368,771)
Available and Unbudgeted Preschool Education Aid as of June 30, 2023	42,048
Add: June 30, 2023 Unexpended Preschool Education Aid	43,095
2022-2023 C/O - Preschool Education Aid Programs	\$ 85,143
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	\$ 42,048

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Balance, July 1, 2022</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2023</u>
MIDDLE SCHOOLS				
Woodrow Wilson	\$ 50,232	\$ 107,852	\$ 102,340	\$ 55,744
Christopher Columbus	6,622	32,199	35,949	2,872
Total Middle Schools	<u>56,854</u>	<u>140,051</u>	<u>138,289</u>	<u>58,616</u>
HIGH SCHOOL				
Clifton High School	<u>430,159</u>	<u>352,739</u>	<u>329,691</u>	<u>453,207</u>
OTHER				
Internal Account	41,031	162,900	164,351	39,580
Athletic Account	7,567	72,497	69,774	10,290
Athletic Hall of Fame Acct	<u>14,862</u>	<u>-</u>	<u>-</u>	<u>14,862</u>
Total Other	<u>63,460</u>	<u>235,397</u>	<u>234,125</u>	<u>64,732</u>
Total All Schools	<u>\$ 550,473</u>	<u>\$ 728,187</u>	<u>\$ 702,105</u>	<u>\$ 576,555</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, 2023**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2023</u>
		<u>Prior Years</u>	<u>Current Year</u>	
2021 Referendum - Various Improvements	\$ 168,282,735	\$ 10,514,727	\$ 47,133,118	\$ 110,634,890
	<u>\$ 168,282,735</u>	<u>\$ 10,514,727</u>	<u>\$ 47,133,118</u>	<u>\$ 110,634,890</u>
<u>Recapitulation of Balance:</u>				
Restricted for Capital Projects:				
				\$ 108,314,631
				<u>2,320,259</u>
Project Balance				110,634,890
Less:				
Debt Authorized but Not Issued				<u>(735)</u>
Fund Balance - GAAP Basis				<u>\$ 110,634,155</u>

CLIFTON BOARD OF EDUCATION
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Revenues and Other Financing Sources	
Interest Earned	\$ <u>2,442,835</u>
Total Revenues	<u>2,442,835</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	2,213,422
Facilities Acquisition and Construction Services	44,801,411
Supplies and Materials	37,177
Other Objects	81,108
Transfers to General Fund	<u>2,442,835</u>
Total Expenditures and Other Financing Uses	<u>49,575,953</u>
Net Change in Fund Balance	(47,133,118)
Fund Balance, July 1, 2022 - Budgetary Basis	<u>157,767,273</u>
Fund Balance, June 30, 2023 - Budgetary Basis	<u>\$ 110,634,155</u>
Reconciliation of Fund Balance - GAAP Basis	
Fund Balance, June 30, 2023 - GAAP Basis	<u>\$ 110,634,155</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, 2023**

	<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	<u>168,282,000</u>	<u>-</u>	<u>168,282,000</u>	<u>168,282,735</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 8,076,244	\$ 2,213,422	10,289,666	10,289,666
Facilities Acquisition and Construction Services	2,438,483	44,801,411	47,239,894	157,874,784
Supplies and Materials		37,177	37,177	37,177
Other Objects	<u>-</u>	<u>81,108</u>	<u>81,108</u>	<u>81,108</u>
Total Expenditures and Other Financing Uses	<u>10,514,727</u>	<u>47,133,118</u>	<u>57,647,845</u>	<u>168,282,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 157,767,273</u>	<u>\$ (47,133,118)</u>	110,634,155	<u>\$ -</u>
 Additional Project Information:				
Project Number	N/A	Authorized and Issued	<u>735</u>	
Grant Date	N/A	Project Balance	<u>\$ 110,634,890</u>	
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	34.26%			
Original Target Completion Date	6/30/2023			
Revised Target Completion Date	6/30/2024			

PROPRIETARY FUNDS

EXHIBIT G-1

**CLIFTON BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

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, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	6/4/2013	\$ 7,410,000	3/1/2024	\$ 800,000	4.00%	\$ 2,370,000		\$ 800,000	\$ 1,570,000
			3/1/2025	770,000	4.00%				
School Bonds, Series 2021	8/19/2021	168,282,000	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%							
						<u>168,282,000</u>	<u>-</u>	<u>4,002,000</u>	<u>164,280,000</u>
						<u>\$ 170,652,000</u>	<u>\$ -</u>	<u>\$ 4,802,000</u>	<u>\$ 165,850,000</u>

