

CLIFTON
Public Schools

CLIFTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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, 2024**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

CLIFTON BOARD OF EDUCATION
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(973) 470 - 2288 □ FAX (973) 773 - 8357

December 6, 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, 2024 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 2023-2024 fiscal year with an average daily enrollment of 11,164 for in-district students. The district also had 121 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 remain at the 24-25 funding levels 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 believes to have been fully funded by 2024-2025.
- All employees currently contribute to their health insurance costs per the tier 4 rate of Chapter 78 or the rate associated with Chapter 44. The district must budget its share of the increase for health insurance as well as the employer contribution. In addition, the district must negotiate changes to health insurance plans in order to minimize the increases.

- A health insurance factor affecting 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 of 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 2023-2024 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 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 250 instructional computers, 120 printers and 3,000 Chromebooks throughout the district. [Local Funds, ARP ESSER III]

- 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]
- Planned and implemented capital improvement projects as follows:
 - i) Budgeted for purchasing property for an expanded Transportation Hub.
 - ii) Budgeted for classroom renovation at Clifton High School.
 - iii) Budgeted for the renovation of a music suite at Clifton High School.
 - iv) Utilizing ARP ESSER III funds the district started and completed Window Replacements at School #8, #9, #11, #12, #15, and CHS.
 - v) Completed exterior stucco repairs at School #13.
 - vi) 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, 2024 the Clifton Board of Education's outstanding long-term debt issued included \$161,050,000 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, 2023. 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.

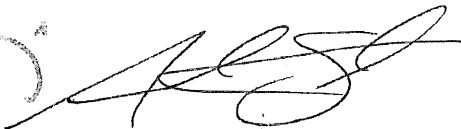
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Clifton Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the Board of Education and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

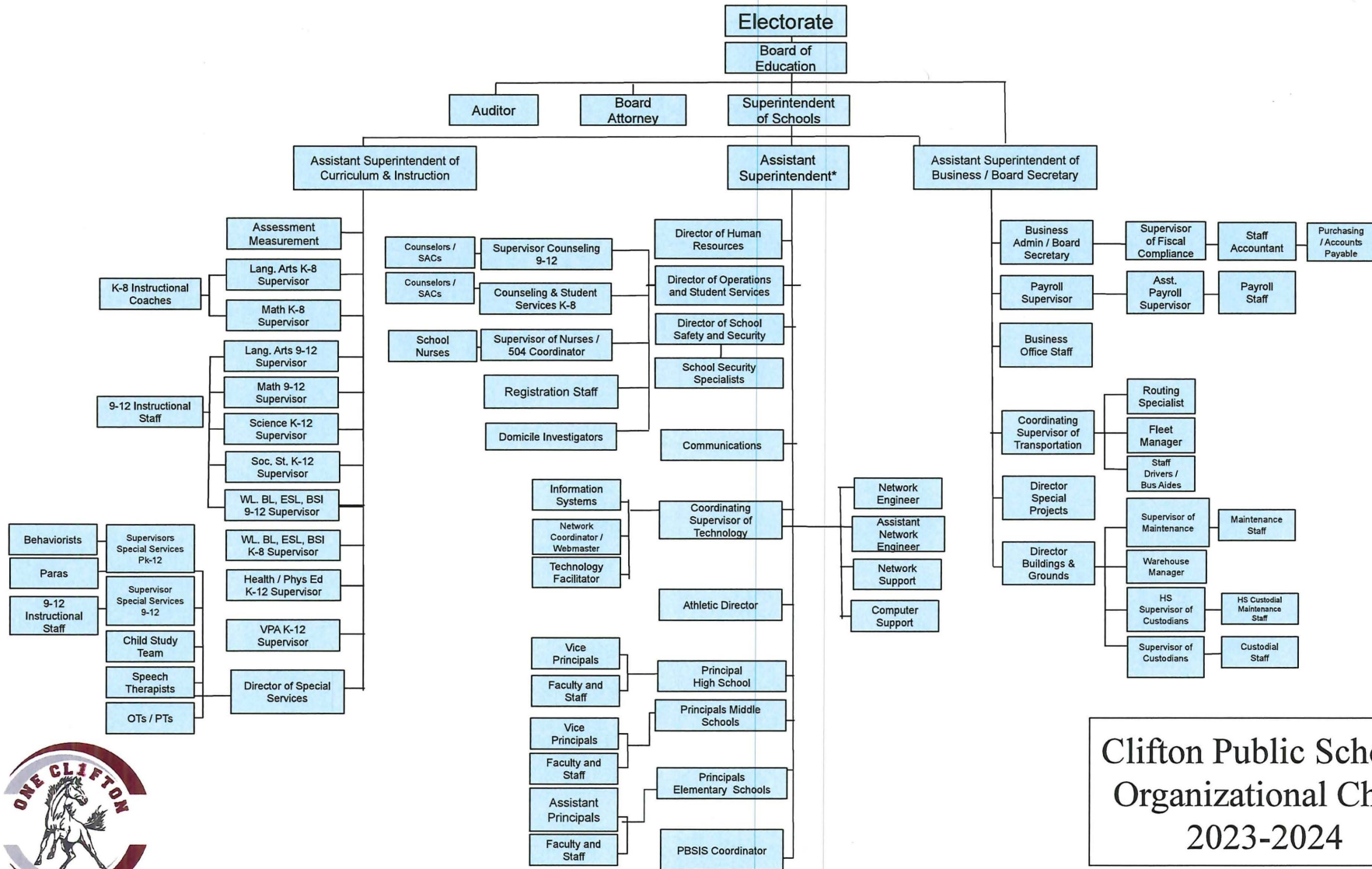
Respectfully submitted,



Danny Robertozzi
Superintendent of Schools



Ahmed Shehata
Board Secretary/
Assistant Superintendent of Business



*The Assistant Superintendent is second-in-command and serves as the District's Chief School Administrator in the absence of the Superintendent

CLIFTON BOARD OF EDUCATION
Consultants and Advisors

Architects

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

Audit Firm

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

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>
Judith Bassford	Dec. 2024
Mark Brunciak	Dec. 2025
Joseph Canova	Dec. 2026
Lucy Danny	Dec. 2024
Richard Mejia	Dec. 2025
Alan Paris	Dec. 2024
Anthony Santiago	Dec. 2025
Joseph Siano	Dec. 2026
Tanya Suarez	Dec. 2026

Other Officials

Danny Robertozzi,	Superintendent of Schools
Mark Gengaro,	Assistant Superintendent of Schools
Janina Kusielewicz,	Assistant Superintendent of Curriculum and Instruction
Ahmed Shehata,	Board Secretary/ Assistant Superintendent of Business
Michael Ucci,	Board Secretary/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, 2023.

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



Ryan S. Stechschulte
SFO
President

James M. Rowan, CAE,
CEO/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 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, 2024 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 accompanying 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, 2024, 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 accompanying combining and individual nonmajor fund financial statements and 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 accompanying combining and individual nonmajor fund financial statements and 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.

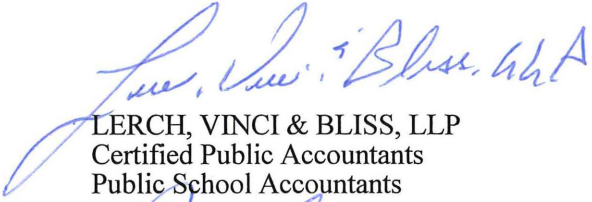
Other Information

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 December 6, 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
December 6, 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, 2024. 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 (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 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 \$79,057,797 (net position).
- Overall District revenues were \$312,367,751. General revenues accounted for \$230,462,192 or 74% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$81,905,559 or 26% of total revenues.
- The School District had \$280,612,564 in expenses for governmental activities; only \$73,097,161 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$230,413,352 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 \$60,056,505 a decrease of \$65,839,189 when compared to the ending fund balance at June 30, 2023 of \$125,895,694.
- The General Fund unassigned fund balance at June 30, 2024 was \$(6,074,101) a decrease of \$1,900,253 when compared with the ending fund balance of \$(4,173,848) at June 30, 2023.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$6,264,624 which represents an increase of \$441,131 when compared to the ending unassigned fund balance at June 30, 2023 of \$5,823,493.

CLIFTON BOARD OF EDUCATION

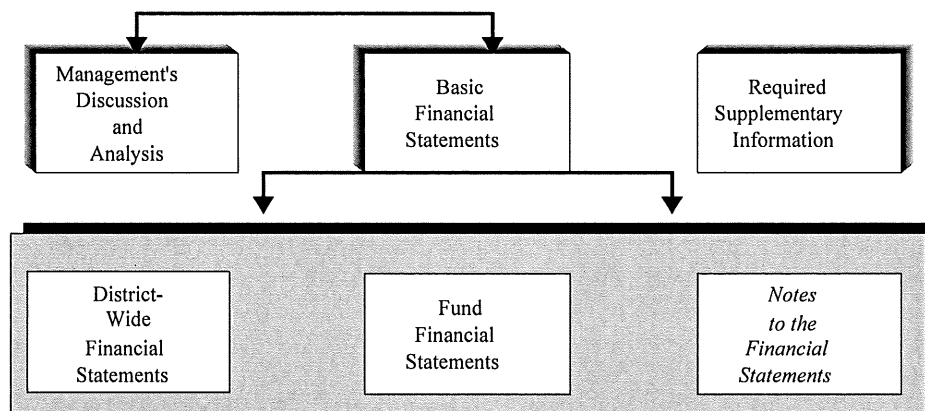
Management's Discussion and Analysis

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, Integrated Summer Enrichment Experience Program and the ONE Clifton League 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 \$79,057,797 and \$57,124,591 as of June 30, 2024 and 2023, 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, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 85,127,215	\$ 136,574,096	\$ 1,739,260	\$ 3,150,977	\$ 86,866,475	\$ 139,725,073
Capital Assets	206,476,818	125,900,031	4,643,021	4,034,135	211,119,839	129,934,166
Total Assets	291,604,033	262,474,127	6,382,281	7,185,112	297,986,314	269,659,239
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	8,657	26,307			8,657	26,307
Deferred Amounts on Net Pension Liability	2,925,281	2,916,982	-	-	2,925,281	2,916,982
Total Deferred Outflows of Resources	2,933,938	2,943,289	-	-	2,933,938	2,943,289
Total Assets and Deferred Outflows of Resources	294,537,971	265,417,416	6,382,281	7,185,112	300,920,252	272,602,528
Liabilities						
Current Liabilities	26,315,329	11,968,540	294,872	128,228	26,610,201	12,096,768
Noncurrent Liabilities	192,514,004	197,471,383	-	-	192,514,004	197,471,383
Total Liabilities	218,829,333	209,439,923	294,872	128,228	219,124,205	209,568,151
Deferred Inflows of Resources						
Deferred Commodities Revenue			2,776	7,508	2,776	7,508
Deferred Amounts on Net Pension Liability	2,735,474	5,902,278	-	-	2,735,474	5,902,278
Total Deferred Inflows of Resources	2,735,474	5,902,278	2,776	7,508	2,738,250	5,909,786
Total Liabilities and Deferred Inflows of Resources	221,564,807	215,342,201	297,648	135,736	221,862,455	215,477,937
Net Position						
Net Investment in Capital Assets	71,560,438	68,365,132	4,643,021	4,034,135	76,203,459	72,399,267
Restricted	33,024,353	13,824,408			33,024,353	13,824,408
Unrestricted	(31,611,627)	(32,114,325)	1,441,612	3,015,241	(30,170,015)	(29,099,084)
Total Net Position	\$ 72,973,164	\$ 50,075,215	\$ 6,084,633	\$ 7,049,376	\$ 79,057,797	\$ 57,124,591

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

Changes in Net Position For the Fiscal Years Ended June 30, 2024 and 2023							
	Governmental Activities		Business-Type Activities		Total		
	2024	2023	2024	2023	2024	2023	
Revenues							
Program Revenues							
Charges for Services and Sales	\$ 104,361	\$ 143,290	\$ 2,192,687	\$ 2,262,512	\$ 2,297,048	\$ 2,405,802	
Operating Grants and Contributions	71,503,438	67,311,669	6,615,711	6,215,816	78,119,149	73,527,485	
Capital Grants and Contributions	1,489,362	6,154,267			1,489,362	6,154,267	
General Revenues							
Property Taxes	148,214,264	144,755,495			148,214,264	144,755,495	
Unrestricted State Aid	74,264,269	52,557,046			74,264,269	52,557,046	
State Aid Restricted for Debt Service	2,386,359	2,961,016			2,386,359	2,961,016	
Other	5,548,460	3,570,683	48,840	28,213	5,597,300	3,598,896	
Total Revenues	303,510,513	277,453,466	8,857,238	8,506,541	312,367,751	285,960,007	
Expenses							
Instruction							
Regular	113,605,629	106,263,706			113,605,629	106,263,706	
Special	32,396,958	31,728,901			32,396,958	31,728,901	
Other Instruction	13,793,101	13,752,000			13,793,101	13,752,000	
School Sponsored Activities & Ath.	4,093,984	3,940,912			4,093,984	3,940,912	
Support Services							
Student and Instruction Related Serv.	49,043,242	45,542,380			49,043,242	45,542,380	
Educational Media/School Library	3,158,188	2,807,721			3,158,188	2,807,721	
School Administrative Services	11,694,397	11,214,120			11,694,397	11,214,120	
General Administrative Services	4,510,724	4,140,263			4,510,724	4,140,263	
Plant Operations and Maintenance	26,994,620	21,189,752			26,994,620	21,189,752	
Pupil Transportation	13,850,630	13,069,701			13,850,630	13,069,701	
Central Services	4,087,285	3,394,256			4,087,285	3,394,256	
Food Service			9,726,306	8,247,032	9,726,306	8,247,032	
Other Programs			95,675	112,929	95,675	112,929	
Interest on Long-Term Debt	3,383,806	3,499,979	-	-	3,383,806	3,499,979	
Total Expenses	280,612,564	260,543,691	9,821,981	8,359,961	290,434,545	268,903,652	
Change in Net Position	22,897,949	16,909,775	(964,743)	146,580	21,933,206	17,056,355	
Net Position, Beginning of Year	50,075,215	33,165,440	7,049,376	6,902,796	57,124,591	40,068,236	
Net Position, End of Year	<u>\$ 72,973,164</u>	<u>\$ 50,075,215</u>	<u>\$ 6,084,633</u>	<u>\$ 7,049,376</u>	<u>\$ 79,057,797</u>	<u>\$ 57,124,591</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, 2024 and 2023.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2024 and 2023

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Governmental Activities				
Instruction				
Regular	\$ 113,605,629	\$ 106,263,706	\$ 96,662,019	\$ 90,673,496
Special Education	32,396,958	31,728,901	14,210,002	14,207,306
Other Instruction	13,793,101	13,752,000	8,916,819	8,588,012
School Sponsored Activities and Athletics	4,093,984	3,940,912	2,993,290	2,784,507
Support Services				
Student and Instruction Related Svcs.	49,043,242	45,542,380	26,785,942	21,463,676
Educational Media/School Library	3,158,188	2,807,721	2,705,123	2,347,823
General Administrative Services	4,510,724	4,140,263	4,479,988	4,081,413
School Administrative Services	11,694,397	11,214,120	9,787,079	9,202,932
Plant Operations and Maintenance	26,994,620	21,189,752	23,185,334	17,186,597
Pupil Transportation	13,850,630	13,069,701	10,368,425	9,598,268
Central Services	4,087,285	3,394,256	4,037,576	3,300,456
Interest on Long-Term Debt	3,383,806	3,499,979	3,383,806	3,499,979
 Total Governmental Activities	 <u>\$ 280,612,564</u>	 <u>\$ 260,543,691</u>	 <u>\$ 207,515,403</u>	 <u>\$ 186,934,465</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 \$60,056,505, a decrease of \$65,839,189 from last year's fund balance of \$125,895,694.

Revenues and other financing sources for the District's governmental funds were \$329,250,181 total expenditures and other financing uses, were \$395,089,370.

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 \$287,065,180 for the fiscal year ended June 30, 2024. State sources amounts to \$138,670,315, federal sources amount to \$319,821, local sources amounts to \$144,976,932 and a transfer from Capital Projects Fund amounts to \$3,098,112.

Expenditures and other financing uses of the General Fund were \$269,796,403. Instructional expenditures were \$165,188,284 for support services were \$98,688,898, debt service were \$389,169, transfers to Special Revenue Fund were \$2,973,563 and capital expenditures totaled \$2,556,489 for the fiscal year ended June 30, 2024.

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 \$30,908,489 for the fiscal year ended June 30, 2024. State sources amounts to \$9,146,347, federal sources amounts to \$18,137,831, local sources amounts to \$650,748 and transfers from the General Fund amounts to \$2,973,563.

Expenditures of the Special Revenue Fund were \$31,116,647. Instructional expenditures were \$13,240,606 for support services were \$16,006,596, debt service were \$380,083 and capital expenditures totaled \$1,489,362 for the fiscal year ended June 30, 2024.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues by \$82,899,808 decreasing the fund balance from \$110,634,155 at June 30, 2023 to \$27,734,347 at June 30, 2024.

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, Integrated Summer Enrichment Experience Program and ONE Clifton League. 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, 2023 encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$211,119,839 and \$129,934,166 (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 2023-2024 amounted to \$6,368,872 for governmental activities and \$372,843 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

Capital Assets as of June 30, 2024 and 2023
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 8,374,289	\$ 8,374,289			\$ 8,374,289	\$ 8,374,289
Land Improvements	6,117,892	4,051,558			6,117,892	4,051,558
Construction in Progress	145,031,362	66,166,729			145,031,362	66,166,729
Right-to-use Leased Buildings	1,788,040	1,788,040			1,788,040	1,788,040
Buildings and Improvements	135,832,660	130,187,059	\$ 3,905,044	\$ 3,905,044	139,737,704	134,092,103
Machinery, Equipment and Vehicles	13,789,417	13,472,830	2,575,497	1,593,768	16,364,914	15,066,598
Total	310,933,660	224,040,505	6,480,541	5,498,812	317,414,201	229,539,317
Less: Accumulated Depreciation	104,456,842	98,140,474	1,837,520	1,464,677	106,294,362	99,605,151
Total	<u>\$ 206,476,818</u>	<u>\$ 125,900,031</u>	<u>\$ 4,643,021</u>	<u>\$ 4,034,135</u>	<u>\$ 211,119,839</u>	<u>\$ 129,934,166</u>

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, 2024, the District's long-term liabilities consisted of compensated absences payable of \$4,120,330, serial bonds (net of premium) of \$161,060,987, capital financing agreements of \$444,874, leases payable of \$1,153,523 and net pension liability of \$25,734,290 totaling \$192,514,004. This is in comparison to long-term liabilities at June 30, 2023 of \$197,471,383 or a decrease of \$4,957,379.