**CLIFTON BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF LEASES PAYABLE & CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Issued Current Year</u>	<u>Payments</u>	<u>Balance June 30, 2023</u>
<u>LEASES PAYABLE</u>						
Building Leases - St John Kanty Church	2.80%	\$ 1,788,040	\$ -	\$ 1,788,040	\$ 296,205	\$ 1,491,835
TOTAL LEASES PAYABLE			<u>\$ -</u>	<u>\$ 1,788,040</u>	<u>\$ 296,205</u>	<u>\$ 1,491,835</u>
<u>CAPITAL FINANCING AGREEMENTS</u>						
2018 (3) 54 Passenger Buses and (3) 24 Passenger Buses	1.74%	\$ 485,083	\$ 133,946		\$ 133,946	
2019 (3) 54 Passenger Buses and (3) 24 Passenger Buses	3.16%	524,277	111,262		111,262	
2019 LED Lighting Project	3.14%	316,344	73,972		73,972	
2020 (3) 54 Passenger Buses and (3) 24 Passenger Buses	2.40%	518,375	209,916		103,713	\$ 106,203
2020 Phone System	2.51%	736,416	283,836		140,159	143,677
2021 (2) 54 Passenger Buses and (2) 24 Passenger Buses	1.238%	359,621	307,623		49,290	258,333
2021 (3) 54 Passenger Buses and (3) 24 Passenger Buses	1.460%	539,431	<u>386,318</u>	-	<u>74,395</u>	<u>311,923</u>
TOTAL CAPITAL FINANCING AGREEMENTS			<u>\$ 1,506,873</u>	<u>\$ -</u>	<u>\$ 686,737</u>	<u>\$ 820,136</u>

**CLIFTON BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 7,811,050	-	\$ 7,811,050	\$ 7,811,050	
State Sources					
Debt Service Aid	<u>2,961,016</u>	<u>-</u>	<u>2,961,016</u>	<u>2,961,016</u>	<u>-</u>
Total Revenues	<u>10,772,066</u>	<u>-</u>	<u>10,772,066</u>	<u>10,772,066</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	5,602,000		5,602,000	4,802,000	\$ 800,000
Interest	<u>5,170,066</u>	<u>-</u>	<u>5,170,066</u>	<u>5,170,066</u>	<u>-</u>
Total Expenditures	<u>10,772,066</u>	<u>-</u>	<u>10,772,066</u>	<u>9,972,066</u>	<u>800,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>800,000</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>\$ 800,000</u>	<u>\$ 800,000</u>
Recapitulation of Fund Balance:					
Restricted					
Available for Future Debt Service Expenditures				<u>\$ 800,000</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net Investment in capital assets	\$ 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	\$ 68,365,132
Restricted	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	13,824,408
Unrestricted	(39,564,853)	(39,272,100)	(38,872,180)	(41,575,795)	(38,551,529)	(40,926,404)	(38,740,597)	(37,329,607)	(36,613,640)	(32,114,325)
Total governmental activities net position	\$ 27,013,772	\$ 30,258,644	\$ 31,570,811	\$ 30,882,030	\$ 33,398,410	\$ 32,614,660	\$ 32,247,766	\$ 33,137,061	\$ 33,165,440	\$ 50,075,215
Business-type activities										
Net Investment in Capital Assets	\$ 219,498	\$ 182,189	\$ 149,283	\$ 124,275	\$ 238,609	\$ 300,988	\$ 364,249	\$ 1,093,032	\$ 3,963,779	\$ 4,034,135
Unrestricted	796,367	838,892	792,413	768,467	464,110	626,915	1,027,599	2,866,019	2,939,017	3,015,241
Total business-type activities net position	\$ 1,015,865	\$ 1,021,081	\$ 941,696	\$ 892,742	\$ 702,719	\$ 927,903	\$ 1,391,848	\$ 3,959,051	\$ 6,902,796	\$ 7,049,376
District-wide										
Net Investment in capital assets	\$ 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	\$ 72,399,267
Restricted	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	13,824,408
Unrestricted	(38,768,486)	(38,433,208)	(38,079,767)	(40,807,328)	(38,087,419)	(40,299,489)	(37,712,998)	(34,463,588)	(33,676,623)	(29,099,084)
Total district net position	\$ 28,029,637	\$ 31,279,725	\$ 32,512,507	\$ 31,774,772	\$ 34,101,129	\$ 33,542,563	\$ 33,639,614	\$ 37,096,112	\$ 40,068,236	\$ 57,124,591

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 106,263,706
Special education	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	31,728,901
Other instruction	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	13,752,000
School Sponsored Activities and Athletics	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	3,940,912
Support Services:										
Student & instruction related services	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	45,542,380
Educational Media/School Library	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	2,807,721
School Administrative services	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	11,214,120
General administration	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	4,140,263
Central Services	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	3,394,256
Plant operations and maintenance	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	21,189,752
Pupil transportation	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	13,069,701
Interest on long-term debt	873,173	535,980	534,816	468,462	407,088	362,794	343,184	178,826	3,110,006	3,499,979
Total governmental activities expenses	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	260,543,691
Business-type activities:										
Food service	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	8,247,032
Other Non Major	430,995	519,929	615,910	589,960	50,074	54,133	62,696	2,699	18,284	112,929
Total business-type activities expense	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	8,359,961
Total district expenses	\$ 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	\$ 268,903,652
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	\$ 143,290
Support Services (tuition)				25,854						
Operating grants and contributions	\$ 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	67,311,669
Capital grants and contributions	-	1,238,641	649,771	64,385	11,808	45,848	12,050	27,508	2,417,710	6,154,267
Total governmental activities program revenues	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	73,609,226
Business-type activities:										
Charges for services										
Food service	\$ 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	\$ 1,875,725
Other Non Major	449,785	513,999	496,031	624,330	69,957	76,241	75,353	40,300	104,623	80,884
Operating grants and contributions	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	6,521,719
Total business type activities program revenues	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	8,478,328
Total district program revenues	\$ 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	\$ 82,087,554
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (186,934,465)
Business-type activities	(147,850)	37,787	(80,204)	(51,148)	(198,302)	224,825	461,430	2,234,286	1,148,966	118,367
Total district-wide net expense	\$ (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)	\$ (186,816,098)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes general purposes and debt svc	\$ 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	\$ 144,755,495
State Aid restricted for debt service	174,797	170,304	145,357	140,439	39,634					2,961,016
Unrestricted grants and contributions	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	52,557,046
Miscellaneous income	1,107,607	811,998	899,379	849,270	1,198,392	1,002,676	1,243,284	867,570	914,172	3,570,683
Other							(117,378)			
Transfers	-	32,836	-	-				(330,886)	(1,793,131)	-
Total governmental activities	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	203,844,240
Business-type activities:										
Investment earnings	1,532	265	819	1,586	1,423	359	2,515	2,031	1,648	28,213
Miscellaneous income				608	6,856					
Transfers	-	(32,836)	-	-	-	-	-	330,886	1,793,131	-
Total business-type activities	1,532	(32,571)	819	2,194	8,279	359	2,515	332,917	1,794,779	28,213
Total district-wide	\$ 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	\$ 203,872,453
Change in Net Position										
Governmental activities	\$ 4,387,402	\$ 3,244,872	\$ 1,312,167	\$ (688,781)	\$ 2,516,380	\$ (783,750)	\$ (1,163,342)	\$ 889,295	\$ 28,379	\$ 16,909,775
Business-type activities	(146,318)	5,216	(79,385)	(48,954)	(190,023)	225,184	463,945	2,567,203	2,943,745	146,580
Total district	\$ 4,241,084	\$ 3,250,088	\$ 1,232,782	\$ (737,735)	\$ 2,326,357	\$ (558,566)	\$ (699,397)	\$ 3,456,498	\$ 2,972,124	\$ 17,056,355

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 12,406,117
Committed			579,811	1,516,704	2,647,302	871,427	1,320,851			
Assigned	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	6,330,955
Unassigned	<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>	<u>(4,173,848)</u>
Total general fund	<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>	<u>\$ 14,563,224</u>
All Other Governmental Funds										
Restricted	\$ 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	\$ 112,052,446
Unassigned						(83,473)	(400,646)	(482,651)	(496,081)	(719,976)
Total all other governmental funds	<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>	<u>\$ 111,332,470</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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes	\$ 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	\$ 144,755,495
Miscellaneous	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	4,401,720
State sources	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	122,409,856
Federal sources	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	19,220,734
Total revenue	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	290,787,805
Expenditures										
Instruction										
Regular Instruction	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	113,122,971
Special education instruction	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	33,814,818
Other instruction	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	14,704,308
School sponsored activities and athletics	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	4,177,128
Support Services:										
Student & inst. related services	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	48,078,764
Educational Media/School Library	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	3,034,887
General administration	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	4,444,235
School administrative services	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	12,192,091
Central services	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	3,894,391
Plant operations and maintenance	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	17,712,583
Pupil transportation	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	13,678,627
Capital outlay	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	59,031,676
Debt service:										
Refunding bond issuance costs	-	26,068								
Advance Refunding Escrow	-									
Principal	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	5,784,942
Interest and other charges	805,306	673,270	546,453	475,868	395,954	378,228	350,279	209,385	165,737	5,245,737
Total expenditures	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	338,917,158
Excess (Deficiency) of revenues over (under) expenditures	(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)	(48,129,353)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing sources (uses)										
Proceeds from borrowing:										
Capital Financing Agreements (non-budgeted)	\$ 1,452,997	\$ 353,572	\$ 362,000	\$ 466,200	\$ 485,083	\$ 840,621	\$ 1,254,791	\$ 899,052		
Leases Payable (non-budgeted)										\$ 1,788,040
School Bond Proceeds									\$ 168,282,000	
Refunding Bond Proceeds		2,530,000								
Premium on Refunding Bonds										
Payment to refunded bond escrow agent		(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	4,661,842
Transfers out	(445,000)	(3,506,653)					(2,776,414)	(2,146,191)	(3,696,700)	(4,661,842)
Total other financing sources (uses)	<u>1,452,997</u>	<u>412,476</u>	<u>362,000</u>	<u>466,200</u>	<u>485,083</u>	<u>840,621</u>	<u>1,137,413</u>	<u>568,166</u>	<u>169,491,001</u>	<u>1,788,040</u>
Net change in fund balances	<u>\$ (105,939)</u>	<u>\$ (2,438,368)</u>	<u>\$ (1,099,291)</u>	<u>\$ 1,681,983</u>	<u>\$ 3,302,649</u>	<u>\$ (1,272,113)</u>	<u>\$ (3,743,509)</u>	<u>\$ (1,633,962)</u>	<u>\$ 159,459,061</u>	<u>\$ (46,341,313)</u>
Debt service as a percentage of noncapital expenditures	2.49%	2.32%	1.95%	1.87%	1.28%	0.76%	0.86%	0.73%	0.62%	3.94%

* Noncapital expenditures are total expenditures less capital outlay.