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 2024-2025 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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 64,543,873	\$ 1,233,048	\$ 65,776,921
Receivables, net			
Receivables from Other Governments	20,133,034	466,976	20,600,010
Other	34,594	344,951	379,545
Internal Balances	415,714	(415,714)	-
Inventories		109,999	109,999
Capital Assets, net			
Not Being Depreciated	153,405,651		153,405,651
Being Depreciated	<u>53,071,167</u>	<u>4,643,021</u>	<u>57,714,188</u>
Total Assets	<u>291,604,033</u>	<u>6,382,281</u>	<u>297,986,314</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	8,657		8,657
Deferred Amounts on Net Pension Liability	<u>2,925,281</u>	-	<u>2,925,281</u>
Total Deferred Outflows of Resources	<u>2,933,938</u>	-	<u>2,933,938</u>
Total Assets and Deferred Outflows of Resources	<u>294,537,971</u>	<u>6,382,281</u>	<u>300,920,252</u>
LIABILITIES			
Accounts Payable and Other Liabilities	9,403,957	249,590	9,653,547
Payable to State and Federal Government	291,119		291,119
Unearned Revenues	15,375,634	45,282	15,420,916
Accrued Interest Payable	1,244,619		1,244,619
Noncurrent Liabilities			
Due within one year	5,662,350		5,662,350
Due beyond one year	<u>186,851,654</u>	-	<u>186,851,654</u>
Total Liabilities	<u>218,829,333</u>	<u>294,872</u>	<u>219,124,205</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		2,776	2,776
Deferred Amounts on Net Pension Liability	<u>2,735,474</u>	-	<u>2,735,474</u>
Total Deferred Inflows of Resources	<u>2,735,474</u>	<u>2,776</u>	<u>2,738,250</u>
Total Liabilities and Deferred Inflows of Resources	<u>221,564,807</u>	<u>297,648</u>	<u>221,862,455</u>
NET POSITION			
Net Investment in Capital Assets	71,560,438	4,643,021	76,203,459
Restricted for			
Capital Projects	27,829,070		27,829,070
Debt Service	800,000		800,000
Other Purposes	4,395,283		4,395,283
Unrestricted	<u>(31,611,627)</u>	<u>1,441,612</u>	<u>(30,170,015)</u>
Total Net Position	<u>\$ 72,973,164</u>	<u>\$ 6,084,633</u>	<u>\$ 79,057,797</u>

**CLIFTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	\$ 113,605,629	\$ 21,870	\$ 16,921,740		\$ (96,662,019)		\$ (96,662,019)
Special Education	32,396,958	82,491	18,104,465		(14,210,002)		(14,210,002)
Other Instruction	13,793,101		4,876,282		(8,916,819)		(8,916,819)
School Sponsored Activities and Athletics	4,093,984		1,100,694		(2,993,290)		(2,993,290)
Support Services							
Student and Instruction Related Services	49,043,242		20,767,938	\$ 1,489,362	(26,785,942)		(26,785,942)
Educational Media/School Library	3,158,188		453,065		(2,705,123)		(2,705,123)
General Administrative Services	4,510,724		30,736		(4,479,988)		(4,479,988)
School Administrative Services	11,694,397		1,907,318		(9,787,079)		(9,787,079)
Plant Operations and Maintenance	26,994,620		3,809,286		(23,185,334)		(23,185,334)
Pupil Transportation	13,850,630		3,482,205		(10,368,425)		(10,368,425)
Central Services	4,087,285		49,709		(4,037,576)		(4,037,576)
Interest on Long-Term Debt	3,383,806	-	-	-	(3,383,806)	-	(3,383,806)
Total Governmental Activities	280,612,564	104,361	71,503,438	1,489,362	(207,515,403)	-	(207,515,403)
Business-Type Activities							
Food Service	9,726,306	2,098,036	6,615,711			\$ (1,012,559)	(1,012,559)
Other Programs	95,675	94,651	-	-	-	(1,024)	(1,024)
Total Business-Type Activities	9,821,981	2,192,687	6,615,711	-	-	(1,013,583)	(1,013,583)
Total Primary Government	\$ 290,434,545	\$ 2,297,048	\$ 78,119,149	\$ 1,489,362	(207,515,403)	(1,013,583)	(208,528,986)
General Revenues							
Property Taxes, Levied for General Purposes, Net					142,422,223		142,422,223
Property Taxes Levied for Debt Service					5,792,041		5,792,041
State Aid - Restricted for Debt Service					2,386,359		2,386,359
State Aid Unrestricted					74,264,269		74,264,269
Miscellaneous Income					5,548,460	48,840	5,597,300
Total General Revenues					230,413,352	48,840	230,462,192
Change in Net Position					22,897,949	(964,743)	21,933,206
Net Position, Beginning of Year					50,075,215	7,049,376	57,124,591
Net Position, End of Year					\$ 72,973,164	\$ 6,084,633	\$ 79,057,797

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, 2024**

	<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	\$ 23,567,581	\$ 2,898,147	\$ 37,278,145	\$ 800,000	\$ 64,543,873
Receivables, Net					
Receivables from Other Governments	786,621	19,346,413			20,133,034
Other	27,153	7,441			34,594
Due from Other Funds	<u>9,615,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,615,116</u>
Total Assets	<u>\$ 33,996,471</u>	<u>\$ 22,252,001</u>	<u>\$ 37,278,145</u>	<u>\$ 800,000</u>	<u>\$ 94,326,617</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Accrued Salaries	\$ 1,929,561	\$ 3,030,772	\$ 4,443,624		\$ 9,403,957
Due to Other Funds		4,099,228	5,100,174		9,199,402
Payable to Other Government	234,909	56,210			291,119
Unearned Revenue	<u>-</u>	<u>15,375,634</u>	<u>-</u>	<u>-</u>	<u>15,375,634</u>
Total Liabilities	<u>2,164,470</u>	<u>22,561,844</u>	<u>9,543,798</u>	<u>-</u>	<u>34,270,112</u>
Fund Balances					
Restricted:					
Capital Reserve	19,857,570				19,857,570
Capital Reserve- Designated for Subsequent Year's Expenditures	7,971,500				7,971,500
Maintenance Reserve	3,457,469				3,457,469
Capital Projects			27,734,347		27,734,347
Debt Service				\$ 800,000	800,000
Unemployment Compensation Reserve	241,109				241,109
Co-Curricular Student Activities and Athletics		656,969			656,969
Scholarship Awards		39,736			39,736
Committed:					
Year End Encumbrances	4,268,053				4,268,053
Assigned:					
Year End Encumbrances	1,144,008				1,144,008
Designated for Subsequent Year's Expenditures	966,393				966,393
Unassigned (Deficit), Reported in:					
General Fund	(6,074,101)				(6,074,101)
Special Revenue Fund	<u>-</u>	<u>(1,006,548)</u>	<u>-</u>	<u>-</u>	<u>(1,006,548)</u>
Total Fund Balances	<u>31,832,001</u>	<u>(309,843)</u>	<u>27,734,347</u>	<u>800,000</u>	<u>60,056,505</u>
Total Liabilities and Fund Balances	<u>\$ 33,996,471</u>	<u>\$ 22,252,001</u>	<u>\$ 37,278,145</u>	<u>\$ 800,000</u>	<u>\$ 94,326,617</u>

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024**

Total Fund Balances (Exhibit B-1) **\$ 60,056,505**

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$310,933,660 and the accumulated depreciation is \$104,456,842.

206,476,818

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.

8,657

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.

Deferred Outflows of Resources \$ 2,925,281

Deferred Inflows of Resources (2,735,474)

189,807

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:

(1,244,619)

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.

Bonds Payable, Including Original Issue Premium (161,060,987)

Leases Payable (1,153,523)

Capital Financing Agreements (444,874)

Compensated Absences Payable (4,120,330)

Net Pension Liability (25,734,290)

(192,514,004)

Net position of governmental activities (Exhibit A-1) **\$ 72,973,164**

CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	\$ 142,422,223			\$ 5,792,041	\$ 148,214,264
Miscellaneous	<u>2,554,709</u>	<u>\$ 650,748</u>	<u>\$ 3,098,112</u>	<u>-</u>	<u>6,303,569</u>
Total - Local Sources	144,976,932	650,748	3,098,112	5,792,041	154,517,833
State Sources	138,670,315	9,146,347		2,386,359	150,203,021
Federal Sources	<u>319,821</u>	<u>18,137,831</u>	<u>-</u>	<u>-</u>	<u>18,457,652</u>
Total Revenues	<u>283,967,068</u>	<u>27,934,926</u>	<u>3,098,112</u>	<u>8,178,400</u>	<u>323,178,506</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	117,250,639	6,297,931			123,548,570
Special Education Instruction	32,079,279	3,222,445			35,301,724
Other Instruction	12,039,967	3,096,396			15,136,363
School-Sponsored Activities and Athletics	<u>3,818,399</u>	<u>623,834</u>			<u>4,442,233</u>
Support Services					
Student and Instruction Related Services	36,555,799	16,006,596			52,562,395
Educational Media/School Library	3,500,112				3,500,112
General Administrative Services	4,656,111				4,656,111
School Administrative Services	13,120,403				13,120,403
Plant Operations and Maintenance	22,495,697				22,495,697
Pupil Transportation	14,017,583				14,017,583
Central Services	<u>4,343,193</u>				<u>4,343,193</u>
Debt Service					
Principal	375,262	338,312		4,800,000	5,513,574
Interest and Other Charges	13,907	41,771		3,378,400	3,434,078
Capital Outlay	<u>2,556,489</u>	<u>1,489,362</u>	<u>82,899,808</u>	<u>-</u>	<u>86,945,659</u>
Total Expenditures	<u>266,822,840</u>	<u>31,116,647</u>	<u>82,899,808</u>	<u>8,178,400</u>	<u>389,017,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,144,228</u>	<u>(3,181,721)</u>	<u>(79,801,696)</u>	<u>-</u>	<u>(65,839,189)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	3,098,112	2,973,563			6,071,675
Transfer Out	<u>(2,973,563)</u>	<u>-</u>	<u>(3,098,112)</u>	<u>-</u>	<u>(6,071,675)</u>
Total Other Financing Sources (Uses)	<u>124,549</u>	<u>2,973,563</u>	<u>(3,098,112)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17,268,777	(208,158)	(82,899,808)	-	(65,839,189)
Fund Balance, Beginning of Year (Deficit)	<u>14,563,224</u>	<u>(101,685)</u>	<u>110,634,155</u>	<u>800,000</u>	<u>125,895,694</u>
Fund Balance, End of Year (Deficit)	<u>\$ 31,832,001</u>	<u>\$ (309,843)</u>	<u>\$ 27,734,347</u>	<u>\$ 800,000</u>	<u>\$ 60,056,505</u>

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

**CLIFTON BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)

\$ (65,839,189)

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.

Capital Outlay	\$ 86,945,659	
Depreciation Expense	<u>(6,368,872)</u>	
		80,576,787

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):

Increase in Compensated Absences	(71,067)	
Decrease in Pension Expense	<u>2,667,572</u>	
		2,596,505

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

Principal Payments-		
Bonds	4,800,000	
Leases Payable	338,312	
Capital Financing Agreements	<u>375,262</u>	
		5,513,574

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	22,403	
Amortization of Deferred Amount on Refunding	<u>(17,650)</u>	
		4,753

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

Decrease in Accrued Interest		<u>45,519</u>
------------------------------	--	---------------

Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 22,897,949

**CLIFTON BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,086,623	\$ 146,425	\$ 1,233,048
Intergovernmental Receivable			
State	10,774		10,774
Federal	456,202		456,202
Other Receivables	344,951		344,951
Inventories	109,999	-	109,999
	<u>2,008,549</u>	<u>146,425</u>	<u>2,154,974</u>
Total Current Assets			
Capital Assets			
Building Improvements	3,905,044		3,905,044
Equipment	2,575,497		2,575,497
Less: Accumulated Depreciation	(1,837,520)	-	(1,837,520)
	<u>4,643,021</u>	<u>-</u>	<u>4,643,021</u>
Total Capital Assets, Net			
Total Assets	<u>6,651,570</u>	<u>146,425</u>	<u>6,797,995</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	249,491	99	249,590
Due to Other Funds	415,714		415,714
Unearned Revenue	45,282	-	45,282
	<u>710,487</u>	<u>99</u>	<u>710,586</u>
Total Current Liabilities			
Total Liabilities	<u>710,487</u>	<u>99</u>	<u>710,586</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	2,776	-	2,776
	<u>713,263</u>	<u>99</u>	<u>713,362</u>
Total Liabilities and Deferred Inflows of Resources			
NET POSITION			
Investment in Capital Assets	4,643,021		4,643,021
Unrestricted	1,295,286	146,326	1,441,612
	<u>5,938,307</u>	<u>146,326</u>	<u>6,084,633</u>
Total Net Position	<u>\$ 5,938,307</u>	<u>\$ 146,326</u>	<u>\$ 6,084,633</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, 2024**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Charges for Services			
Program Fees		\$ 94,651	\$ 94,651
Daily Sales - Reimbursable	\$ 1,079,701		1,079,701
Daily Sales - Nonreimbursable	531,792		531,792
Special Functions - Nonreimbursable	477,385		477,385
Miscellaneous	9,158	-	9,158
	<u>2,098,036</u>	<u>94,651</u>	<u>2,192,687</u>
Total Operating Revenues			
	<u>2,098,036</u>	<u>94,651</u>	<u>2,192,687</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable	3,013,592		3,013,592
Cost of Sales - Nonreimbursable	1,176,085		1,176,085
Salaries and Employee Benefits	3,168,118	82,025	3,250,143
Management Fee	393,750		393,750
Purchased Services	282,754		282,754
Supplies and Materials	1,219,607	12,010	1,231,617
Miscellaneous	99,557	1,640	101,197
Depreciation	372,843	-	372,843
	<u>9,726,306</u>	<u>95,675</u>	<u>9,821,981</u>
Total Operating Expenses			
	<u>9,726,306</u>	<u>95,675</u>	<u>9,821,981</u>
Operating Income/(Loss)	<u>(7,628,270)</u>	<u>(1,024)</u>	<u>(7,629,294)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	177,031		177,031
School Breakfast Program	35,570		35,570
Federal Sources			
School Breakfast Program	638,148		638,148
National School Lunch Program	3,246,842		3,246,842
Child and Adult Food Program	1,379,185		1,379,185
After School Snack	34,355		34,355
Supply Chain Assistance Program	248,383		248,383
Seamless Summer Options Program	213,326		213,326
Pandemic EBT Admin Costs Reimbursement	6,180		6,180
Local Food for Schools Program	19,885		19,885
Food Distribution Program - Non Cash Assistance	616,806		616,806
Interest and Investment Revenue	48,840	-	48,840
	<u>6,664,551</u>	<u>-</u>	<u>6,664,551</u>
Total Nonoperating Revenues			
	<u>6,664,551</u>	<u>-</u>	<u>6,664,551</u>
Change in Net Position	(963,719)	(1,024)	(964,743)
Total Net Position, Beginning of Year	<u>6,902,026</u>	<u>147,350</u>	<u>7,049,376</u>
Total Net Position, End of Year	<u>\$ 5,938,307</u>	<u>146,326</u>	<u>\$ 6,084,633</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, 2024**

	Food Service	Other Non Major Enterprise Fund	Business-Type Activities Enterprise Fund Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 1,949,196	\$ 94,651	\$ 2,043,847
Cash Payments for Employees' Salaries and Benefits	(3,168,118)	(82,025)	(3,250,143)
Cash Payments to Suppliers for Goods and Services	(5,320,102)	(13,551)	(5,333,653)
Net Cash Provided by (Used by) Operating Activities	(6,539,024)	(925)	(6,539,949)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Federal Subsidy Reimbursements	6,665,279	-	6,665,279
Net Cash Provided by Noncapital Financing Activities	6,665,279	-	6,665,279
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(981,729)	-	(981,729)
Net Cash (Used) by Capital and Related Financing Activities	(981,729)	-	(981,729)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	48,840	-	48,840
Net Cash Provided by Investing Activities	48,840	-	48,840
Net Increase (Decrease) in Cash and Cash Equivalents	(806,634)	(925)	(807,559)
Cash and Cash Equivalents, Beginning of Year	1,893,257	147,350	2,040,607
Cash and Cash Equivalents, End of Year	\$ 1,086,623	\$ 146,425	\$ 1,233,048
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES			
Operating (Loss)	\$ (7,628,270)	\$ (1,024)	\$ (7,629,294)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	372,843		372,843
Food Distribution Program- Non Cash Assistance	616,806		616,806
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable	(140,429)		(140,429)
Increase/(Decrease) in Due to Other Funds	114,933		114,933
Increase/(Decrease) in Accounts Payable	174,956	99	175,055
Increase/(Decrease) in Unearned Revenue	(8,411)		(8,411)
Increase/(Decrease) in Deferred Commodities Revenue	(4,732)		(4,732)
(Increase)/Decrease in Inventory	(36,720)	-	(36,720)
Total Adjustments	1,089,246	99	1,089,345
Net Cash Provided by (Used by) Operating Activities	\$ (6,539,024)	\$ (925)	\$ (6,539,949)
NON CASH INVESTING, INVESTING CAPITAL AND FINANCING ACTIVITIES VALUE RECEIVE - FOOD DISTRIBUTION PROGRAM	\$ 612,074		

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, 2024**

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 2024, the District adopted the following GASB statements:

- 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.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

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, 2024**

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. All remaining enterprise funds are aggregated and reported as nonmajor funds. 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.

The *ONE Clifton League fund* accounts for the activities of the District's employee recreational enrichment programs.

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, 2024**

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, 2024**

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, 2024**

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, 2024

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, 2024

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 2024/2025 original 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 represents the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

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 2024/2025 original budget certified for taxes.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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)

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.

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.

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 2022-2023 and 2023-2024 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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *On-Behalf Payments*

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

5. *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 NJSA 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 2023/2024. Also, during 2023/2024 the Board increased the original budget of the General Fund by \$995,305 and the Special Revenue Fund by \$3,826,347. 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, 2024**

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. Deficit Fund Equity

The District has an unassigned fund deficit of \$6,074,101 in the General Fund and \$1,006,548 in the Special Revenue Fund as of June 30, 2024 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 2023/2024 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.

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 \$6,074,101 in the General Fund and \$1,006,548 in the Special Revenue Fund are equal to or less than the delayed state aid payments at June 30, 2024.

C. Capital Reserve

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

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

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023		\$ 10,129,280
Increased by:		
Interest Earnings	\$ 111,199	
Deposits Approved by Board Resolution	18,053,591	
Return of Unencumbered Withdrawals from Capital Outlay	<u>885,000</u>	
		<u>19,049,790</u>
		29,179,070
Decreased by:		
Withdrawals Approved in District Budget		<u>1,350,000</u>
Balance, June 30, 2024		<u>\$ 27,829,070</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$40,173,940. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$7,971,500 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

D. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 2,061,107
Increased by:	
Interest Earnings	\$ 146,362
Deposits Approved by Board Resolution	<u>1,250,000</u>
	<u>1,396,362</u>
Balance, June 30, 2024	<u>\$ 3,457,469</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$8,234,661.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, the book value of the Board's deposits was \$65,776,921 and bank and brokerage firm balances of the Board's deposits amounted to \$73,936,070. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 72,321,863
Uninsured and Collateralized	<u>1,614,207</u>
	<u>\$ 73,936,070</u>

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, 2024 the Board's bank balance of \$1,614,207 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.

\$ 1,614,207

Investments

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

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

B. Receivables

Receivables as of June 30, 2024 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	\$ 27,153	\$ 7,441	\$ 344,951	\$ 379,545
Intergovernmental				
Federal		19,341,525	456,202	19,797,727
State	786,621	4,888	10,774	802,283
Local	-	-	-	-
Net Total Receivables	<u>\$ 813,774</u>	<u>\$ 19,353,854</u>	<u>\$ 811,927</u>	<u>\$ 20,979,555</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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	\$ 1,538,115
Reserve for Encumbrances	<u>13,837,519</u>
Total Unearned Revenues for Governmental Funds	<u>\$ 15,375,634</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, July 1, 2023	Increases	Decreases	Transfers	Balance, June 30, 2024
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 8,374,289				\$ 8,374,289
Construction in Progress	<u>66,166,729</u>	<u>\$ 86,488,056</u>	<u>-</u>	<u>\$ (7,623,423)</u>	<u>145,031,362</u>
Total Capital Assets, Not Being Depreciated	<u>74,541,018</u>	<u>86,488,056</u>	<u>-</u>	<u>(7,623,423)</u>	<u>153,405,651</u>
Capital Assets, Being Depreciated:					
Land Improvements	4,051,558	28,676		2,037,658	6,117,892
Right-to-Use Leased Buildings	1,788,040				1,788,040
Building and Building Improvements	130,187,059	59,836		5,585,765	135,832,660
Machinery and Equipment	<u>13,472,830</u>	<u>369,091</u>	<u>\$ (52,504)</u>	<u>-</u>	<u>13,789,417</u>
Total Capital Assets Being Depreciated	<u>149,499,487</u>	<u>457,603</u>	<u>(52,504)</u>	<u>7,623,423</u>	<u>157,528,009</u>
Less Accumulated Depreciation for:					
Land Improvements	(2,122,788)	(250,772)			(2,373,560)
Right-to-Use Leased Buildings	(357,608)	(357,608)			(715,216)
Building and Building Improvements	(86,104,222)	(4,947,264)			(91,051,486)
Machinery and Equipment	<u>(9,555,856)</u>	<u>(813,228)</u>	<u>52,504</u>	<u>-</u>	<u>(10,316,580)</u>
Total Accumulated Depreciation	<u>(98,140,474)</u>	<u>(6,368,872)</u>	<u>52,504</u>	<u>-</u>	<u>(104,456,842)</u>
Total Capital Assets, Being Depreciated, Net	<u>51,359,013</u>	<u>(5,911,269)</u>	<u>-</u>	<u>7,623,423</u>	<u>53,071,167</u>
Governmental Activities Capital Assets, Net	<u>\$ 125,900,031</u>	<u>\$ 80,576,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,476,818</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance July 1, 2023	Increases	Decreases	Balance, June 30, 2024
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building and Building Improvements	\$ 3,905,044			\$ 3,905,044
Machinery and Equipment	<u>1,593,768</u>	<u>\$ 981,729</u>	<u>-</u>	<u>2,575,497</u>
Total Capital Assets Being Depreciated	<u>5,498,812</u>	<u>981,729</u>	<u>-</u>	<u>6,480,541</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(389,263)	(195,838)		(585,101)
Machinery and Equipment	<u>(1,075,414)</u>	<u>(177,005)</u>	<u>-</u>	<u>(1,252,419)</u>
Total Accumulated Depreciation	<u>(1,464,677)</u>	<u>(372,843)</u>	<u>-</u>	<u>(1,837,520)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,034,135</u>	<u>608,886</u>	<u>-</u>	<u>4,643,021</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,034,135</u>	<u>\$ 608,886</u>	<u>\$ -</u>	<u>\$ 4,643,021</u>

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

Governmental activities:	
Instruction	
Regular	<u>\$ 123,892</u>
Total Instruction	<u>123,892</u>
Support Services	
Student and instruction related services	75,696
General administration services	12,844
School administration services	13,429
Operations and maintenance of plant	5,727,444
Student transportation	<u>415,567</u>
Total Support Services	<u>6,244,980</u>
Total depreciation expense - governmental activities	<u>\$ 6,368,872</u>
Business-type activities:	
Food Service Fund	<u>\$ 372,843</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024:

<u>Project/Purposes</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Facility Upgrades at Clifton High School	\$ 20,954,798	\$ 2,098,820
Building Management Systems Upgrade	898,213	254,131
New Turf Field and Fieldhouse at Woodrow Wilson MS & Weight Room Addition and Toilet Renovations at Clifton High School	7,222,563	889,737
Facility Upgrades at Various Schools	62,927,756	19,598,312
Window Replacement at Various Schools	474,420	10,628,980
Classroom Renovations at Clifton High School	116,605	303,895
Music Suite Renovations at Clifton High School	489,760	<u>1,254,239</u>
		<u>\$ 35,028,114</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, 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	5,100,174
General Fund	Food Service Fund	<u>415,714</u>
Total		<u>\$ 9,615,116</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, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	Transfer In:		
	General Fund	Special Revenue Fund	Total
Transfer Out:			
General Fund		\$ 2,973,563	\$ 2,973,563
Capital Projects Fund	\$ 3,098,112	-	3,098,112
Total Transfers Out	\$ 3,098,112	\$ 2,973,563	\$ 6,071,675

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, 2024 the value of the lease liability was \$1,153,523. The building has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2024 is \$1,788,040 and had accumulated depreciation of \$715,216.

The future principal and interest lease payments as of June 30, 2024 are as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Leases Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	\$ 1,153,523	\$ 66,626	\$ 1,220,149

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance 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, 2024 are comprised of the following:

\$359,621, fiscal year 2021 Agreement for the acquisition of school buses for a term of 6 years due in annual principal installments of \$50,518 through \$106,770 through June 15, 2026 interest at 1.238%	\$ 208,432
\$539,431, fiscal year 2021 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installments of \$76,583 and \$159,859 through June 15, 2025 interest at 1.460%	236,442
	<u>\$ 444,874</u>

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>
2025	\$ 286,960	\$ 8,003	\$ 294,963
2026	<u>157,914</u>	<u>3,071</u>	<u>160,985</u>
Total	<u>\$ 444,874</u>	<u>\$ 11,074</u>	<u>\$ 455,948</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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

Bonds payable at June 30, 2024 are comprised of the following issues:

\$7,410,000, 2013 Refunding Bonds, due in an annual installment of \$770,000 through March 1, 2025 interest at 4.00%	\$ 770,000
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\$168,282,000, 2021 School Bonds, due in an annual installment of \$4,250,000 to \$8,000,000 through August 15, 2046 interest at 2.00 to 2.25%	160,280,000
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\$ 161,050,000

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	
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	6,250,000	2,778,100	9,028,100
3030-3034	32,750,000	11,965,500	44,715,500
2035-2039	36,500,000	8,503,000	45,003,000
2040-2044	39,030,000	4,706,500	43,736,500
2045-2047	24,000,000	805,000	24,805,000
	<u>\$ 161,050,000</u>	<u>\$ 41,078,800</u>	<u>\$ 202,128,800</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 505,813,480
Less: Net Debt	<u>161,050,735</u>
Remaining Borrowing Power	<u>\$ 344,762,745</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, was as follows:

	Balance, <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 165,850,000		\$ 4,800,000	\$ 161,050,000	\$ 5,020,000
Deferred Amounts					
Add: Original Issue Premium	<u>33,390</u>	<u>-</u>	<u>22,403</u>	<u>10,987</u>	<u>-</u>
Total Bonds Payable	165,883,390	-	4,822,403	161,060,987	5,020,000
Capital Financing Agreements	820,136		375,262	444,874	286,960
Leases Payable	1,491,835		338,312	1,153,523	355,390
Compensated Absences	4,049,263	\$ 469,827	398,760	4,120,330	
Net Pension Liability	<u>25,226,759</u>	<u>2,882,130</u>	<u>2,374,599</u>	<u>25,734,290</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 197,471,383</u>	<u>\$ 3,351,957</u>	<u>\$ 8,309,336</u>	<u>\$ 192,514,004</u>	<u>\$ 5,662,350</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 provides traditional health benefits with Aetna Health.

The District is a member of the Pooled Insurance Program of New Jersey (PIP NJ 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, 2024**

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>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	\$ 454,324	\$ 25,379	\$ 359,140	\$ 241,109
2023	415,975	8,925	554,501	215,730
2022	510,764	731	316,361	206,805

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, 2024, 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, 2024, the District is in the process of estimating 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, 2024

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, by 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, 2024**

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 age for their 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, 2024**

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. Empower Retirement (formerly Prudential) 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, 2024**

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, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024.

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, 2024 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 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 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 June 30,		PERS	On-Behalf TPAF	DCRP
2024	\$	2,374,599	\$ 31,344,147	\$ 170,869
2023		2,107,969	28,601,298	174,996
2022		2,025,630	29,555,243	156,374

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$15,653, \$13,976 and \$13,916, 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 \$6,762,726 during the fiscal year ended June 30, 2024 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$25,734,290 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the District's proportionate share was .17767 percent, which was an increase of .01051 percent from its proportionate share measured as of June 30, 2022 of .16716 percent.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension (benefit) of \$(292,973) for PERS. The pension contribution made by the District during the current 2023/2024 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, 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	\$ 246,053	\$ 105,194
Changes of Assumptions	56,533	1,559,608
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	118,510	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>2,504,185</u>	<u>1,070,672</u>
Total	<u>\$ 2,925,281</u>	<u>\$ 2,735,474</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2025	\$ (996,646)
2026	(225,161)
2027	1,232,580
2028	149,210
2029	29,824
Thereafter	<u>-</u>
	<u>\$ 189,807</u>

CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2022 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, 2024**

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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 33,500,570</u>	<u>\$ 25,734,290</u>	<u>\$ 19,124,159</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, 2023. A sensitivity analysis specific to the District's net pension liability at June 30, 2023 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, 2024**

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 based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$8,651,403 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$352,154,154. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .69006 percent, which was a decrease of .01789 percent from its proportionate share measured as of June 30, 2022 of .70795 percent.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	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, 2022 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, 2024**

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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. 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, 2024**

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>\$ 415,253,651</u>	<u>\$ 352,154,154</u>	<u>\$ 299,009,380</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, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2023 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, 2023. 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, 2024

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, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</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, 2023 is \$52.4 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, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

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, 2024, 2023 and 2022 were \$8,530,730, \$7,513,492 and \$6,905,299, 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$11,555,481. 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, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$328,271,840. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .62693 percent, which was an increase of .00428 percent from its proportionate share measured as of June 30, 2022 of .62265 percent.

CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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 disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2022 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. 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, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ <u>315,352,671</u>
Changes Recognized for the Fiscal Year:	
Service Cost	14,404,177
Interest on the Total OPEB Liability	11,561,333
Differences Between Expected and Actual Experience	(4,992,030)
Changes of Assumptions	661,660
Gross Benefit Payments	(9,012,247)
Contributions from the Member	<u>296,276</u>
Net Changes	<u>12,919,169</u>
Balance, June 30, 2023 Measurement Date	\$ <u><u>328,271,840</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 384,842,376</u>	<u>\$ 328,271,840</u>	<u>\$ 282,852,267</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 <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 272,516,238</u>	<u>\$ 328,271,840</u>	<u>\$ 401,228,190</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 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, 2024**

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 \$40,648,242 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 142,422,223		\$ 142,422,223	\$ 142,422,223	
Interest Earned on Maintenance Reserve	750		750	146,362	\$ 145,612
Interest Earned on Capital Reserve	39,250		39,250	111,199	71,949
Interest Earned on Unemployment Funds				25,379	25,379
Tuition				104,361	104,361
Unrestricted Miscellaneous	850,000	-	850,000	2,167,408	1,317,408
Sub-Total Local Sources	143,312,223	-	143,312,223	144,976,932	1,664,709
State Sources					
Categorical Special Education Aid	7,350,637		7,350,637	7,350,637	-
Equalization Aid	76,513,434		76,513,434	76,513,434	-
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	2,000,821		2,000,821	3,453,000	1,452,179
Nonpublic Transportation Aid				349,582	349,582
Homeless Tuition Reimbursements				99,841	99,841
On-behalf TPAF Pension Contrib. (Non-budgeted)					
Normal				30,990,715	30,990,715
NCGI				353,432	353,432
Post-Retirement Medical Contribution				8,530,730	8,530,730
Long-Term Disability Insurance				15,653	15,653
Reimbursed TPAF Social Security Contr. (Non-budgeted)	-	-	-	6,762,726	6,762,726
Sub-Total State Sources	92,456,841	-	92,456,841	141,011,699	48,554,858
Federal Sources					
Medicaid Reimbursement	400,303	-	400,303	319,821	(80,482)
Sub-Total Federal Sources	400,303	-	400,303	319,821	(80,482)
Total Revenues	236,169,367	-	236,169,367	286,308,452	50,139,085
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	2,693,224	\$ 272,650	2,965,874	2,730,672	235,202
Grades 1-5	19,825,511	434,570	20,260,081	20,257,818	2,263
Grades 6-8	13,233,628	516,884	13,750,512	13,750,445	67
Grades 9-12	15,373,474	(226,500)	15,146,974	15,145,756	1,218
Regular Programs - Home Instruction					
Salaries of Teachers	125,000	59,000	184,000	183,608	392
Purchased Professional-Educational Services	100,000	-	100,000	68,652	31,348
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	348,000	100,000	448,000	356,979	91,021
Purchased Technical Services	661,915	50,000	711,915	566,263	145,652
Other Purchased Services	5,000	-	5,000	2,529	2,471
General Supplies	4,591,695	577,002	5,168,697	4,757,979	410,718
Textbooks	912,011	(200,000)	712,011	213,612	498,399
Other Objects	1,000	1,500	2,500	1,213	1,287
Total Regular Programs	57,870,458	1,585,106	59,455,564	58,035,526	1,420,038
Special Education					
Intellectual Disability - Moderate					
Salaries of Teachers	195,044	26,500	221,544	91,572	129,972
Other Purchased Services	1,250	750	2,000	1,510	490
General Supplies	1,000	-	1,000	539	461
Total Intellectual Disability - Moderate	197,294	27,250	224,544	93,621	130,923

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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 - Mild/Moderate					
Salaries of Teachers	\$ 3,093,286	\$ 239,214	\$ 3,332,500	\$ 3,303,170	\$ 29,330
Other Salaries for Instruction	661,147	156,450	817,597	817,165	432
General Supplies	10,500	1,830	12,330	10,592	1,738
Total Learning/Language Disabilities - Mild/Moderate	3,764,933	397,494	4,162,427	4,130,927	31,500
Emotional Regulation Impairment					
Salaries of Teachers	382,019	(241,000)	141,019	140,970	49
Other Salaries for Instruction	105,418	-	105,418	80,821	24,597
Other Purchased Services	1,250	-	1,250	944	306
General Supplies	2,550	6,600	9,150	9,089	61
Total Behavioral Disabilities	491,237	(234,400)	256,837	231,824	25,013
Multiple Disabilities					
Salaries of Teachers	531,492	7,850	539,342	513,644	25,698
Other Purchased Services	900	-	900	455	445
General Supplies	1,500	-	1,500	902	598
Total Multiple Disabilities	533,892	7,850	541,742	515,001	26,741
Resource Room/Resource Center					
Salaries of Teachers	9,680,828	(24,000)	9,656,828	9,202,554	454,274
General Supplies	8,000	-	8,000	7,506	494
Total Resource Room/Resource Center	9,688,828	(24,000)	9,664,828	9,210,060	454,768
Autism					
Salaries of Teachers	1,164,819	(365,000)	799,819	629,203	170,616
Other Salaries for Instruction	23,667	185,000	208,667	204,683	3,984
Purchased Technical Services	1,750	-	1,750		1,750
General Supplies	5,000	-	5,000	4,472	528
Total Autism	1,195,236	(180,000)	1,015,236	838,358	176,878
Preschool Disabilities - Part - Time					
Other Salaries for Instruction	42,048	101,650	143,698	143,436	262
Other Purchased Services	-	-			-
General Supplies	-	18,200	18,200	17,216	984
Total Preschool Disabilities - Part - Time	42,048	119,850	161,898	160,652	1,246
Home Instruction					
Purchased Professional Educational Services	135,000	-	135,000	133,802	1,198
Total Home Instruction	135,000	-	135,000	133,802	1,198
Total Special Education	16,048,468	114,044	16,162,512	15,314,245	848,267
Basic Skills/Remedial					
Salaries of Teachers	3,839,433	(586,500)	3,252,933	3,203,716	49,217
General Supplies	14,500	-	14,500	10,047	4,453
Total Basic Skills/Remedial	3,853,933	(586,500)	3,267,433	3,213,763	53,670