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

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Fiscal Year Ended June 30,	Interest Earned	Book Fines	Rentals	Refund P/Y Expend	Cancellation PY Payables	Tuition	E-Rate Refund	Miscellaneous	Total
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
2023	392,497	851	70,212	328,415		143,290		335,873	1,271,138

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
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
2023	44,359,400	3,835,486,200	298,500	12,700	803,745,000	546,797,800	141,542,800	5,372,242,400	5,893,668	5,378,136,068	12,893,199,807	2.756

103 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	
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
2023	2.756	1.702	1.336	5.794

Source: County Abstract of Ratables

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

Taxpayer	2023	
	Taxable Assessed Value	% of Total District Net Assessed Value
Castleton Assoc. LLC	\$ 40,501,500	0.75%
201 Main Ave LLC	40,000,000	0.74%
GI TC 2 Peekay Drive LLC	37,000,000	0.69%
Public Service	34,396,200	0.64%
Clifton Commons, LLC	25,509,800	0.47%
Clifton Lifestyle Ctr LLC	24,962,800	0.46%
Styertowne Shopping Center	19,767,400	0.37%
Exelis Inc	19,500,000	0.36%
PB Nutclif Master LLC	16,019,000	0.30%
Country Club Towers I & II LLC	16,003,100	0.30%
	<u>\$ 273,659,800</u>	<u>5.09%</u>

	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman La Roche	\$ 103,623,100	1.93%
201 Main Ave LLC	50,000,000	0.93%
Castleton Assoc. LLC	40,501,500	0.76%
Clifton Commons, LLC	33,485,400	0.63%
Public Service	31,977,300	0.60%
GI TC Peekay Drive LLC	30,461,600	0.57%
Country Club Towers I & II LLC	23,581,900	0.44%
Clifton Lifestyle Ctr LLC	21,682,500	0.40%
Exelis Inc (ITT)	20,322,900	0.38%
Styertowne Shopping Center	19,678,800	0.37%
	<u>\$ 375,315,000</u>	<u>7.01%</u>

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	
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%	
2023	144,755,495	144,755,495	100.00%	

Source: District Records

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

<u>Governmental Activities</u>						
Fiscal Year Ended June 30,	General Obligation Bonds	Leases Payable	Capital Financing Agreements	Total District	Population	Per Capita
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
2023	165,850,000	\$ 1,491,835	820,136	166,670,136	88,709	1,879

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		
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
2023	165,850,000		165,850,000	3.08%	1,870

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, 2022
(Unaudited)**

	<u>Gross Debt</u>	<u>Total</u>
Municipal Debt: (1)		
Board of Education	\$ 166,650,000	\$ 166,650,000
City	<u>123,263,039</u>	<u>123,263,039</u>
	<u>\$ 289,913,039</u>	<u>\$ 289,913,039</u>
Overlapping Debt Apportioned to the Municipality:		
Passaic County:		
County of Passaic (A)		94,969,525
Passaic County Utilities Authority- Solid Waste (A)		7,493,562
Passaic Valley Sewerage Commission (B)		20,147,307
Passaic Valley Water Commission (C)		10,641,526
North Jersey District Water Supply Commission (B)		<u>2,087,998</u>
 Total Direct and Overlapping Debt		 <u>\$ 425,252,957</u>

Source:

(1) City's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the City by dividing the municipality's 2022 equalized value by the total 2022 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 461,907,010
Total net debt applicable to limit	<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>	<u>165,850,735</u>
Legal debt margin	<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>	<u>\$ 296,056,275</u>
Total net debt applicable to the limit as a percentage of debt limit	3.70%	3.04%	2.43%	1.83%	1.45%	1.23%	0.98%	0.76%	39.13%	35.91%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2022 \$ 12,708,234,847
	2021 11,324,457,325
	2020 <u>10,610,333,599</u>
	<u>\$ 34,643,025,771</u>
Average equalized valuation of taxable property	\$ 11,547,675,257
Debt limit (4 % of average equalization value)	461,907,010
Total Net Debt Applicable to Limit	<u>165,850,735</u>
Legal debt margin	<u>\$ 296,056,275</u>

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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	59,559	7.1%
2022	89,367	N/A	3.8%
2023	88,709	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)

Employer	2023		2014	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>2023</u>
Instruction										
Regular	693	703	705	702	705	708	710	711	718	725
Special education	150	152	160	167	172	177	179	191	201	203
Other special education	160	168	177	181	178	210	213	216	237	237
Other instruction	26	23	24	23	21	26	26	19	19	28
Support Services:										
Student & instruction related services	177	186	182	180	181	183	185	188	192	192
General administration	7	7	7	7	7	7	7	9	9	9
School administrative services	77	78	70	68	68	70	70	72	72	72
Central services	18	17	17	16	16	17	17	20	21	21
Administrative Information Technology	3	3	3	3	3	3	3	3	4	4
Plant operations and maintenance	98	96	98	97	98	98	99	103	100	107
Pupil transportation	47	47	46	46	46	91	91	95	97	97
Other support services	24	24	24	24	24	24	24	22	22	22
Food Service	10	7	7	4	3	2	2	2	1	1
Total	<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>	<u>1,718</u>

Source: District Personnel Records

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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	10,644	10,000	-2.77%	93.95%
2020	10,956	211,551,922	19,309	-0.53%	887	13.82	10.30	12.50	10,675	10,291	0.29%	96.40%
2021	10,954	225,797,683	20,613	6.75%	902	12.18	10.47	12.45	10,451	9,975	-2.10%	95.45%
2022	10,954	254,375,974	23,222	12.66%	919	12.54	10.61	12.62	10,460	9,778	0.09%	93.48%
2023	11,013	268,854,803	24,412	5.13%	928	12.40	10.51	12.12	10,736	9,968	2.64%	92.85%