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 4,226,782	\$ (442,000)	\$ 3,784,782	\$ 3,505,275	\$ 279,507
Other Salaries for Instruction	304,208	(17,000)	287,208	286,349	859
Purchased Professional/Educational Services	11,500	-	11,500	218	11,282
General Supplies	41,000	-	41,000	25,972	15,028
Textbooks	27,000	-	27,000	8,938	18,062
Total Bilingual Education	4,610,490	(459,000)	4,151,490	3,826,752	324,738
School Sponsored Co-Curricular Activities					
Salaries	459,582	180,000	639,582	638,927	655
Purchased Professional and Technical Services		120,015	120,015	98,554	21,461
Purchased Services	440,595	(120,015)	320,580	136,268	184,312
Supplies and Materials	15,600	-	15,600	429	15,171
Other Objects	48,395	-	48,395	33,151	15,244
Total School Sponsored Co-Curricular Activities	964,172	180,000	1,144,172	907,329	236,843
School Sponsored Athletics					
Salaries	1,156,951	50,000	1,206,951	1,174,658	32,293
Purchased Services	99,500	(27,500)	72,000	38,652	33,348
Supplies and Materials	195,500	29,000	224,500	224,401	99
Other Objects	167,000	11,000	178,000	177,220	780
Total School Sponsored Athletics	1,618,951	62,500	1,681,451	1,614,931	66,520
Total - Instruction	84,966,472	896,150	85,862,622	82,912,546	2,950,076
Undistributed Expenditures					
Instruction					
Tuition Other LEA's Within the State - Regular	200,440	16,000	216,440	173,644	42,796
Tuition Other LEA's Within the State - Special	-	281,400	281,400	269,632	11,768
Tuition to County Vocational School - Regular	8,191,654	50,000	8,241,654	8,229,349	12,305
Tuition to County Vocational School - Special	117,803	13,000	130,803	130,595	208
Tuition to CSSD & Regional Day Schools	1,715,580	(505,483)	1,210,097	1,208,515	1,582
Tuition for Private Schools for the Disabled - Within State	6,012,048	4,810	6,016,858	4,192,029	1,824,829
Tuition- State Facilities	153,094	-	153,094	153,094	-
Tuition - Other	51,792	-	51,792	-	51,792
Total Undistributed Expenditures - Instruction	16,442,411	(140,273)	16,302,138	14,356,858	1,945,280
Attendance and Social Work Services					
Salaries	525,859	-	525,859	489,532	36,327
Purchased Professional/Technical Services	37,500	60,000	97,500	48,080	49,420
Other Purchased Services	3,500	-	3,500	1,162	2,338
Supplies and Materials	10,850	-	10,850	84	10,766
Total Attendance and Social Work Services	577,709	60,000	637,709	538,858	98,851
Health Services					
Salaries	2,168,061	181,900	2,349,961	2,349,684	277
Purchased Professional and Technical Services	72,500	1,000	73,500	45,245	28,255
Other Purchased Services	500	-	500		500
Supplies and Materials	31,000	-	31,000	26,452	4,548
Total Health Services	2,272,061	182,900	2,454,961	2,421,381	33,580

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Speech OT/PT and Related Services					
Salaries	\$ 3,524,206	\$ (655,500)	\$ 2,868,706	\$ 2,842,837	\$ 25,869
Purchased Professional-Educational Services	600,000	171,550	771,550	730,831	40,719
Other Purchased Services	-	-	-	-	-
Supplies and Materials	8,500	500	9,000	8,715	285
Other Objects	500	(500)	-	-	-
Total Speech, OT/PT & Related Serv.	<u>4,133,206</u>	<u>(483,950)</u>	<u>3,649,256</u>	<u>3,582,383</u>	<u>66,873</u>
Other Support Services - Students Extra Serv.					
Salaries	5,836,399	(2,314,675)	3,521,724	3,521,381	343
Purchased Professional-Educational Services	1,877,966	1,148,250	3,026,216	2,966,387	59,829
Other Objects	2,000	(2,000)	-	-	-
Total Other Support Serv. - Students Extra Serv.	<u>7,716,365</u>	<u>(1,168,425)</u>	<u>6,547,940</u>	<u>6,487,768</u>	<u>60,172</u>
Guidance					
Salaries of Other Professional Staff	4,507,751	(622,900)	3,884,851	3,463,359	421,492
Salaries of Secretarial and Clerical Staff	367,857	27,250	395,107	364,617	30,490
Other Salaries	37,000	(37,000)	-	-	-
Purchased Professional/Educational Services	85,000	59,000	144,000	76,964	67,036
Other Purchased Professional/Technical Services	65,500	(16,500)	49,000	20,694	28,306
Other Purchased Services	5,880	12,500	18,380	2,289	16,091
Supplies and Materials	19,500	-	19,500	16,454	3,046
Other Objects	5,000	-	5,000	-	5,000
Total Guidance	<u>5,093,488</u>	<u>(577,650)</u>	<u>4,515,838</u>	<u>3,944,377</u>	<u>571,461</u>
Child Study Teams					
Salaries of Other Professional Staff	5,063,657	(865,000)	4,198,657	3,842,658	355,999
Salaries of Secretarial and Clerical Staff	271,187	(42,000)	229,187	209,671	19,516
Purchased Professional/Educational Services	123,000	-	123,000	91,151	31,849
Other Purchased Professional/Technical Services	22,000	-	22,000	13,068	8,932
Other Purchased Services	5,500	-	5,500	1,773	3,727
Supplies and Materials	61,000	-	61,000	54,848	6,152
Total Child Study Teams	<u>5,546,344</u>	<u>(907,000)</u>	<u>4,639,344</u>	<u>4,213,169</u>	<u>426,175</u>
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	1,674,800	(575,000)	1,099,800	963,571	136,229
Salaries of Facilitators, Math& Literary Coaches	694,661	(20,000)	674,661	540,109	134,552
Purchased Professional/Education Services	147,360	8,000	155,360	155,146	214
Supplies and Materials	10,000	-	10,000	6,866	3,134
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	<u>2,526,821</u>	<u>(587,000)</u>	<u>1,939,821</u>	<u>1,665,692</u>	<u>274,129</u>
Educational Media Services/School Library					
Salaries	1,489,443	204,005	1,693,448	1,692,570	878
Salaries of Technology Coordinators	130,830	(39,005)	91,825	88,074	3,751
Purchased Professional/Technical Services	130,000	9,575	139,575	139,572	3
Other Purchased Services	1,000	-	1,000	316	684
Supplies and Materials	180,750	129,600	310,350	306,983	3,367
Total Educational Media Services/School Library	<u>1,932,023</u>	<u>304,175</u>	<u>2,236,198</u>	<u>2,227,515</u>	<u>8,683</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	350,000	-	350,000	133,560	216,440
Other Purchased Prof. and Tech. Services	206,000	-	206,000	188,116	17,884
Other Purchased Services	1,000	-	1,000	924	76
Total Instructional Staff Training Services	<u>557,000</u>	<u>-</u>	<u>557,000</u>	<u>322,600</u>	<u>234,400</u>

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 1,087,835	\$ 149,450	\$ 1,237,285	\$ 1,237,248	\$ 37
Legal Services	300,000	58,245	358,245	358,240	5
Audit Fees	65,250	89,750	155,000	77,812	77,188
Other Purchased Professional Services	153,400	33,300	186,700	180,676	6,024
Purchased Technical Services	118,335	5,860	124,195	123,826	369
Communications/Telephone	421,500	(47,700)	373,800	373,076	724
BOE Other Purchased Services	9,000	41,400	50,400	44,950	5,450
Misc. Purchased Services	1,264,741	60,500	1,325,241	1,315,953	9,288
General Supplies	14,000	14,776	28,776	28,375	401
BOE In-House Training/Meeting Supplies	11,500	(8,500)	3,000	2,910	90
Judgements Against the School District	-	255	255	255	-
Miscellaneous Expenditures	16,000	16,410	32,410	32,404	6
BOE Membership Dues and Fees	35,000	-	35,000	31,376	3,624
Total Support Services General Administration	3,496,561	413,746	3,910,307	3,807,101	103,206
School Administration					
Salaries of Principals/Assistant Principals	4,263,083	156,480	4,419,563	4,419,133	430
Salaries of Other Professional Staff	786,591	644,500	1,431,091	1,422,265	8,826
Salaries of Secretarial and Clerical Assistants	1,707,477	(42,300)	1,665,177	1,654,781	10,396
Purchased Professional and Technical Services	143,800	(45,000)	98,800	98,363	437
Other Purchased Services	20,000	4,000	24,000	23,674	326
Supplies and Materials	210,960	(52,500)	158,460	144,794	13,666
Other Objects	1,000	-	1,000	-	1,000
Total School Administration	7,132,911	665,180	7,798,091	7,763,010	35,081
Central Services					
Salaries	1,465,275	65,760	1,531,035	1,515,063	15,972
Purchased Professional Services	3,500	-	3,500	3,500	-
Purchased Technical Services	94,500	29,000	123,500	123,067	433
Miscellaneous Purchased Services	4,500	-	4,500	4,078	422
Supplies and Materials	23,000	9,500	32,500	27,780	4,720
Miscellaneous Expenditures	10,500	2,000	12,500	12,041	459
Total Central Services	1,601,275	106,260	1,707,535	1,685,529	22,006
Administrative Information Technology					
Salaries	456,948	29,500	486,448	485,950	498
Purchased Technical Services	791,365	212,050	1,003,415	1,003,410	5
Supplies and Materials	64,300	(57,000)	7,300	6,576	724
Total Administrative Information Technology	1,312,613	184,550	1,497,163	1,495,936	1,227
Required Maintenance for School Facilities					
Salaries	1,147,728	(215,000)	932,728	866,664	66,064
Cleaning, Repair and Maintenance Services	620,000	1,034,918	1,654,918	1,454,310	200,608
General Supplies	458,000	333,747	791,747	748,728	43,019
Total Required Maintenance for School Facilities	2,225,728	1,153,665	3,379,393	3,069,702	309,691

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 6,028,860	\$ 280,500	\$ 6,309,360	\$ 6,309,186	\$ 174
Purchased Professional and Technical Services	550,000	1,112,369	1,662,369	991,802	670,567
Cleaning, Repair and Maintenance Services	299,200	47,000	346,200	336,123	10,077
Rental of Land/Bldg. Other than Lease Pur. Agrmt.	139,749	-	139,749	136,364	3,385
Lease Purchase Pymts - Energy Savings Impr Program	222,559	(222,559)			-
Other Purchased Property Services	15,000	222,559	237,559	150,029	87,530
Insurance	220,901	-	220,901	210,221	10,680
Miscellaneous Purchased Services	7,000	3,080	10,080	10,036	44
General Supplies	624,555	192,785	817,340	791,826	25,514
Energy (Natural Gas)	700,000	-	700,000	482,697	217,303
Energy (Electricity)	1,400,000	-	1,400,000	1,373,884	26,116
Other Objects	25,000	-	25,000	18,416	6,584
Total Custodial Services	10,232,824	1,635,734	11,868,558	10,810,584	1,057,974
Care & Upkeep of Grounds					
Salaries	30,000	36,350	66,350	65,952	398
Cleaning, Repair and Maintenance Services	92,300	12,500	104,800	67,336	37,464
General Supplies	30,000	-	30,000	27,387	2,613
Other Objects	2,000	245	2,245	2,245	-
Total Care & Upkeep of Grounds	154,300	49,095	203,395	162,920	40,475
Security					
Salaries	2,578,680	(212,000)	2,366,680	2,364,341	2,339
Purchased Professional and Technical Services	75,000	172,100	247,100	164,796	82,304
Cleaning, Repair and Maintenance Services	80,000	(19,600)	60,400	53,909	6,491
Other Purchased Services		1,700	1,700	1,577	123
General Supplies	125,000	23,900	148,900	148,432	468
Total Security	2,858,680	(33,900)	2,824,780	2,733,055	91,725
Student Transportation Services					
Salaries of Non-Instructional Aides	1,226,192	291,750	1,517,942	1,517,923	19
Salaries for Pupil Transportation (Between Home and School) - Regular	2,139,221	(229,500)	1,909,721	1,894,668	15,053
Salaries for Pupil Transportation (Between Home and School) - Special	1,118,768	(116,001)	1,002,767	877,004	125,763
Salaries for Pupil Transportation (Other Than Between Home and School)	193,870	71,500	265,370	265,288	82
Management Fee - ESC & CTSA Transportation	220,000	5,500	225,500	193,962	31,538
Other Purchased Professional/Technical Services	39,500	21,000	60,500	32,431	28,069
Cleaning, Repair and Maintenance Services	12,500	-	12,500		12,500
Lease Purchase Payments - School Buses	358,840	-	358,840	241,885	116,955
Contracted Services-Aid in Lieu of Payments- Non-Public Schools	836,000	50,000	886,000	854,365	31,635
Contracted Services (Other than Between Home & School)- Vendors	150,000	98,000	248,000	247,583	417
Contracted Services (Regular Students) - ESCs& CTSAs	2,170,000	2,925	2,172,925	2,032,111	140,814
Contracted Services (Spl. Ed. Students) - ESCs& CTSAs	3,875,000	11,000	3,886,000	2,857,486	1,028,514
Miscellaneous Purchased Services - Transportation	47,000	29,650	76,650	76,568	82
General Supplies	312,370	87,000	399,370	398,975	395
Transportation Supplies	46,000	75,500	121,500	118,292	3,208
Other Objects	6,500	-	6,500	6,500	-
Total Student Transportation Services	12,751,761	398,324	13,150,085	11,615,041	1,535,044

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 2,915,185	\$ 159,400	\$ 3,074,585	\$ 3,074,341	\$ 244
Other Retirement Contributions - PERS	2,379,560	4,900	2,384,460	2,381,332	3,128
Other Retirement Contributions - Regular	195,000	-	195,000	170,869	24,131
Workmen's Compensation	593,903	96,554	690,457	690,457	-
Health Benefits	36,257,627	(4,093,941)	32,163,686	28,948,706	3,214,980
Tuition Reimbursement	125,000	-	125,000	65,291	59,709
Other Employee Benefits	3,055,455	-	3,055,455	2,701,042	354,413
Total Unallocated Benefits	45,521,730	(3,833,087)	41,688,643	38,032,038	3,656,605
Interest - Deposit to Maintenance Reserve	750	-	750	-	750
On-behalf TPAF Pension Contr. (Non-budgeted)					
Normal				30,990,715	(30,990,715)
NCGI				353,432	(353,432)
Post-Retirement Medical Costs				8,530,730	(8,530,730)
Long-Term Disability Insurance				15,653	(15,653)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	6,762,726	(6,762,726)
Total Undistributed Expenditures	134,086,561	(2,577,656)	131,508,905	167,588,773	(36,079,868)
Total Current Expenditures	219,053,033	(1,681,506)	217,371,527	250,501,319	(33,129,792)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5		9,719	9,719	3,848	5,871
Grades 6-8	12,500	-	12,500		12,500
Grades 9-12		474,432	474,432	465,226	9,206
School-Sponsored and Other Instructional Program		60,820	60,820	48,987	11,833
Undistributed Expenditures					
Support Services - Students - Regular	30,000	-	30,000		30,000
Educational Media Services/School Library		315,555	315,555	238,304	77,251
School Administration	174,580	(150,707)	23,873	21,872	2,001
Non Instructional Equipment					
Operation and Maintenance of Plant Services		365,373	365,373	175,773	189,600
Student Transportation Services	57,854	(57,854)			-
School Buses - Regular	-	789,878	789,878		789,878
School Buses - Special	-	765,949	765,949	-	765,949
Total Equipment	274,934	2,573,165	2,848,099	954,010	1,894,089
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	441,000	5,900	446,900	302,708	144,192
Construction Services	5,251,471	444,160	5,695,631	1,589,451	4,106,180
Land and Improvements	1,000,000	-	1,000,000	-	1,000,000
Assessment for Debt Service on SDA Funding	130,701	-	130,701	130,701	-
Total Facilities Acquis. and Const. Services	6,823,172	450,060	7,273,232	2,022,860	5,250,372

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	7,137,356	\$ 3,023,225	10,160,581	\$ 2,976,870	7,183,711
Transfer Funds to Charter School	13,736,065	(391,414)	13,344,651	13,344,651	-
Total Expenditures	239,926,454	950,305	240,876,759	266,822,840	(25,946,081)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,757,087)	(950,305)	(4,707,392)	19,485,612	24,193,004
Other Financing Sources					
Transfer In				3,098,112	3,098,112
Transfer Out - Special Revenue Fund - Co-Curricular Activities and Athletics	(20,000)	(45,000)	(65,000)	(65,000)	-
Transfer Out - Special Revenue Fund - Preschool Aid	(2,908,563)	-	(2,908,563)	(2,908,563)	-
Total Other Financing Sources	(2,928,563)	(45,000)	(2,973,563)	124,549	3,098,112
Net Change in Fund Balance	(6,685,650)	(995,305)	(7,680,955)	19,610,161	27,291,116
Fund Balances, Beginning of Year	24,560,565	-	24,560,565	24,560,565	-
Fund Balances, End of Year	\$ 17,874,915	\$ (995,305)	\$ 16,879,610	\$ 44,170,726	\$ 27,291,116
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 19,857,570	
Capital Reserve - Designated for Subsequent Year's Expenditures				7,971,500	
Maintenance Reserve				3,457,469	
Unemployment Compensation Reserve				241,109	
Committed Fund Balance					
Year-End Encumbrances				4,268,053	
Assigned Fund Balance					
Year-End Encumbrances				1,144,008	
Designated for Subsequent Year's Expenditures				966,393	
Unassigned Fund Balance				6,264,624	
Budgetary Fund Balance				44,170,726	
Reconciliation to Governmental Funds statements (GAAP):					
Last State Aid Payments not recognized on GAAP Basis				12,338,725	
Fund Balances Per Governmental Funds (GAAP)				\$ 31,832,001	

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 10,597,306	\$ 465,624	\$ 11,062,930	\$ 9,623,505	\$ (1,439,425)
Federal	30,803,019	3,225,538	34,028,557	30,895,454	(3,133,103)
Local Sources					
Miscellaneous	594,657	135,185	729,842	650,748	(79,094)
Total Revenues	41,994,982	3,826,347	45,821,329	41,169,707	(4,651,622)
EXPENDITURES					
Instruction					
Salaries of Teachers	7,801,601	(543,039)	7,258,562	6,963,669	294,893
Other Salaries for Instruction	463,926	134,900	598,826	567,873	30,953
Purchased Professional/Technical Services	63,271	1,207,622	1,270,893	1,037,707	233,186
Purchased Professional/Educational Services		18,000	18,000	8,519	9,481
Tuition	2,481,643	667,390	3,149,033	2,881,525	267,508
General Supplies	193,392	2,758,432	2,951,824	2,752,887	198,937
School Sponsored Co-Curricular Activities and Athletics (Non-Budget)	550,473	73,361	623,834	623,834	-
Other Objects		21,350	21,350	21,033	317
Textbooks	42,299	163,365	205,664	44,767	160,897
Total Instruction	11,596,605	4,501,381	16,097,986	14,969,472	1,128,514
Support Services					
Salaries	1,597,192	3,189	1,600,381	1,511,124	89,257
Salaries of Principal, Asst. Principals & Directors	314,247	123,826	438,073	420,373	17,700
Salaries of Other Professional Staff	165,775	209,420	375,195	369,835	5,360
Salaries of Secretarial and Clerical Asst.	77,825	108,035	185,860	162,085	23,775
Other Salaries	219,240	-	219,240	191,911	27,329
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists	140,117	20,885	161,002	160,999	3
Salaries of Literacy/Math Coach	930,872	(278,700)	652,172	575,265	76,907
Salaries of Technology Coordinator		83,000	83,000	82,326	674
Personal Services- Employee Benefits	2,073,754	4,554,143	6,627,897	5,713,847	914,050
Purchased Professional/Technical Services	129,126	474,838	603,964	493,731	110,233
Purchased Prof./Educational Services	293,999	791,993	1,085,992	892,579	193,413
Purchased Educational Services - Contracted Pre-K	3,989,966	(792,900)	3,197,066	2,575,135	621,931
Purchased Educational Services - Head Start	1,856,275	-	1,856,275	1,503,523	352,752
Other Purchased Professional Services	10,000	-	10,000	1,990	8,010
Cleaning, Repair and Maintenance Services		116,500	116,500	116,015	485
Rentals	612,697	98,500	711,197	711,132	65
Other Purchased Services		157,651	157,651	103,433	54,218
Travel	5,000	2,610	7,610	5,259	2,351
Supplies and Materials	136,559	254,924	391,483	391,313	170
Scholarships Awarded (Non-Budget)	44,184	-	44,184	2,000	42,184
Total Support Services	12,596,828	5,927,914	18,524,742	15,983,875	2,540,867
Facilities Acquisition and Construction					
Non Instructional Equipment	56,426	1,507,127	1,563,553	1,507,118	56,435
Purchased Professional/Technical Services		896,430	896,430	44,007	852,423
Construction Services	20,653,686	(9,006,505)	11,647,181	11,528,525	118,656
Total Facilities Acquisition and Construction	20,710,112	(6,602,948)	14,107,164	13,111,509	995,655
Total Expenditures	44,903,545	3,826,347	48,729,892	44,064,856	4,665,036
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,908,563)	-	(2,908,563)	(2,895,149)	13,414
Other Financing Sources/(Uses)					
Budgeted Transfer from General Fund	2,908,563	-	2,908,563	2,973,563	65,000
Total Other Financing Sources/(Uses)	2,908,563	-	2,908,563	2,973,563	65,000
Net Change in Fund Balance	-	-	-	78,414	78,414
Fund Balances, Beginning of Year	618,291	-	618,291	618,291	-
Fund Balances, End of Year	\$ 618,291	\$ -	\$ 618,291	\$ 696,705	\$ 78,414
Restricted Fund Balances:					
Student Activities				\$ 656,969	
Scholarships				39,736	
				\$ 696,705	
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Revenue Not Recognized on GAAP Basis				(1,006,548)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				\$ (309,843)	

BUDGETARY COMPARISON SCHEDULES

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**CLIFTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	\$ 286,308,452	C-2	\$ 41,169,707
Difference- Budget to GAAP				
State Aid payments (2022/2023)				
recognized for GAAP Purposes not recognized for budgetary statements.		9,997,341		719,976
Difference - Budget to GAAP:				
State Aid payments (2023/2024) recognized				
for budgetary purposes, not recognized for GAAP statements		(12,338,725)		(1,006,548)
Grant accounting budgetary basis differs from GAAP in that				
encumbrances are recognized as expenditures, and the related				
revenue is recognized.				
Encumbrances, June 30, 2024				(13,837,519)
Encumbrances, June 30, 2023		-		889,310
Total revenues as reported on the Statement of Revenues, Expenditures				
and Changes in Fund Balances - Governmental Funds.	B-2	<u>283,967,068</u>	B-2	<u>\$ 27,934,926</u>
Uses/outflows of resources				
Actual expenditures (budgetary basis)	C-1	\$ 266,822,840	C-2	\$ 44,064,856
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, 2024				(13,837,519)
Encumbrances , June 30, 2023		-		889,310
Total expenditures as reported on the Statement of Revenues,				
Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 266,822,840</u>	B-2	<u>\$ 31,116,647</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last Ten Fiscal Years *

	<u>2024</u>	<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>
District's Proportion of the Net Position Liability (Asset)	0.17767 %	0.16716 %	0.17297 %	0.16084 %	0.16767 %	0.17413 %	0.17792 %	0.18175 %	0.18600 %	0.17725 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 25,734,290	\$ 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
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
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	177%	197%	164%	219%	258%	292%	343%	443%	334%	264%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

* 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>2024</u>	<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>
Contractually Required Contribution	\$ 2,374,599	\$ 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
Contributions in Relation to the Contractually Required Contributions	<u>2,374,599</u>	<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>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered- Employee Payroll	\$ 16,920,666	\$ 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
Contributions as a Percentage of Covered-Employee Payroll	14.03%	14.52%	15.78%	14.09%	13.63%	14.78%	14.05%	13.38%	13.68%	11.55%

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 *

	<u>2024</u>	<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>
District's Proportion of the Net Position Liability (Asset)	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
District's Proportionate Share of the Net Pension Liability (Asset)	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 352,154,154</u>	<u>\$ 365,265,099</u>	<u>\$ 336,021,463</u>	<u>\$ 456,445,258</u>	<u>\$ 421,059,514</u>	<u>\$ 432,381,737</u>	<u>\$ 470,122,841</u>	<u>\$ 549,222,947</u>	<u>\$ 429,496,667</u>	<u>\$ 340,101,994</u>
Total	<u>\$ 352,154,154</u>	<u>\$ 365,265,099</u>	<u>\$ 336,021,463</u>	<u>\$ 456,445,258</u>	<u>\$ 421,059,514</u>	<u>\$ 432,381,737</u>	<u>\$ 470,122,841</u>	<u>\$ 549,222,947</u>	<u>\$ 429,496,667</u>	<u>\$ 340,101,994</u>
District's Covered-Employee Payroll	\$ 89,921,147	\$ 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
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	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

* 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, 2024**

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 Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 14,404,177	\$ 18,606,934	\$ 21,281,788	\$ 11,736,770	\$ 10,833,933	\$ 12,544,401	\$ 15,223,842
Interest on Total OPEB Liability	11,561,333	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	(4,992,030)	8,113,552	(70,319,607)	77,674,168	(39,046,669)	(34,502,853)	-
Changes of Assumptions	661,660	(84,596,183)	367,878	76,655,600	3,750,998	(31,293,787)	(42,431,320)
Gross Benefit Payments	(9,012,247)	(8,278,048)	(7,619,611)	(7,305,758)	(7,722,590)	(7,291,923)	(7,640,998)
Contribution from the Member	296,276	265,564	247,291	221,437	228,919	252,021	281,361
Net Change in Total OPEB Liability	12,919,169	(57,530,987)	(46,766,155)	168,075,206	(21,126,239)	(48,470,040)	(24,411,839)
Total OPEB Liability - Beginning	<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>	<u>345,582,725</u>
Total OPEB Liability - Ending	<u>\$ 328,271,840</u>	<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	\$ 328,271,840	\$ 315,352,671	\$ 372,883,658	\$ 419,649,813	\$ 251,574,607	\$ 272,700,846	\$ 321,170,886
Total OPEB Liability - Ending	<u>\$ 328,271,840</u>	<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>\$ 104,442,595</u>	<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%	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, 2024**

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, 2024

	ESEA Title I	ESEA Title I SIA	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									\$ 650,748			\$ 650,748
State Sources									8,687,920	\$ 280,721	\$ 654,864	9,623,505
Federal Sources	\$ 4,342,844	\$ 20,000	\$ 411,367	\$ 182,151	\$ 43,666	\$ 231,674	\$ 380,686	\$ 5,801	4,162,243	21,115,022	-	30,895,454
Total Revenues	\$ 4,342,844	\$ 20,000	\$ 411,367	\$ 182,151	\$ 43,666	\$ 231,674	\$ 380,686	\$ 5,801	\$ 13,500,911	\$ 21,395,743	\$ 654,864	\$ 41,169,707
EXPENDITURES												
Instruction												
Salaries of Teachers	\$ 2,546,414			\$ 127,964	\$ 28,240	\$ 115,625	\$ 131,348		\$ 2,950,937	\$ 1,049,051	\$ 14,090	\$ 6,963,669
Other Salaries for Instruction									567,783	90		567,873
Purchased Professional/Technical Services	3,732								596,815	437,160		1,037,707
Purchased Professional/Educational Services	8,519								-	-		8,519
Other Purchased Services									-	67,658		67,658
Tuition									1,976,297	905,228		2,881,525
General Supplies	6,630	\$ 20,000					94,504		536,312	2,095,441		2,752,887
School Sponsored Co-Curricular Activities and Athletics									623,834			623,834
Other Objects									21,033			21,033
Textbooks	-	-	-	-	-	-	-	-	-	-	44,767	44,767
Total Instruction	2,565,295	20,000	-	127,964	28,240	115,625	225,852	-	7,273,011	4,554,628	58,857	14,969,472
Support Services												
Salaries			\$ 3,220				85,689		13,499	1,408,716		1,511,124
Salaries of Principal, Asst. Principals & Directors	24,199			18,095					378,079	-		420,373
Salaries of Other Professional Staff									369,835	-		369,835
Salaries of Secretarial and Clerical Asst.	42,536								105,743	-	13,806	162,085
Other Salaries									159,048	32,863		191,911
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists									160,999			160,999
Salaries of Literacy/Math Coach			160,447						414,818			575,265
Salaries of Technology Coordinator			82,326									82,326
Personal Services- Employee Benefits	1,710,814		131,947	36,092	15,426	61,279	64,749		1,937,517	1,756,023		5,713,847
Purchased Professional/Technical Services						3,000			50,452	440,279		493,731
Purchased Prof./Educational Services			2,500						505,661		384,418	892,579
Purchased Educational Services - Contracted Pre-K									2,575,135			2,575,135
Purchased Educational Services - Head Start									1,503,523			1,503,523
Other Purchased Professional Services									1,990			1,990
Cleaning, Repair and Maintenance Services									116,015			116,015
Rentals									711,132			711,132
Other Purchased Services			30,927			51,770	4,396	\$ 5,801	10,539			103,433
Contracted Services (Other Than Between Home and School) - Grant Agreements									4,372			4,372
Travel									887			887
Supplies and Materials									69,946	123,584	197,783	391,313
Scholarships Awarded	-	-	-	-	-	-	-	-	2,000	-	-	2,000
Total Support Services	1,777,549	-	411,367	54,187	15,426	116,049	154,834	5,801	9,091,190	3,761,465	596,007	15,983,875
Facilities Acquisition and Construction												
Instructional Equipment									31,859			31,859
Non Instructional Equipment										1,507,118		1,507,118
Purchased Professional/Technical Services										44,007		44,007
Construction Services	-	-	-	-	-	-	-	-	-	11,528,525	-	11,528,525
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	31,859	13,079,650	-	13,111,509
Total Expenditures	4,342,844	20,000	411,367	182,151	43,666	231,674	380,686	5,801	16,396,060	21,395,743	654,864	44,064,856
Deficiency of Revenues Under Expenditures	-	-	-	-	-	-	-	-	(2,895,149)	-	-	(2,895,149)
Other Financing Sources/(Uses)												
Budgeted Transfer from General Fund									2,973,563			2,973,563
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	618,291	-	-	618,291
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,705	\$ -	\$ -	\$ 696,705

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Local Programs	Student Activity/ Athletics	Scholarships	I.D.E.A.- Basic	I.D.E.A.- Preschool	NJ High Impact Tutoring	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	\$ 11,500	\$ 639,248									\$ 650,748
State Sources									\$ 8,687,920		8,687,920
Federal Sources	-	-	-	\$ 3,043,425	\$ 123,318	\$ 587,088	\$ 395,181	\$ 560	-	\$ 12,671	4,162,243
Total Revenues	\$ 11,500	\$ 639,248	\$ -	\$ 3,043,425	\$ 123,318	\$ 587,088	\$ 395,181	\$ 560	\$ 8,687,920	\$ 12,671	\$ 13,500,911
EXPENDITURES											
Instruction											
Salaries of Teachers				\$ 192,125		\$ 36,963	\$ 162,585		\$ 2,558,984	\$ 280	\$ 2,950,937
Other Salaries for Instruction				97,310					470,473		567,783
Purchased Professional/Technical Services						550,125	46,690				596,815
Purchased Professional/Educational Services											-
Other Purchased Services											-
Tuition				1,882,231	\$ 94,066						1,976,297
General Supplies				51,485			3,899		476,143	4,785	536,312
School Sponsored Co-Curricular Activities and Athletics		\$ 623,834									623,834
Other Objects	-	-	-	-	-	-	17,283	-	-	3,750	21,033
Total Instruction	-	623,834	-	2,223,151	94,066	587,088	230,457	-	3,505,600	8,815	7,273,011
Support Services											
Salaries	\$ 11,500									1,999	13,499
Salaries of Supervisors of Instruction											-
Salaries of Principal, Asst. Principals & Directors				5,550			57,467		315,062		378,079
Salaries of Other Professional Staff				278,200					91,635		369,835
Salaries of Secretarial and Clerical Asst.				6,650			24,543		74,550		105,743
Other Salaries									159,048		159,048
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists									160,999		160,999
Salaries of Literacy/Math Coach									414,818		414,818
Personal Services- Employee Benefits							50,944		1,886,573		1,937,517
Purchased Professional/Technical Services					29,252		20,000			1,200	50,452
Purchased Prof./Educational Services				505,661							505,661
Purchased Educational Services - Contracted Pre-K									2,575,135		2,575,135
Purchased Educational Services - Head Start									1,503,523		1,503,523
Other Purchased Professional - Education Services											-
Other Purchased Professional Services									1,990		1,990
Cleaning, Repair and Maintenance Services									116,015		116,015
Rentals									711,132		711,132
Other Purchased Services				3,300			6,022	\$ 560		657	10,539
Contracted Services (Other Than Between Home and School) - Grant Agreements									4,372		4,372
Travel							887				887
Miscellaneous Purchased Services											-
Supplies and Materials				20,913			4,861		44,172		69,946
Scholarships Awarded			\$ 2,000								2,000
Other Objects	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	11,500	-	2,000	820,274	29,252	-	164,724	560	8,059,024	3,856	9,091,190
Facilities Acquisition and Construction											
Instructional Equipment									31,859		31,859
Non Instructional Equipment											-
Total Facilities Acquisition and Construction									31,859		31,859
Total Expenditures	11,500	623,834	2,000	3,043,425	123,318	587,088	395,181	560	11,596,483	12,671	16,396,060
Deficiency of Revenues Under Expenditures	-	15,414	(2,000)	-	-	-	-	-	(2,908,563)	-	(2,895,149)
Other Financing Sources/(Uses)											
Budgeted Transfer from General Fund	-	65,000	-	-	-	-	-	-	2,908,563	-	2,973,563
Fund Balance, Beginning of Year	-	576,555	41,736	-	-	-	-	-	-	-	618,291
Fund Balance, End of Year	\$ -	\$ 656,969	\$ 39,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,705