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Elementary										
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	297	301	308	289	281	280	275	270	276	278
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	432	439	436	411	426	421	418	415	422	410
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	312	292	291	298	296	298	299	305	301	297
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	174	168	179	176	170	168	160	155	166	165
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	365	384	382	368	378	374	371	375	381	375
School No. 8 (1926)										
Square Feet	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830
Capacity (students)	193	193	193	193	193	193	193	193	193	193
Enrollment	226	217	220	233	227	223	220	220	224	227
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	345	325	315	325	335	339	338	339	341	333
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	482	500	471	468	461	460	464	462	466	457
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	668	661	541	574	570	579	581	586	592	587

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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 *	475	462	480	499	484	484	481	476	491	488
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	332	348	373	399	416	421	406	402	407	405
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	362	364	363	351	344	341	338	344	340	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 *	225	249	217	244	248	248	242	252	248	245
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	593	600	629	622	604	604	600	607	611	603
<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	1,173	1,152	1,197	1,225	1,224	1,226	1,197	1,185	1,198	1,185
Woodrow Wilson (1955)										
Square Feet	143,409	143,409	143,409	143,409	143,409	143,409	143,409	143,409	143,409	143,409
Capacity (students)	919	919	919	919	919	919	919	919	919	919
Enrollment	1,263	1,218	1,205	1,187	1,194	1,198	1,179	1,171	1,189	1,179
<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	3,130	2,712	3,001	2,919	2,929	2,962	2,911	2,863	2,902	2,884

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	321
Clifton Early Learner Academy - Allwood Road Square Feet			12,995	12,995	12,995	12,995	12,995	12,995	12,995	12,995
Capacity (students)			150	150	150	150	150	150	150	150
Enrollment			110	130	115	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	11,000
Capacity (students)			150	150	150	150	150	150	150	150
Enrollment			120	120	120	121	120	120	119	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, 2023										
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>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>2023</u>
SCHOOL FACILITIES										
Board of Education Building	\$ 26,843	\$ 21,398	\$ 28,309	\$ 37,528	\$ 44,170	\$ 45,405	\$ 35,893	\$ 45,255	\$ 140,523	\$ 63,632
Clifton Stadium	6,283	1,420	12,655		15,555	9,203	63,075	63,075	195,856	88,688
Transportation	20,164	19,862	26,754	35,555	29,129	43,018	34,006	42,876	133,135	60,287
Clifton High School	222,711	199,160	240,603	326,721	368,996	390,736	254,448	335,927	1,043,096	472,338
Clifton High School Annex	52,144	37,077	49,418	65,674	77,298	139,716	110,447	139,254	432,401	195,801
Woodrow Wilson Middle School	103,273	97,673	106,352	134,547	142,740	165,822	129,741	163,304	507,080	229,617
Christopher Columbus Middle School	64,681	76,951	86,894	115,478	151,540	36,363	28,746	36,243	112,539	50,960
School No. 1	21,650	30,719	22,616	30,055	35,375	68,856	54,432	68,629	213,102	96,497
School No. 2	40,140	35,699	42,824	56,901	66,964	52,596	41,578	52,422	162,777	73,709
School No. 3	29,390	41,882	32,711	43,471	51,167	24,269	19,185	24,189	75,110	34,012
School No. 4	21,752	18,632	15,094	20,059	23,609	56,353	44,548	56,167	174,406	78,975
School No. 5	29,828	37,791	35,048	46,577	54,822	31,590	24,973	31,486	97,768	44,272
School No. 8	18,718	27,195	19,647	26,110	30,732	59,281	46,863	59,086	183,470	83,079
School No. 9	31,811	28,221	36,869	48,997	57,670	64,640	51,099	64,427	200,054	90,589
School No. 11	34,458	34,960	40,201	53,427	62,883	81,761	63,596	79,908	248,125	112,357
School No. 12	46,535	42,060	54,574	65,436	77,054	59,548	47,074	59,352	184,295	83,453
School No. 13	30,839	27,396	37,035	49,218	57,929	54,389	42,995	54,210	168,329	76,223
School No. 14	27,598	33,094	33,826	44,954	52,911	37,015	27,850	34,839	108,180	48,986
School No. 15	19,564	18,996	29,929	28,015	32,973	42,788	33,825	42,647	132,424	59,965
School No. 16	26,952	21,572	26,611	35,365	41,626	108,038	83,890	105,495	327,575	148,333
School No. 17	76,836	68,007	70,279	86,607	101,937	79,458	62,813	79,196	245,914	111,356
GRAND TOTAL	\$ 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	\$ 2,303,129

Source: District Records

**CLIFTON BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023**

	<u>Coverage</u>	<u>Deductible</u>
Package Policy - National Union Fire Insurance of Pittsburgh, PA		
 <u>Property and Casualty</u>		
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>		
<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, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
<u>Student Accident -</u>		
American Fidelity Insurance Company	\$ 25,000	\$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



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN 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, 2023 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 February 1, 2024.

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.