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	CRRSA- ESSER II	AMERICAN RESCUE PLAN - ESSER III							Total Exhibit
	Learning Acceleration	ARP ESSER III	Accelerated Learning Coach and Educator Support	Evidence Based Summer Learning and Enrichment	NJTSS Mental Health Support	ARP Homeless II	ACSERS	SDA Emergent Needs	E-1 Page 3
REVENUES									
State Sources								\$ 280,721	280,721
Federal Sources	\$ 546	\$ 19,156,894	\$ 845,696	\$ 73,384	\$ 79,141	\$ 54,133	\$ 905,228	-	21,115,022
Total Revenues	\$ 546	\$ 19,156,894	\$ 845,696	\$ 73,384	\$ 79,141	\$ 54,133	\$ 905,228	\$ 280,721	\$ 21,395,743
EXPENDITURES									
Instruction									
Salaries of Teachers		\$ 997,551		\$ 51,500					\$ 1,049,051
Other Salaries for Instruction				90					90
Purchased Professional/Technical Services		437,160							437,160
Purchased Professional/Educational Services									-
Other Purchased Services		67,658							67,658
Tuition							\$ 905,228		905,228
General Supplies		2,077,663		17,778					2,095,441
School Sponsored Co-Curricular Activities and Athletics									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	-	3,580,032	-	69,368	-	-	905,228	-	4,554,628
Support Services									
Salaries		953,156	\$ 455,560						1,408,716
Salaries of Supervisors of Instruction									-
Salaries of Principal, Asst. Principals & Directors									-
Salaries of Other Professional Staff									-
Salaries of Secretarial and Clerical Asst.									-
Other Salaries		32,863							32,863
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists									-
Salaries of Literacy/Math Coach									-
Personal Services- Employee Benefits	\$ 546	1,386,525	364,936	4,016					1,756,023
Purchased Professional/Technical Services		287,938	25,200		\$ 79,141	\$ 48,000			440,279
Purchased Prof./Educational Services									-
Supplies and Materials		117,451				6,133		-	123,584
Scholarships Awarded									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Support Services	546	2,777,933	845,696	4,016	79,141	54,133	-	-	3,761,465
Facilities Acquisition and Construction									
Instructional Equipment									-
Non Instructional Equipment		1,507,118							1,507,118
Purchased Professional/Technical Services		44,007							44,007
Construction Services	-	11,247,804	-	-	-	-	-	\$ 280,721	11,528,525
Total Facilities Acquisition and Construction	-	12,798,929	-	-	-	-	-	280,721	13,079,650
Total Expenditures	546	19,156,894	845,696	73,384	79,141	54,133	905,228	280,721	21,395,743
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, 2024

	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											
State Sources	\$ 93,960	\$ 44,767	\$ 160,349	\$ 4,670	\$ 14,090	\$ 191,361	\$ 37,434	\$ 17,924	\$ 65,385	\$ 24,924	\$ 654,864
Federal Sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 93,960</u>	<u>\$ 44,767</u>	<u>\$ 160,349</u>	<u>\$ 4,670</u>	<u>\$ 14,090</u>	<u>\$ 191,361</u>	<u>\$ 37,434</u>	<u>\$ 17,924</u>	<u>\$ 65,385</u>	<u>\$ 24,924</u>	<u>\$ 654,864</u>
EXPENDITURES											
Instruction											
Salaries of Teachers					\$ 14,090						\$ 14,090
General Supplies											-
Textbooks	-	\$ 44,767	-	-	-	-	-	-	-	-	44,767
Total Instruction	<u>-</u>	<u>44,767</u>	<u>-</u>	<u>-</u>	<u>14,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,857</u>
Support Services											
Salaries of Secretarial and Clerical Asst.						\$ 13,806					13,806
Purchased Prof./Educational Services	\$ 93,960			\$ 4,670		177,555		\$ 17,924	\$ 65,385	\$ 24,924	384,418
Other Purchased Professional and Technical Services											-
Supplies and Materials			\$ 160,349				\$ 37,434				197,783
Textbooks	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	<u>93,960</u>	<u>-</u>	<u>160,349</u>	<u>4,670</u>	<u>-</u>	<u>191,361</u>	<u>37,434</u>	<u>17,924</u>	<u>65,385</u>	<u>24,924</u>	<u>596,007</u>
Total Expenditures	<u>93,960</u>	<u>44,767</u>	<u>160,349</u>	<u>4,670</u>	<u>14,090</u>	<u>191,361</u>	<u>37,434</u>	<u>17,924</u>	<u>65,385</u>	<u>24,924</u>	<u>654,864</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, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final To Actual Variance</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 2,493,385	\$ 103,000	\$ 2,596,385	\$ 2,558,984	\$ 37,401
Other Salaries for Instruction	463,926	33,900	497,826	470,473	27,353
General Supplies	77,657	398,500	476,157	476,143	14
Total Instruction	3,034,968	535,400	3,570,368	3,505,600	64,768
Support Services					
Salaries of Program Directors	314,247	8,300	322,547	315,062	7,485
Salaries of Other Professional Staff	165,775	(68,780)	96,995	91,635	5,360
Salaries of Secr. and Clerical Assistants	77,825	-	77,825	74,550	3,275
Other Salaries	219,240	-	219,240	159,048	60,192
Salaries of Community Parent Involvement Spec.	140,117	20,885	161,002	160,999	3
Salaries of Master Teachers	449,804	39,595	489,399	414,818	74,581
Personal Services - Employee Benefits	2,073,754	-	2,073,754	1,886,573	187,181
Purchased Ed. Services - Contracted Pre-K	3,989,966	(792,900)	3,197,066	2,575,135	621,931
Purchased Ed. Services - Head Start	1,856,275	-	1,856,275	1,503,523	352,752
Other Purchased Prof. - Ed. Services	5,000	-	5,000		5,000
Other Purchased Professional Services	10,000	-	10,000	1,990	8,010
Cleaning, Repair & Maintenance	-	116,500	116,500	116,015	485
Rentals	612,697	98,500	711,197	711,132	65
Contracted Services - Transportation (Field Trips)	5,000	-	5,000	4,372	628
Supplies and Materials	5,000	42,500	47,500	44,172	3,328
Total Support Services	9,924,700	(535,400)	9,389,300	8,059,024	1,330,276
Facilities Acquisition and Construction Services					
Instructional Equipment	56,426	-	56,426	31,859	24,567
Total Facilities Acquisition and Construction Services	56,426	-	56,426	31,859	24,567
Total Expenditures	\$ 13,016,094	\$ -	\$ 13,016,094	\$ 11,596,483	\$ 1,419,611

Calculation of Budget Carryover

Total revised 2023-2024 Preschool Education Aid Allocation	\$ 10,065,483
General Fund Contribution	2,908,563
Add: Actual PEA Carryover (June 30, 2023)	85,143
Total Preschool Ed. Aid Funds Available for 2023-2024 Budget	13,059,189
Less 2023-24 Budgeted Preschool Education Aid	(13,016,094)
Available and Unbudgeted Preschool Education Aid as of June 30, 2024	43,095
Add: June 30, 2024 Unexpended Preschool Education Aid	1,419,611
2023-2024 C/O - Preschool Education Aid Programs	\$ 1,462,706
2023-2024 Preschool Education Aid Carryover Budgeted in 2024-2025	\$ -

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Balance, July 1, <u>2023</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2024</u>
MIDDLE SCHOOLS				
Woodrow Wilson	\$ 55,744	\$ 116,435	\$ 102,107	\$ 70,072
Christopher Columbus	<u>2,872</u>	<u>21,028</u>	<u>21,817</u>	<u>2,083</u>
Total Middle Schools	<u>58,616</u>	<u>137,463</u>	<u>123,924</u>	<u>72,155</u>
HIGH SCHOOL				
Clifton High School	<u>453,207</u>	<u>369,257</u>	<u>338,280</u>	<u>484,184</u>
OTHER				
Internal Account	39,580	120,542	78,017	82,105
Athletic Account	10,290	76,986	83,613	3,663
Athletic Hall of Fame Acct	<u>14,862</u>	<u>-</u>	<u>-</u>	<u>14,862</u>
Total Other	<u>64,732</u>	<u>197,528</u>	<u>161,630</u>	<u>100,630</u>
Total All Schools	<u>\$ 576,555</u>	<u>\$ 704,248</u>	<u>\$ 623,834</u>	<u>\$ 656,969</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, 2024**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2024</u>
		<u>Prior Years</u>	<u>Current Year</u>	
2021 Referendum - Various Improvements	\$ 168,282,735	\$ 57,647,845	\$ 82,899,808	\$ 27,735,082
	<u>\$ 168,282,735</u>	<u>\$ 57,647,845</u>	<u>\$ 82,899,808</u>	<u>\$ 27,735,082</u>
<u>Recapitulation of Balance:</u>				
Restricted for Capital Projects:				
Year End Encumbrances				\$ 26,900,012
Available for Capital Projects				<u>835,070</u>
Project Balance				27,735,082
Less:				
Debt Authorized but Not Issued				<u>(735)</u>
Fund Balance - GAAP Basis				<u>\$ 27,734,347</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, 2024

Revenues and Other Financing Sources

Interest Earned	\$ <u>3,098,112</u>
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Total Revenues	<u>3,098,112</u>
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Expenditures and Other Financing Uses

Purchased Professional and Technical Services	1,905,309
Facilities Acquisition and Construction Services	80,994,499
Transfers to General Fund	<u>3,098,112</u>

Total Expenditures and Other Financing Uses	<u>85,997,920</u>
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Net Change in Fund Balance	(82,899,808)
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Fund Balance, July 1, 2023 - Budgetary Basis	<u>110,634,155</u>
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Fund Balance, June 30, 2024 - Budgetary Basis	<u>\$ 27,734,347</u>
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Reconciliation of Fund Balance - GAAP Basis

Fund Balance, June 30, 2024 - GAAP Basis	<u>\$ 27,734,347</u>
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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, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bonds Authorized	\$ 168,282,000	-	\$ 168,282,000	\$ 168,282,735
Total Revenues and Other Financing Sources	168,282,000	-	168,282,000	168,282,735
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 10,289,666	\$ 1,905,309	12,194,975	10,289,666
Facilities Acquisition and Construction Services	47,239,894	80,994,499	128,234,393	157,874,784
Supplies and Materials	37,177		37,177	37,177
Other Objects	81,108	-	81,108	81,108
Total Expenditures and Other Financing Uses	57,647,845	82,899,808	140,547,653	168,282,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 110,634,155	\$ (82,899,808)	27,734,347	\$ -
Additional Project Information:		Authorized and Issued	735	
Project Number	N/A	Project Balance	\$ 27,735,082	
Grant Date	N/A			
Bonds Authorization Date	4/20/2021			
Bonds Authorized	\$ 168,282,735			
Bonds Issued	\$ 168,282,000			
Original Authorized Cost	\$ 168,282,735			
Additional Appropriation	-			
Revised Authorized Cost	\$ 168,282,735			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	83.52%			
Original Target Completion Date	6/30/2023			
Revised Target Completion Date	6/30/2025			

PROPRIETARY FUNDS

**CLIFTON BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	<u>ISEE Summer Enrichment</u>	<u>ONE Clifton League</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 141,745	\$ 4,680	\$ 146,425
Total Assets	<u>141,745</u>	<u>4,680</u>	<u>146,425</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	<u>-</u>	<u>99</u>	<u>99</u>
Total Liabilities	<u>-</u>	<u>99</u>	<u>99</u>
NET POSITION			
Unrestricted	<u>141,745</u>	<u>4,581</u>	<u>146,326</u>
Total Net Position	<u>\$ 141,745</u>	<u>\$ 4,581</u>	<u>\$ 146,326</u>

**COMBINING STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>ISEE Summer Enrichment</u>	<u>ONE Clifton League</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Program Fees	\$ 86,924	\$ 7,727	\$ 94,651
Total Operating Revenues	<u>86,924</u>	<u>7,727</u>	<u>94,651</u>
OPERATING EXPENSES			
Salaries and Employee Benefits	82,025		82,025
Supplies and Materials	10,504	1,506	12,010
Miscellaneous	<u>-</u>	<u>1,640</u>	<u>1,640</u>
Total Operating Expenses	<u>92,529</u>	<u>3,146</u>	<u>95,675</u>
Operating Income / (Loss)	<u>(5,605)</u>	<u>4,581</u>	<u>(1,024)</u>
Change in Net Position	(5,605)	4,581	(1,024)
Total Net Position, Beginning of Year	<u>147,350</u>	<u>-</u>	<u>147,350</u>
Total Net Position, End of Year	<u>\$ 141,745</u>	<u>\$ 4,581</u>	<u>\$ 146,326</u>

**CLIFTON BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>ISEE Summer Enrichment</u>	<u>ONE Clifton League</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 86,924	\$ 7,727	\$ 94,651
Cash Payments to Employees' Salaries and Benefits	(82,025)	-	(82,025)
Cash Payments to Suppliers for Goods and Services	<u>(10,504)</u>	<u>(3,047)</u>	<u>(13,551)</u>
Net Cash Provided By (Used for) Operating Activities	<u>(5,605)</u>	<u>4,680</u>	<u>(925)</u>
Cash Flows from Noncapital Financing Activities			
Transfers (to)/from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Interest Earned	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(5,605)	4,680	(925)
Cash and Cash Equivalents, Beginning of Year	<u>147,350</u>	<u>-</u>	<u>147,350</u>
Cash and Cash Equivalents, End of Year	<u>\$ 141,745</u>	<u>\$ 4,680</u>	<u>\$ 146,425</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (5,605)	\$ 4,581	\$ (1,024)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Increase/(Decrease) in Accounts Payable	<u>-</u>	<u>99</u>	<u>99</u>
Total Adjustments	<u>-</u>	<u>99</u>	<u>99</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,605)</u>	<u>\$ 4,680</u>	<u>\$ (925)</u>

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, 2024**

<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>Retired</u>	<u>Balance, June 30, 2024</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	6/4/2013	\$ 7,410,000	3/1/2025	\$ 770,000	4.00%	\$ 1,570,000	\$ 800,000	\$ 770,000
School Bonds, Series 2021	8/19/2021	168,282,000	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>164,280,000</u>	<u>4,000,000</u>	<u>160,280,000</u>
						\$ 165,850,000	\$ 4,800,000	\$ 161,050,000

**CLIFTON BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF LEASES PAYABLE & CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Issued Current Year</u>	<u>Payments</u>	<u>Balance June 30, 2024</u>
<u>LEASES PAYABLE</u>						
Building Leases - St John Kanty Church	2.80%	\$ 1,788,040	\$ 1,491,835	\$ -	\$ 338,312	\$ 1,153,523
TOTAL LEASES PAYABLE			<u>\$ 1,491,835</u>	<u>\$ -</u>	<u>\$ 338,312</u>	<u>\$ 1,153,523</u>
<u>CAPITAL FINANCING AGREEMENTS</u>						
2020 (3) 54 Passenger Buses and (3) 24 Passenger Buses	2.40%	\$ 518,375	\$ 106,203		\$ 106,203	
2020 Phone System	2.51%	736,416	143,677		143,677	
2021 (2) 54 Passenger Buses and (2) 24 Passenger Buses	1.238%	359,621	258,333		49,901	\$ 208,432
2021 (3) 54 Passenger Buses and (3) 24 Passenger Buses	1.460%	539,431	<u>311,923</u>	<u>-</u>	<u>75,481</u>	<u>236,442</u>
TOTAL CAPITAL FINANCING AGREEMENTS			<u>\$ 820,136</u>	<u>\$ -</u>	<u>\$ 375,262</u>	<u>\$ 444,874</u>

**CLIFTON BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 5,792,041	-	\$ 5,792,041	\$ 5,792,041	
State Sources					
Debt Service Aid	<u>2,386,359</u>	<u>-</u>	<u>2,386,359</u>	<u>2,386,359</u>	<u>-</u>
Total Revenues	<u>8,178,400</u>	<u>-</u>	<u>8,178,400</u>	<u>8,178,400</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	4,800,000		4,800,000	4,800,000	
Interest	<u>3,378,400</u>	<u>-</u>	<u>3,378,400</u>	<u>3,378,400</u>	<u>-</u>
Total Expenditures	<u>8,178,400</u>	<u>-</u>	<u>8,178,400</u>	<u>8,178,400</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>800,000</u>	<u>-</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ -</u>
Recapitulation of Fund Balance:					
Restricted					
Designated for Subsequent Year's Budget				<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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net Investment in capital assets	\$ 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	\$ 71,560,438
Restricted	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	33,024,353
Unrestricted	(39,272,100)	(38,872,180)	(41,575,795)	(38,551,529)	(40,926,404)	(38,740,597)	(37,329,607)	(36,615,640)	(32,114,325)	(31,611,627)
Total governmental activities net position	<u>\$ 30,258,644</u>	<u>\$ 31,570,811</u>	<u>\$ 30,882,030</u>	<u>\$ 33,398,410</u>	<u>\$ 32,614,660</u>	<u>\$ 32,247,766</u>	<u>\$ 33,137,061</u>	<u>\$ 33,165,440</u>	<u>\$ 50,075,215</u>	<u>\$ 72,973,164</u>
Business-type activities										
Net Investment in Capital Assets	\$ 182,189	\$ 149,283	\$ 124,275	\$ 238,609	\$ 300,988	\$ 364,249	\$ 1,093,032	\$ 3,963,779	\$ 4,034,135	\$ 4,643,021
Unrestricted	838,892	792,413	768,467	464,110	626,915	1,027,599	2,866,019	2,939,017	3,015,241	1,441,612
Total business-type activities net position	<u>\$ 1,021,081</u>	<u>\$ 941,696</u>	<u>\$ 892,742</u>	<u>\$ 702,719</u>	<u>\$ 927,903</u>	<u>\$ 1,391,848</u>	<u>\$ 3,959,051</u>	<u>\$ 6,902,796</u>	<u>\$ 7,049,376</u>	<u>\$ 6,084,633</u>
District-wide										
Net Investment in capital assets	\$ 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	\$ 76,203,459
Restricted	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	33,024,353
Unrestricted	(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)	(30,170,015)
Total district net position	<u>\$ 31,279,725</u>	<u>\$ 32,512,507</u>	<u>\$ 31,774,772</u>	<u>\$ 34,101,129</u>	<u>\$ 33,542,563</u>	<u>\$ 33,639,614</u>	<u>\$ 37,096,112</u>	<u>\$ 40,068,236</u>	<u>\$ 57,124,591</u>	<u>\$ 79,057,797</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 NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 113,605,629
Special education	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	32,396,958
Other instruction	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	13,793,101
School Sponsored Activities and Athletics	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	4,093,984
Support Services:										
Student & instruction related services	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	49,043,242
Educational Media/School Library	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	3,158,188
School Administrative services	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	11,694,397
General administration	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	4,510,724
Central Services	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	4,087,285
Plant operations and maintenance	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	26,994,620
Pupil transportation	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	13,850,630
Interest on long-term debt	535,980	534,816	468,462	407,088	362,794	343,184	178,826	3,110,006	3,499,979	3,383,806
Total governmental activities expenses	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	280,612,564
Business-type activities:										
Food service	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	9,726,306
Other Non Major	519,929	615,910	589,960	50,074	54,133	62,696	2,699	18,284	112,929	95,675
Total business-type activities expense	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	9,821,981
Total district expenses	\$ 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	\$ 290,434,545
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	\$ 104,361
Support Services (tuition)			25,854							
Operating grants and contributions	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	71,503,438
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	1,489,362
Total governmental activities program revenues	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	73,097,161
Business-type activities:										
Charges for services										
Food service	\$ 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	\$ 2,098,036
Other Non Major	513,999	496,031	624,330	69,957	76,241	75,353	40,300	104,623	80,884	94,651
Operating grants and contributions	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	6,615,711
Total business type activities program revenues	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	8,808,398
Total district program revenues	\$ 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	\$ 81,905,559
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (207,515,403)
Business-type activities	37,787	(80,204)	(51,148)	(198,302)	224,825	461,430	2,234,286	1,148,966	118,367	(1,013,583)
Total district-wide net expense	\$ (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)	\$ (208,528,986)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes general purposes and debt svc	\$ 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	\$ 148,214,264
State Aid restricted for debt service	170,304	145,357	140,439	39,634					2,961,016	2,386,359
Unrestricted grants and contributions	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	74,264,269
Miscellaneous income	811,998	899,379	849,270	1,198,392	1,002,676	1,243,284	867,570	914,172	3,570,683	5,548,460
Other						(117,378)				
Transfers	32,836	-	-				(330,886)	(1,793,131)	-	-
Total governmental activities	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	230,413,352
Business-type activities:										
Investment earnings	265	819	1,586	1,423	359	2,515	2,031	1,648	28,213	48,840
Miscellaneous income			608	6,856						
Transfers	(32,836)	-	-	-	-	-	330,886	1,793,131	-	-
Total business-type activities	(32,571)	819	2,194	8,279	359	2,515	332,917	1,794,779	28,213	48,840
Total district-wide	\$ 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	\$ 230,462,192
Change in Net Position										
Governmental activities	\$ 3,244,872	\$ 1,312,167	\$ (688,781)	\$ 2,516,380	\$ (783,750)	\$ (1,163,342)	\$ 889,295	\$ 28,379	\$ 16,909,775	\$ 22,897,949
Business-type activities	5,216	(79,385)	(48,954)	(190,023)	225,184	463,945	2,567,203	2,943,745	146,580	(964,743)
Total district	\$ 3,250,088	\$ 1,232,782	\$ (737,735)	\$ 2,326,357	\$ (558,566)	\$ (699,397)	\$ 3,456,498	\$ 2,972,124	\$ 17,056,355	\$ 21,933,206

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 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	\$ 31,527,648
Committed		579,811	1,516,704	2,647,302	871,427	1,320,851				4,268,053
Assigned	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	2,110,401
Unassigned	(54,937)	130,380	(42,465)	(21,659)	(354,379)	(903,043)	2,650,799	1,828,971	(4,173,848)	(6,074,101)
Total general fund	<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>	<u>\$ 31,832,001</u>
All Other Governmental Funds										
Restricted	\$ 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	\$ 29,231,052
Unassigned					(83,473)	(400,646)	(482,651)	(496,081)	(719,976)	(1,006,548)
Total all other governmental funds	<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>	<u>\$ 28,224,504</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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Taxes	\$ 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	\$ 148,214,264
Miscellaneous	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	6,303,569
State sources	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	150,203,021
Federal sources	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	18,457,652
Total revenue	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	323,178,506
Expenditures										
Instruction										
Regular Instruction	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	123,548,570
Special education instruction	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	35,301,724
Other instruction	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	15,136,363
School sponsored activities and athletics	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	4,442,233
Support Services:										
Student & inst. related services	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	52,562,395
Educational Media/School Library	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	3,500,112
General administration	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	4,656,111
School administrative services	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	13,120,403
Central services	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	4,343,193
Plant operations and maintenance	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	22,495,697
Pupil transportation	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	14,017,583
Capital outlay	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	86,945,659
Debt service:										
Refunding bond issuance costs	26,068									
Principal	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	5,513,574
Interest and other charges	673,270	546,453	475,868	395,954	378,228	350,279	209,385	165,737	5,245,737	3,434,078
Total expenditures	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	389,017,695
Excess (Deficiency) of revenues over (under) expenditures	(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)	(65,839,189)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing sources (uses)										
Proceeds from borrowing:										
Capital Financing Agreements (non-budgeted)	\$ 353,572	\$ 362,000	\$ 466,200	\$ 485,083	\$ 840,621	\$ 1,254,791	\$ 899,052		\$ 1,788,040	
Leases Payable (non-budgeted)								\$ 168,282,000		
School Bond Proceeds										
Refunding Bond Proceeds	2,530,000									
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	3,539,489					2,776,414	1,815,305	1,903,569	4,661,842	\$ 6,071,675
Transfers out	(3,506,653)					(2,776,414)	(2,146,191)	(3,696,700)	(4,661,842)	(6,071,675)
Total other financing sources (uses)	412,476	362,000	466,200	485,083	840,621	1,137,413	568,166	169,491,001	1,788,040	-
Net change in fund balances	\$ (2,438,368)	\$ (1,099,291)	\$ 1,681,983	\$ 3,302,649	\$ (1,272,113)	\$ (3,743,509)	\$ (1,633,962)	\$ 159,459,061	\$ (46,341,313)	\$ (65,839,189)
Debt service as a percentage of noncapital expenditures	2.32%	1.95%	1.87%	1.28%	0.76%	0.86%	0.73%	0.62%	3.94%	2.96%

* Noncapital expenditures are total expenditures less capital outlay.

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

101	Fiscal Year Ended June 30,	Interest Earned	Book Fines	Rentals	Refund P/Y Expend	Cancellation PY Payables	Tuition	E-Rate Refund	Miscellaneous	Total
	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
	2024	1,522,812	3,577	53,520	536,305	135,534	104,361		198,600	2,554,709

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
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
2024	44,986,800	3,844,483,900	298,500	12,700	790,107,500	551,819,700	141,710,400	5,373,419,500	5,555,880	5,378,975,380	14,041,601,947	2.845

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	Overlapping Rates			
	Total Direct School Tax Rate	Municipality	County	Total Direct and Overlapping Tax Rate
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
2024	2.845	1.765	1.326	5.936

Source: County Abstract of Ratables

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

Taxpayer	2024	
	Taxable Assessed Value	% of Total District Net Assessed Value
Castleton Assoc. LLC	\$ 40,501,500	0.75%
201 Main Ave LLC	38,000,000	0.71%
Public Service	34,396,200	0.64%
GI TC 2 Peekay Drive LLC	31,500,000	0.59%
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>\$ 266,159,800</u>	<u>4.95%</u>

	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman La Roche	\$ 81,437,104	1.52%
201 Main Ave LLC	50,000,000	0.93%
Castleton Assoc. LLC	40,501,500	0.76%
GI TC Peekay Drive LLC	37,000,000	0.69%
Clifton Commons, LLC	33,485,400	0.63%
Public Service	31,977,300	0.60%
Country Club Towers I & II LLC	23,581,900	0.44%
Clifton Lifestyle Ctr LLC	21,682,500	0.41%
Exelis Inc (ITT)	20,322,900	0.38%
Styertowne Shopping Center	19,678,800	0.37%
	<u>\$ 359,667,404</u>	<u>6.72%</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	
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%	
2024	148,214,264	148,214,264	100.00%	

Source: District Records

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Leases Payable	Capital Financing Agreements			
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
2024	161,050,000	1,153,523	444,874	161,494,874	88,461	1,826

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		
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
2024	161,050,000		161,050,000	2.99%	1,821

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, 2023
(Unaudited)

	<u>Gross Debt</u>	<u>Total</u>
Municipal Debt: (1)		
Board of Education	\$ 161,850,735	\$ 161,850,735
City	<u>115,034,533</u>	<u>115,034,533</u>
	<u>\$ 276,885,268</u>	<u>\$ 276,885,268</u>
Overlapping Debt Apportioned to the Municipality:		
Passaic County:		
County of Passaic (A)		91,128,124
Passaic County Utilities Authority- Solid Waste (A)		7,538,745
Passaic Valley Sewerage Commission (B)		21,137,447
Passaic Valley Water Commission (C)		1,458,009
North Jersey District Water Supply Commission (B)		<u>1,977,114</u>
Total Direct and Overlapping Debt		<u>\$ 400,124,707</u>

Source:

(1) City's 2023 Annual Debt Statement

(A) The debt for this entity was apportioned to the City by dividing the municipality's 2023 equalized value by the total 2023 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)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 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	\$ 505,813,480
Total net debt applicable to limit	<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>	<u>161,050,735</u>
Legal debt margin	<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>	<u>\$ 344,762,745</u>
Total net debt applicable to the limit as a percentage of debt limit	3.04%	2.43%	1.83%	1.45%	1.23%	0.98%	0.76%	39.13%	35.91%	31.84%

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized valuation basis
	2023 \$ 13,903,318,841
	2022 12,708,234,847
	2021 <u>11,324,457,325</u>
	<u>\$ 37,936,011,013</u>
Average equalized valuation of taxable property	\$ 12,645,337,004
average	505,813,480
Total Net Debt Applicable to Limit	<u>161,050,735</u>
Legal debt margin	<u>\$ 344,762,745</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>
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	57,067	3.8%
2023	88,709	N/A	4.5%
2024	88,461	N/A	N/A

Source: New Jersey State Department of Labor and Workforce Development

N/A - Not Available

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

	<u>2024</u>		<u>2015</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	

NOT AVAILABLE

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function/Program</u>										
Instruction										
Regular	703	705	702	705	708	710	711	718	725	740
Special education	152	160	167	172	177	179	191	201	203	205
Other special education	168	177	181	178	210	213	216	237	237	249
Other instruction	23	24	23	21	26	26	19	19	28	28
Support Services:										
Student & instruction related services	186	182	180	181	183	185	188	192	192	196
General administration	7	7	7	7	7	7	9	9	9	9
School administrative services	78	70	68	68	70	70	72	72	72	79
Central services	17	17	16	16	17	17	20	21	21	21
Administrative Information Technology	3	3	3	3	3	3	3	4	4	4
Plant operations and maintenance	96	98	97	98	98	99	103	100	107	109
Pupil transportation	47	46	46	46	91	91	95	97	97	111
Other support services	24	24	24	24	24	24	22	22	22	22
Food Service	7	7	4	3	2	2	2	1	1	1
Total	<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>	<u>1,774</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
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%
2024	11,161	293,124,384	26,263	7.58%	945	11.17	11.61	13.23	10,831	10,100	0.89%	93.25%

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)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	301	308	289	281	280	275	270	276	278	284
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	439	436	411	426	421	418	415	422	410	412
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	292	291	298	296	298	299	305	301	297	301
School No. 4 (1929)										
Square Feet	21,380	21,380	21,380	21,380	21,380	21,380	21,380	21,380	21,380	21,380
Capacity (students)	144	144	144	144	144	144	144	144	144	144
Enrollment	168	179	176	170	168	160	155	166	165	166
School No. 5 (1913)										
Square Feet	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645
Capacity (students)	313	313	313	313	313	313	313	313	313	313
Enrollment ^a	384	382	368	378	374	371	375	381	375	386
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	217	220	233	227	223	220	220	224	227	229
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	325	315	325	335	339	338	339	341	333	346
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	500	471	468	461	460	464	462	466	457	469
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	661	541	574	570	579	581	586	592	587	594

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building (Continued)</u>										
<u>Elementary (Continued)</u>										
School No. 13 (1928)										
Square Feet	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment ^a	462	480	499	484	484	481	476	491	488	501
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	348	373	399	416	421	406	402	407	405	411
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	364	363	351	344	341	338	344	340	340	355
School No. 16 (1957)										
Square Feet	37,695	37,695	37,695	37,695	37,695	37,695	37,695	37,695	37,695	37,695
Capacity (students)	257	257	257	257	257	257	257	257	257	257
Enrollment ^a	249	217	244	248	248	242	252	248	245	251
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	600	629	622	604	604	600	607	611	603	612
<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	1,152	1,197	1,225	1,224	1,226	1,197	1,185	1,198	1,185	1,174
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	1,218	1,205	1,187	1,194	1,198	1,179	1,171	1,189	1,179	1,168
<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	2,712	3,001	2,919	2,929	2,962	2,911	2,863	2,902	2,884	2,906

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<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	361
Clifton Early Learner Academy - Allwood Road										
Square Feet		12,995	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	150
Enrollment		110	130	115	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	11,000
Capacity (students)		150	150	150	150	150	150	150	150	150
Enrollment		120	120	120	121	120	120	119	119	120
Stadium										
Square Feet	503,118	503,118	503,118	503,118	503,118	503,118	503,118	503,118	503,118	503,118
Transportation Garage										
Square Feet	37,897	37,897	37,897	37,897	37,897	37,897	37,897	37,897	37,897	37,897
Number of Schools at June 30, 2023										
Preschool								3		
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>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>	<u>2024</u>
SCHOOL FACILITIES										
Board of Education Building	\$ 21,398	\$ 28,309	\$ 37,528	\$ 44,170	\$ 45,405	\$ 35,893	\$ 45,255	\$ 140,523	\$ 63,632	\$ 84,811
Clifton Stadium	1,420	12,655		15,555	9,203	63,075	63,075	195,856	88,688	118,207
Transportation	19,862	26,754	35,555	29,129	43,018	34,006	42,876	133,135	60,287	80,352
Clifton High School	199,160	240,603	326,721	368,996	390,736	254,448	335,927	1,043,096	472,338	629,551
Clifton High School Annex	37,077	49,418	65,674	77,298	139,716	110,447	139,254	432,401	195,801	260,971
Woodrow Wilson Middle School	97,673	106,352	134,547	142,740	165,822	129,741	163,304	507,080	229,617	306,043
Christopher Columbus Middle School	76,951	86,894	115,478	151,540	36,363	28,746	36,243	112,539	50,960	67,922
School No. 1	30,719	22,616	30,055	35,375	68,856	54,432	68,629	213,102	96,497	128,616
School No. 2	35,699	42,824	56,901	66,964	52,596	41,578	52,422	162,777	73,709	98,242
School No. 3	41,882	32,711	43,471	51,167	24,269	19,185	24,189	75,110	34,012	45,332
School No. 4	18,632	15,094	20,059	23,609	56,353	44,548	56,167	174,406	78,975	105,261
School No. 5	37,791	35,048	46,577	54,822	31,590	24,973	31,486	97,768	44,272	59,007
School No. 8	27,195	19,647	26,110	30,732	59,281	46,863	59,086	183,470	83,079	110,732
School No. 9	28,221	36,869	48,997	57,670	64,640	51,099	64,427	200,054	90,589	120,741
School No. 11	34,960	40,201	53,427	62,883	81,761	63,596	79,908	248,125	112,357	149,753
School No. 12	42,060	54,574	65,436	77,054	59,548	47,074	59,352	184,295	83,453	111,230
School No. 13	27,396	37,035	49,218	57,929	54,389	42,995	54,210	168,329	76,223	101,593
School No. 14	33,094	33,826	44,954	52,911	37,015	27,850	34,839	108,180	48,986	65,291
School No. 15	18,996	29,929	28,015	32,973	42,788	33,825	42,647	132,424	59,965	79,923
School No. 16	21,572	26,611	35,365	41,626	108,038	83,890	105,495	327,575	148,333	197,705
School No. 17	68,007	70,279	86,607	101,937	79,458	62,813	79,196	245,914	111,356	148,419
GRAND TOTAL	<u>\$ 919,765</u>	<u>\$ 1,048,249</u>	<u>\$ 1,350,695</u>	<u>\$ 1,577,080</u>	<u>\$ 1,650,845</u>	<u>\$ 1,301,077</u>	<u>\$ 1,637,987</u>	<u>\$ 5,086,159</u>	<u>\$ 2,303,129</u>	<u>\$ 3,069,702</u>

Source: District Records

**CLIFTON BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2024**

	<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
<u>Underlying Insurance \$10,000,000</u>		
<u>School Board Legal Liability E&O - Greenwich Insurance Company</u>		
	Limit	Deductible
<u>Educators Legal</u>	\$ 1,000,000	\$ 25,000
<u>Employment Practices Liability</u>	\$ 1,000,000	\$ 75,000
<u>Public Official Bonds-Hartford Fidelity Bonding</u>		
Michael Ucci	\$ 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, 2024
(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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
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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

**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, 2024 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 December 6, 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 were not identified.

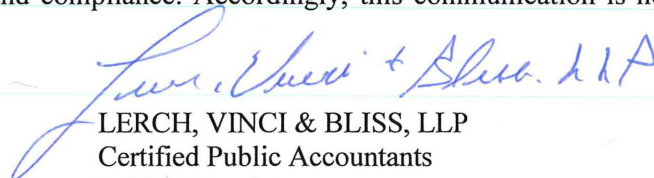
Report on Compliance and Other Matters

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.

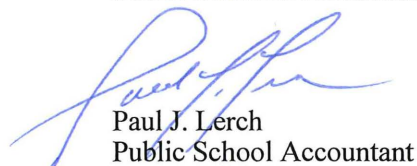
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Clifton Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 6, 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
December 6, 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, 2024. 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, 2024.

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.