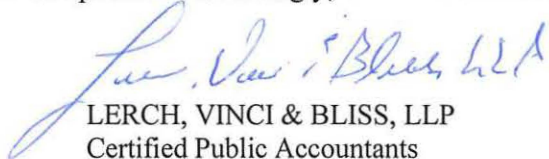
Report on Compliance and Other Matters

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.

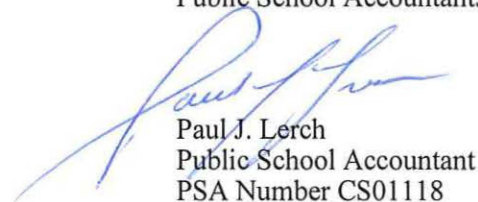
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Clifton Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 1, 2024.

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
February 1, 2024



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, 2023. 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, 2023.

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.

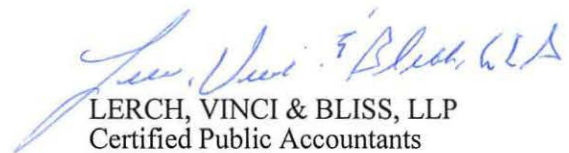
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

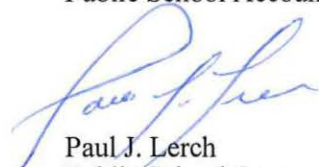
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, 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 February 1, 2024, 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
February 1, 2024

CLIFTON BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2022	A/R Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2023			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	2205NJ5MAP	7/1/22-6/30/23	\$ 677,674	\$ (23,493)			\$ 701,167	\$ 677,674					
U.S. Department of Homeland Security - Passed-Through Dept of Law & Public Safety FEMA - Public Assistance Grant - Hurricane IDA	97.036	N/A	7/1/22-6/30/23	63,524	-	-	-	63,524	63,524	-	-	-	-	-
Total General Fund					(23,493)			764,691	741,198					
U.S. Department of Agriculture Passed-Through State Dept. of Education														
Food Distribution Program - Non Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	512,719				512,719	505,211		\$ 7,508			
Food Distribution Program - Non Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	440,396	8,035			8,035	8,035					
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	574,152				438,135	574,152	\$ (136,017)			\$ (136,017)	
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	1,038,118	(112,249)			112,249	112,249					
Seamless Summer Food Service Program	10.559	231NJ304N1099	7/1/22-6/30/23	179,287				179,287	179,287					
Supply Chain Assistance Program	10.555	221NJ344N8903	7/1/22-6/30/23	316,480				316,480	316,480					
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	3,444,286				2,781,948	3,444,286	(662,338)			(662,338)	
National School Lunch Program	10.555	221NJ304N1099	7/1/21-6/30/22	6,035,577	(511,598)			511,598	511,598					
After School Snacks	10.555	231NJ304N1099	7/1/22-6/30/23	29,396				23,694	29,396	(5,702)			(5,702)	
After School Snacks	10.555	221NJ304N1099	7/1/21-6/30/22	19,979	(1,572)			1,572	-					
Total Child Nutrition Cluster					(617,384)			4,877,682	5,056,847		(804,057)		7,508	(804,057)
Child and Adult Food Program	10.558	231NJ304N1099	7/1/22-6/30/23	1,009,391	-	-	-	709,291	1,009,391	-	(300,100)	-	-	(300,100)
Total Enterprise Funds					(617,384)			5,586,973	6,066,238		(1,104,157)		7,508	(1,104,157)
Part B U.S. Department of Education Passed-Through State Dept. of Education														
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	2,746,631	(1,056,458)	\$ 1,285,530	\$ (229,072)							
I.D.E.A. Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	2,818,332		(1,285,530)	229,072	3,699,132	2,815,850	(404,730)	231,554		(173,176)	
I.D.E.A. ARP Part B, Basic	84.027X	H027X210100	7/1/21-9/30/22	600,390	(73,732)			73,732	73,732					
I.D.E.A. ARP Part B, Preschool	84.173X	H173X210114	7/1/21-9/30/22	50,964	(12,649)			12,649	12,649					
I.D.E.A. Part B, Preschool	84.173A	H173A210114	7/1/21-9/30/22	88,668	26,026	56,519	(82,545)							
I.D.E.A. Part B, Preschool	84.173A	H173A220114	7/1/22-9/30/23	101,248		(56,519)	82,545	51,247	163,548	(106,520)	20,245		(86,275)	
Total Special Education Cluster (IDEA)									2,979,398					
Twenty-First Century	84.287C	S287C210030	9/1/21-8/31/22	496,222	(98,479)	395,241	(296,762)	51,356	51,356					
Twenty-First Century	84.287C	S287C220030	9/1/22-8/31/23	499,994		(395,241)	296,762	460,334	492,631	(434,901)	304,125		(130,776)	
Total Twenty-First Century Cluster									543,987					
ESEA Title III	84.365A	S365A210030	7/1/21-9/30/22	130,399	(20,090)	94,681	(74,591)							
ESEA Title III	84.365A	S365A220030	7/1/22-9/30/23	164,245		(94,681)	74,591	224,208	235,173	(34,718)	3,663		(31,055)	
ESEA Title III - Immigrant	84.365A	S365A220030	7/1/22-9/30/23	64,287				37,767	54,221	(26,520)	10,066		(16,454)	
Total English Language Acquisition Cluster (Title III)									289,394					
ESEA Title I	84.010A	S010A210030	7/1/21-9/30/22	2,877,021	(1,109,252)	1,240,271	(131,019)							
ESEA Title I - SIA	84.010A	S010A210030	7/1/21-9/30/22	10,000	(13,397)	25,100	(11,703)							
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	4,883,808		(1,240,271)	131,019	4,300,459	4,535,733	(1,823,620)	479,094		(1,344,526)	
ESEA Title I - SIA	84.010A	S010A220030	7/1/22-9/30/23	20,000		(25,100)	11,703	14,597	-	(30,503)	31,703			
Total Title I Part A Grants Cluster									4,555,733					