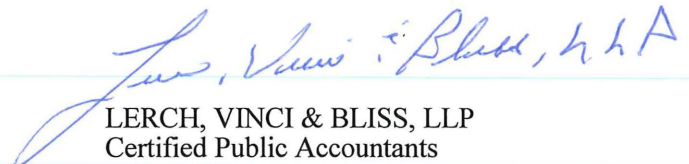
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

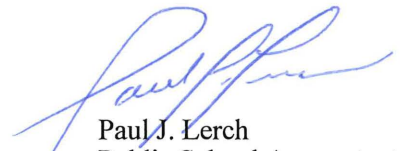
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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, 2024, 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 December 6, 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
December 6, 2024

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal/Grantor/Pass-Through Grantor Program Title	Federal	FAIN	Grant	Award	Balance,	A/R	Unearned	Cash	Budgetary	Adjustment (1)	Refund	Balance, June 30, 2024			MEMO GAAP Receivable
	AL Number	Number	Period	Amount	July 1, 2023	Carryover Amount	Revenue Carryover Amount	Received	Expenditures		Prior Years' Balances	(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	2305NJ5MAP	7/1/23-6/30/24	\$ 319,821	-	-	-	\$ 319,821	\$ 319,821	-	-	-	-	-	\$ -
Total General Fund					-	-	-	319,821	319,821	-	-	-	-	-	-
Enterprise Fund															
U.S. Department of Agriculture Passed-Through State Dept. of Agriculture															
Food Distribution Program - Non Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	612,074				612,074	609,298				\$ 2,776		
Food Distribution Program - Non Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	512,719	\$ 7,508				7,508						
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	638,148				586,724	638,148			\$ (51,424)			\$ (51,424)
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	574,152	(136,017)			136,017							
Seemless Summer Food Service Program	10.559	241NJ304N1099	7/1/23-6/30/24	213,326				213,326	213,326						
Supply Chain Assistance Program	10.555	241NJ344N8903	7/1/23-6/30/24	248,383				248,383	248,383						
National School Lunch Program	10.555	241NJ304N1099	7/1/23-6/30/24	3,246,842				3,097,269	3,246,842			(149,573)			(149,573)
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	3,444,286	(662,338)			662,338							
After School Snacks	10.555	241NJ304N1099	7/1/23-6/30/24	34,355				32,783	34,355			(1,572)			(1,572)
After School Snacks	10.555	231NJ304N1099	7/1/22-6/30/23	29,396	(5,702)	-	-	5,702	-	-	-	-	-	-	-
Total Child Nutrition Cluster					(796,549)	-	-	5,594,616	4,997,860	-	-	(202,569)	2,776	-	(202,569)
P-EBT Administrative	10.649	202225900941	7/1/23-6/30/24	6,180				6,180	6,180						
Local Food for Schools	10.185	N/A	7/1/23-6/30/24	19,885				19,885	19,885						
Child and Adult Food Program	10.558	241NJ304N1099	7/1/23-6/30/24	1,379,185				1,125,552	1,379,185			(253,633)			(253,633)
Child and Adult Food Program	10.558	231NJ304N1099	7/1/22-6/30/23	1,009,391	(300,100)	-	-	300,100	-	-	-	-	-	-	-
Total Enterprise Funds					(1,096,649)	-	-	7,046,333	6,403,110	-	-	(456,202)	2,776	-	(456,202)
Special Revenue Fund															
U.S. Department of Education Passed-Through State Dept. of Education															
I.D.E.A. Part B, Basic	84.027A	H027A230100	7/1/23-9/30/24	3,190,587		\$ (404,730)	\$ 231,554	3,064,378	3,043,425			(530,939)	378,716		(152,223)
I.D.E.A. Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	2,818,332	(173,176)	404,730	(231,554)								
I.D.E.A. Part B, Preschool	84.173A	H173A230114	7/1/23-9/30/24	104,002		(106,520)	20,245	209,593	123,318			(929)	929		-
I.D.E.A. Part B, Preschool	84.173A	H173A220114	7/1/22-9/30/23	101,248	(86,275)	106,520	(20,245)		-						
Total Special Education Cluster (IDEA)									3,166,743						
Twenty-First Century	84.287C	S287C230030	9/1/23-8/31/24	499,994		(130,776)		419,259	395,741			(211,511)	104,253		(107,258)
Twenty-First Century	84.287C	S287C220030	9/1/22-8/31/23	499,994	(130,776)	130,776			-						
Total Twenty-First Century Cluster									395,741						
ESEA Title III	84.365A	S365A230030	7/1/23-9/30/24	193,601		(34,718)	3,663	167,882	182,151			(60,437)	15,113		(45,324)
ESEA Title III	84.365A	S365A220030	7/1/22-9/30/23	164,245	(31,055)	34,718	(3,663)								
ESEA Title III - Immigrant	84.365A	S365A230030	7/1/23-9/30/24	61,773		(26,520)	10,066	41,854	43,666			(46,439)	28,173		(18,266)
ESEA Title III - Immigrant	84.365A	S365A220030	7/1/22-9/30/23	64,287	(16,454)	26,520	(10,066)		-						
Total English Language Acquisition Cluster (Title III)									225,817						
ESEA Title I	84.010A	S010A220030	7/1/22-9/30/23	4,883,808	(1,344,526)	1,823,620	(479,094)								
ESEA Title I Reallocated	84.010A	S010A190030	7/1/19-9/30/20	42,688	30,415					\$ 30,415					
ESEA Title I	84.010A	S010A230030	7/1/23-9/30/24	4,429,598		(1,823,620)	479,094	3,845,903	4,342,844			(2,407,315)	565,848		(1,841,467)
ESEA Title I - SLA	84.010A	S010A230030	7/1/23-9/30/24	28,400		(30,503)	31,703		20,000			(47,200)	28,400		(18,800)
ESEA Title I - SLA	84.010A	S010A220030	7/1/22-9/30/23	20,000	1,200	30,503	(31,703)		-						
Total Title I Part A Grants Cluster					-				4,362,844						

CLIFTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2023	A/R Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment (1)	Refund of Prior Years' Balances	Balance, June 30, 2024			MEMO GAAP Receivable
												(Accounts Receivable)	Unearned Revenue	Due to Grantor	
ESEA Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	\$ 565,962	\$ (184,540)	\$ 207,810	\$ (23,270)								*
ESEA Title II, Part A	84.367A	S367A230029	7/1/23-9/30/24	430,364		(207,810)	23,270	\$ 434,331	\$ 411,367			\$ (203,843)	\$ 42,267		* \$ (161,576)
ESEA Title IV	84.424	S424A220031	7/1/22-9/30/23	238,191	(60,856)	282,630	(221,774)								*
ESEA Title IV	84.424	S424A230031	7/1/23-9/30/24	370,474		(282,630)	221,774	191,855	231,674			(461,249)	360,574		* (100,675)
Climate Grant	84.184G	S184G220078	10/1/23-9/30/24	421,890				-	386,487			(421,890)	35,403		* (386,487)
ACSERS Aid	21.027	SLFRFDOE1SES	7/1/22-6/30/23	218,638	(52,207)			52,207							*
ACSERS Aid	21.027	SLFRFDOE1SES	7/1/23-6/30/24	905,228				446,142	905,228			(459,086)	-		* (459,086)
Total ACSERS Cluster									905,228						*
American Rescue Plan - Emergency Assistance (ARP EANS)															*
High Impact Tutoring Competitive	21.027	E2400393	10/1/23-8/31/24	606,641				25,063	\$ 587,088			(581,578)	19,553		* (562,025)
American Rescue Plan - Homeless Children and Youth	84.425W	S425W210031	4/23/21-9/30/24	138,163	\$ (16,217)			70,350	54,133			(5,018)	5,018		* -
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	10,249,426	(132,924)			132,924		\$ 4,402			4,402		*
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	657,756	(211,220)			211,766	546						*
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	56,455	(2,497)			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	(1,503,984)			5,644,178	19,156,894			(15,560,735)	544,035		* (15,016,700)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	1,091,781	(134,734)			533,240	845,696			(558,541)	111,351		* (447,190)
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	74,436				51,590	73,384			(22,846)	1,052		* (21,794)
NJSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	88,501	(9,360)			88,501	79,141						*
Total Education Stabilization Cluster - ESSER/ARP									20,796,882						*
Carl D. Perkins	84.048	V048A230030	7/1/23-6/30/24	14,231	-	-	-	10,017	12,671	-	-	(2,654)	-	-	* (2,654)
Total Special Revenue Fund					(4,059,186)	-	-	15,643,530	30,895,454	4,402	30,415	(21,582,210)	2,245,087	\$ -	* (19,341,525)
Total					\$ (5,155,835)	\$ -	\$ -	\$ 23,009,684	\$ 37,618,385	\$ 4,402	\$ 30,415	\$ (22,038,412)	\$ 2,247,863	\$ -	* \$ (19,797,727)

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, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2024			Memo Only	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
General Fund																
State Department of Education																
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 53,769,087	\$ (5,266,944)				\$ 5,266,944							*	
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	76,513,424					68,997,315	\$ 76,513,424			\$ (7,516,109)			*	\$ 76,513,424
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	7,350,637	(720,031)				720,031							*	
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	7,350,637					6,628,565	7,350,637			(722,072)			*	7,350,637
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	3,571,640	(349,859)				349,859							*	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	3,571,640					3,220,789	3,571,640			(350,851)			*	3,571,640
Total State Aid Public Cluster									87,435,701						*	87,435,701
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	3,020,309					2,723,616	3,020,309			(296,693)			*	3,020,309
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	3,020,309	(295,854)				295,854							*	
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	251,372	(251,372)				251,372							*	
Non-Public Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	349,582						349,582			(349,582)			*	\$ (349,582) 349,582
Total Transportation Aid Cluster									3,369,891						*	3,369,891
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	3,364,653	(3,364,653)				3,364,653							*	
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	3,453,000						3,453,000			(3,453,000)			*	3,453,000
Payment for Institutionalized Children - Homeless Tuition	23-495-034-5120-005	7/1/22-6/30/23	58,014	(58,014)				58,014							*	
Payment for Institutionalized Children - Homeless Tuition	24-495-034-5120-005	7/1/23-6/30/24	99,841						99,841			(99,841)			*	(99,841) 99,841
TPAF Pension and Annuity Aid- Normal	24-495-034-5094-002	7/1/23-6/30/24	30,990,715					30,990,715	30,990,715						*	30,990,715
NCCI	24-495-034-5094-004	7/1/23-6/30/24	353,432					353,432	353,432						*	353,432
Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	15,653					15,653	15,653						*	15,653
Post Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	8,530,730					8,530,730	8,530,730						*	8,530,730
TPAF Social Security Aid	23-495-034-5094-003	7/1/22-6/30/23	6,440,362	(322,074)				322,074							*	
TPAF Social Security Aid	24-495-034-5094-003	7/1/23-6/30/24	6,762,726	-	-	-		6,425,528	6,762,726	-	-	(337,198)	-	-	*	(337,198) 6,762,726
Total General Fund				(10,628,801)	-	-	-	138,515,144	141,011,689	-	-	(13,125,346)	-	-	*	(786,621) 141,011,689
Special Revenue Fund																
SDA Emergent and Capital Maintenance Needs Grant Program	N/A	7/1/22-6/30/23	257,419		\$ 17,717				17,717						*	17,717
SDA Emergent and Capital Maintenance Needs Grant Program	N/A	7/1/23-6/30/24	263,004					263,004	263,004						*	263,004
Total SDA Emergent and Capital Maintenance									280,721						*	
Preschool Education Aid (PEA)	23-495-034-5120-086	7/1/22-6/30/23	7,199,764	(719,976)	85,143			719,976	85,143						*	85,143
Preschool Education Aid (PEA)	24-495-034-5120-086	7/1/23-6/30/24	10,065,483					9,058,935	11,511,340		\$ 2,908,563	(1,006,548)	\$ 1,462,706		*	11,511,340
Total Preschool Education Aid									11,596,483						*	11,596,483
New Jersey Nonpublic Aid																
Auxiliary Services																
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	216,678					216,678	191,361					\$ 25,317	*	191,361
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	195,192			\$ 17,924				\$ 17,924					*	
English as a Second Language	24-100-034-5120-067	7/1/23-6/30/24	7,600					7,600	4,670					2,930	*	4,670
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	10,824				3,809		-	3,809					*	-
Total Nonpublic Auxiliary Services Aid Cluster (Chapter 192)									196,031						*	196,031
Handicapped Services																
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	78,193					78,193	65,385					12,808	*	65,385
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	61,065			23,703				23,703					*	-
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	35,247					35,247	24,924					10,323	*	24,924
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	34,503			5,115				5,115					*	-
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	21,373					21,373	17,924					3,449	*	17,924
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	19,329			3,583			-	3,583					*	-
Total Nonpublic Handicapped Services Aid Cluster (Chapter 193)									108,233						*	108,233
Nonpublic STEM	23-100-034-5068-051	7/1/22-6/30/23	11,576	(6,029)				6,029							*	
Nonpublic STEM	24-100-034-5068-051	7/1/23-6/30/24	14,090					9,202	14,090			(4,888)			*	(4,888) 14,090
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	45,149					45,149	44,767					382	*	44,767
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	49,764			736				736					*	-
Nursing Services	24-100-034-5120-070	7/1/23-6/30/24	93,960					93,960	93,960						*	93,960
Technology	24-100-034-5120-373	7/1/23-6/30/24	38,269					38,269	37,434					835	*	37,434
Technology	23-100-034-5120-373	7/1/22-6/30/23	31,668			100				100					*	-
Security Aid	24-100-034-5120-509	7/1/23-6/30/24	160,515					160,515	160,349					166	*	160,349
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	154,775	-	-	4,061	-	-	-	4,061	-	-	-	-	*	-
Total Special Revenue Fund				(726,005)	102,860	59,031	-	10,754,130	12,532,068	59,031	2,908,563	(1,011,436)	1,462,706	56,210	*	(4,888) 12,532,068

CLIFTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2024			Memo Only		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<u>Debt Service Fund</u>																	
<u>State Department of Education</u>																	
Debt Service Aid	24-100-034-5120-075	7/1/23-6/30/24	\$ 2,386,359	-	-	-	-	\$ 2,386,359	\$ 2,386,359	-	-	-	-	-	*	-	\$ 2,386,359
Total Debt Service				-	-	-	-	2,386,359	2,386,359	-	-	-	-	-	*	-	2,386,359
<u>Enterprise Fund</u>																	
<u>State Department of Agriculture</u>																	
National School Lunch Pgm.(State Share)	24-100-010-3350-023	7/1/23-6/30/24	177,031				-	169,068	177,031				\$ (7,963)		*	\$ (7,963)	\$ 177,031
National School Lunch Pgm.(State Share)	23-100-010-3350-023	7/1/22-6/30/23	123,609	\$ (22,967)				22,967							*		
National School Breakfast Pgm.(State Share)	24-100-010-3350-023	7/1/23-6/30/24	35,570					32,759	35,570				(2,811)		*	(2,811)	35,570
National School Breakfast Pgm.(State Share)	23-100-010-3350-023	7/1/22-6/30/23	25,969	(6,226)	-	-	-	6,226	-	-	-	-	-	-	*	-	-
Total Enterprise Funds				(29,193)	-	-	-	231,020	212,601	-	-		(10,774)	-	*	(10,774)	212,601
Total State Financial Assistance Subject to Single Audit Determination				\$ (11,383,999)	\$ 102,860	\$ 59,031	\$ -	\$ 151,886,653	\$ 156,142,717	\$ 59,031	\$ 2,908,563	\$ (14,147,556)	\$ 1,462,706	\$ 56,210	*	\$ (802,283)	\$ 156,142,717
<u>Less On-Behalf TPAF Pension and Annuity Aid</u>																	
Normal	24-495-034-5094-002	7/1/23-6/30/24	30,990,715						30,990,715								
NCGI	24-495-034-5094-004	7/1/23-6/30/24	353,432						353,432								
Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	15,653						15,653								
Post Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	8,530,730						8,530,730								
Total State Financial Assistance Subject to Major Program Determination									\$ 116,252,187								

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, 2024**

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 Principles, 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 \$2,341,384 for the general fund and a decrease of \$13,234,781 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	\$ 319,821	\$ 138,670,315	\$ 138,990,136
Special Revenue Fund	18,137,831	9,146,347	27,284,178
Debt Service Fund		2,386,359	2,386,359
Food Service Fund	<u>6,403,110</u>	<u>212,601</u>	<u>6,615,711</u>
Total Financial Assistance	<u>\$ 24,860,762</u>	<u>\$ 150,415,622</u>	<u>\$ 175,276,384</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, 2024**

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 \$6,762,726 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$31,344,147, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$8,530,730 and TPAF Long-Term Disability Insurance in the amount of \$15,653 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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, 2024**

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 <u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section

Type of auditor's report on compliance for major programs:	Unmodified
Internal Control over compliance:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance?	_____ yes <u> X </u> none reported
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 1,128,552
Auditee qualified as low-risk auditee?	<u> X </u> 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)
21.027 21.027	E2400393 SLFRFDOEISES	ARP - High Impact Tutoring Competitive ACSERS Aid
10.555 10.553 10.559 10.559 10.559 10.555	241NJ304N1099 241NJ304N1099 241NJ304N1099 241NJ304N1099 241NJ304N1099 241NJ304N1099	Food Distribution Program School Breakfast Program Seamless Summer Food Service Program Supply Chain Assistance Program National School Lunch Program After School Snacks Program
10.558	241NJ304N1099	Child and Adult Food Program
84.027 84.173	H027A230100 H173A230114	IDEA Part B - Basic IDEA Part B - Preschool

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
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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	\$ 3,000,000
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Auditee qualified as low-risk auditee? X yes no

Identification of major programs:

State Grant/Project Number (s)Name of State Program

24-495-034-5120-078

Equalization Aid

24-495-034-5120-089

Special Education Categorical Aid

24-495-034-5120-084

Security Aid

24-100-034-5120-075

Debt Service Aid

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024**

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