CLIFTON BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2022	A/R Carryover Amount	Uncarned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2023			MEMO GAAP Receivable
											(Accounts Receivable)	Unearned Revenue	Due to Grantor	
ESEA Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	\$ 400,569	\$ (171,622)	\$ 208,342	\$ (36,720)							
ESEA Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	565,962		(208,342)	36,720	\$ 566,494	\$ 579,412		\$ (207,810)	\$ 23,270		\$ (184,540)
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	228,249	(111,580)	283,099	(171,519)							
ESEA Title IV	84.424	S424A220031	7/1/22-9/30/23	238,191		(283,099)	171,519	238,660	187,936		(282,630)	221,774		(60,856)
Preschool Expansion Aid	84.419B	S419B170020	7/1/17-6/30/18	3,428,547	23,952					\$ 23,952				
Climate Grant	84.184G	S184G210078	10/1/21-9/30/22	404,924	(214,134)	271,708	(57,574)							
Climate Grant	84.184G	S184G220078	10/1/22-9/30/23	409,836		(271,708)	57,574	681,544	467,410					
ACSERS Aid	21.027	SLFRFDOE1SES	7/1/21-6/30/22	575,186				287,593	287,593					
ACSERS Aid	21.027	SLFRFDOE1SES	7/1/22-6/30/23	218,638				166,431	218,638		(52,207)			(52,207)
Total ACSERS Cluster									506,231					
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	(215,667)			215,667						
American Rescue Plan - Homeless Children and Youth	84.425W	S425W210031	4/23/21-9/30/24	138,163				69,986	86,203		(68,177)	51,960		(16,217)
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	(5,685,878)			5,615,495	62,541		(132,924)	-		(132,924)
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	657,756	(157,050)			445,990	500,160		(211,766)	546		(211,220)
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	56,455	(2,397)			53,957	54,057		(2,498)	1		(2,497)
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	(699,139)			1,708,261	2,513,106		(21,204,913)	19,700,929		(1,503,984)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	1,091,781					134,734		(1,091,781)	957,047		(134,734)
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						
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	88,501					9,360		(88,501)	79,141		(9,360)
Total Education Stabilization Cluster - ESSER/ARP									3,360,161					
Carl D. Perkins	84.048	V048A220030	7/1/22-6/30/23	84,491				34,138	34,138		(50,353)	50,353		-
Carl D. Perkins	84.048	V048A210030	7/1/21-6/30/22	6,977	(3,500)			3,500						-
Total Special Revenue Fund					(9,639,067)			19,087,633	13,483,800	23,952	(26,385,930)	22,326,744	\$ -	(4,090,801)
Total					\$ (10,279,944)	\$ -	\$ -	\$ 25,439,297	\$ 20,291,236	\$ 23,952	\$ (27,490,087)	\$ 22,334,252	\$ -	\$ (5,194,958)

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, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2023			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	22-495-034-5120-078	7/1/21-6/30/22	\$ 41,437,830	\$ (4,054,903)			\$ 4,054,903									
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	53,769,087				48,502,143	\$ 53,769,087			\$ (5,266,944)			\$ 53,769,087		
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	7,350,637	(719,297)			719,297									
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	7,350,637				6,630,606	7,350,637			(720,031)			7,350,637		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	3,571,640	(349,503)			349,503									
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	3,571,640				3,221,781	3,571,640			(349,859)			3,571,640		
Total State Aid Public Cluster																
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	3,020,309					3,020,309						3,020,309		
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	3,020,309	(295,553)			295,553									
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	194,175	(194,175)			194,175									
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	251,372					251,372						251,372		
Total Transportation Aid Cluster																
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	2,338,984	(2,338,984)			2,338,984									
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	3,364,653					3,364,653						3,364,653		
Payment for Institutionalized Children - Homeless Tuition	23-495-034-5120-005	7/1/22-6/30/23	58,014					58,014						58,014		
Lead Testing for Schools Aid	23-495-034-5120-104	7/1/22-6/30/23	19,262					19,262						19,262		
TPAF Pension and Annuity Aid-																
Normal	23-495-034-5094-002	7/1/22-6/30/23	28,209,917				28,209,917	28,209,917						28,209,917		
NCGI	23-495-034-5094-004	7/1/22-6/30/23	391,381				391,381	391,381						391,381		
Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	13,976				13,976	13,976						13,976		
Post Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	7,513,492				7,513,492	7,513,492						7,513,492		
TPAF Social Security Aid	22-495-034-5094-003	7/1/21-6/30/22	6,256,130	(301,195)			301,195									
TPAF Social Security Aid	23-495-034-5094-003	7/1/22-6/30/23	6,440,362				6,118,288	6,440,362						6,440,362		
Total General Fund																
				(8,253,610)				111,598,911	113,974,102					(10,628,801)		(631,460)
SDA Emergent and Capital Maintenance Needs Grant Program	N/A	7/1/21-6/30/22	256,650		\$ 700			700								700
SDA Emergent and Capital Maintenance Needs Grant Program	N/A	7/1/22-6/30/23	257,419				257,419	239,702				\$ 17,717		239,702		
Preschool Education Aid (PEA)	22-495-034-5120-086	7/1/21-6/30/22	4,960,809	(496,081)	42,048		496,081	42,048						42,048		
Preschool Education Aid (PEA)	23-495-034-5120-086	7/1/22-6/30/23	7,199,764				6,479,788	9,283,628		\$ 2,169,007		(719,976)	85,143	9,283,628		
Total Preschool Education Aid																
																9,325,676
New Jersey Nonpublic Aid																
Auxiliary Services																
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	195,192				195,192	177,268				\$ 17,924		177,268		
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	209,437		\$ 21,301				\$ 21,301							
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	10,824				10,824	7,015					3,809	7,015		
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	8,953		1,497					1,497						
Total Nonpublic Auxiliary Services Aid Cluster (Chapter 192)																184,283
Handicapped Services																
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	61,065				61,065	37,362					23,703	37,362		
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	6,445		1,706				1,706							
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	34,503				34,503	29,388					5,115	29,388		
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	26,970		9,139				9,139							
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	19,329				19,329	15,746					3,583	15,746		
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	16,520		7,681				7,681							
Total Nonpublic Handicapped Services Aid Cluster (Chapter 193)																82,496
Nonpublic STEM	22-100-034-5068-051	7/1/21-6/30/22	10,012	(3,983)	1,252		4,904					(2,173)				
Nonpublic STEM	23-100-034-5068-051	7/1/22-6/30/23	11,576				5,547	10,453			(1,123)		(6,029)	10,453		
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	49,764				49,764	49,028					736	49,028		
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	43,154		5,769					5,769						
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	82,096				82,096	82,096						82,096		
Technology	23-100-034-5120-373	7/1/22-6/30/23	31,668				31,668	31,568					100	31,568		
Technology	22-100-034-5120-373	7/1/21-6/30/22	30,198		1,820					1,820						
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	154,775				154,775	150,714					4,061	150,714		
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	125,300		39,734					39,734						
Total Special Revenue Fund																
				(500,064)	44,000	88,647		7,882,955	10,156,716	88,647	2,165,711	(726,005)	102,860	59,031	(6,029)	10,156,716

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, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2023			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)	23-100-010-3350-023	7/1/22-6/30/23	\$ 123,609					\$ 100,642	\$ 123,609			\$ (22,967)			\$ (22,967)	\$ 123,609
National School Lunch Pgm.(State Share)	22-100-010-3350-023	7/1/21-6/30/22	141,658	\$ (11,774)				11,774								
National School Breakfast Pgm.(State Share)	23-100-010-3350-023	7/1/22-6/30/23	25,969					19,743	25,969			(6,226)			(6,226)	25,969
Total Enterprise Funds				(11,774)				132,159	149,578			(23,193)			(23,193)	149,578
Total State Financial Assistance Subject to Single Audit Determination				\$ (8,765,448)	\$ 44,000	\$ 88,647	\$ -	\$ 119,614,025	\$ 124,280,396	\$ 88,647	\$ 2,165,711	\$ (11,383,999)	\$ 102,860	\$ 59,031	\$ (666,682)	\$ 124,280,396
Less On-Behalf TPAF Pension and Annuity Aid																
Normal	23-495-034-5094-002	7/1/22-6/30/23	28,209,917						28,209,917							
NGI	23-495-034-5094-004	7/1/22-6/30/23	391,381						391,381							
Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	13,976						13,976							
Pest Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	7,513,492						7,513,492							
Total State Financial Assistance Subject to Major Program Determination									\$ 88,151,630							

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, 2023**

NOTE 1 REPORTING ENTITY

The Clifton Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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 \$2,239,101 for the general fund and an increase of \$4,721,866 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	\$ 741,198	\$ 111,735,001	\$ 112,476,199
Special Revenue Fund	18,479,536	7,713,839	26,193,375
Debt Service Fund		2,961,016	2,961,016
Food Service Fund	<u>6,066,238</u>	<u>149,578</u>	<u>6,215,816</u>
Total Financial Assistance	<u>\$ 25,286,972</u>	<u>\$ 122,559,434</u>	<u>\$ 147,846,406</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, 2023**

NOTE 5 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 6 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 \$6,440,362 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$28,601,298, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$7,513,492 and TPAF Long-Term Disability Insurance in the amount of \$13,976 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 Contribution 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 8 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, 2023**

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 \$ 750,000

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 84.425W	S5425D20027 S425D210027 S425W210031	Elementary and Secondary Emergency Relief (ESSER) (ESSERII) (CARES Act) American Rescue Plan (ARP-ESSER) American Rescue Plan (Homeless Children)
84.010	S010A210030 S010A220030	ESEA Title IA, Title I SIA
84.367A	S367A220029	ESEA Title II

CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 \$ 2,644,549

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>23-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>23-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>23-495-034-5120-084</u>	<u>Security Aid</u>
_____	_____
_____	_____

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

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, 2023**

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

There were none.