

CLIFTON BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CLIFTON, NEW JERSEY

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Clifton Board of Education

Clifton, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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INTRODUCTORY SECTION

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

December 15, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Clifton School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Clifton Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Clifton School District. All disclosures necessary to enable the reader to gain an understanding of the Clifton School District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Clifton School District's Organizational Chart and a list of principal officials. The financial section includes the financial statements and schedules as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Clifton School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act as Amended and the United States Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Clifton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) 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 School District provides a full range of educational services appropriate to grade levels K through 12, including regular, Bilingual/English as a Second Language, vocational, and special education for handicapped students. The Clifton School District completed the 2014-2015 fiscal year with an average daily enrollment of 10,391 for in-district students. The district also had 113 students in out-of-district placements.

2) ECONOMIC CONDITION AND OUTLOOK: The Clifton taxpayers continue to be the primary source of funding for the Clifton Public School District to utilize in providing a thorough and efficient education for all its students and their many diversified needs. There 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%. With expenditures such as salary increases and health insurance costs exceeding 2%, it is difficult to balance the appropriation within the 2% maximum.
- State Aid increases are anticipated to remain flat. Although the district has requested an increase to its state aid based on the fact that the district is considered to be under adequacy per the funding formula, those increases are not likely to occur.
- All employees currently contribute to their health insurance costs per the tier 4 rate of Chapter 78. With the sunset provision of Chapter 78, it is imperative that the district negotiate that future contributions remain at the same level. Even with that, the district must budget its share of the increase for health insurance. Along with that, the district must negotiate changes to health insurance plans in order to minimize the increases.
- A new factor effecting future budgets is the Affordable Health Care Act and the "Cadillac" fee that will be placed on the district in the future. This will have a major impact on the appropriations of the budget since this fee is expected to be over \$1,000,000.

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

3. **MAJOR INITIATIVES:** The Clifton school district accomplished several initiatives during the 2014-2015 school year as follows:

- Replaced all 221 instructional computers at CHS and 233 instructional computers at CHS Annex.
- Purchased additional 1,100 Chromebooks for in class instructional use to support 21st Century learning skills and for administration of the mandated PARCC assessment.
- Upgraded Core Network Equipment to accommodate additional wireless devices for instruction and in preparation for administration of the mandated PARCC assessment.
- Expanded and continued Chromebook training and instructional implementation in all buildings and implemented Chromebook use in classrooms grades 3-12.
- Maintained training and implementation of the Danielson Model and Teachscape evaluation system. New teachers were provided three days of online training using the Teachscape system during the 2014-15 school year to deepen teacher understanding of the Danielson Model. Purchased third year of Teachscape online program subscription.
- Expanded online learning systems in grades 3-11 to support differentiation of instruction, remediation, and enrichment using Study Island and upgrading to Renaissance 360.
- Purchased social studies textbooks and subscription for grades 6-8 for intensive training and curricular development use. Provided 1/2 day sessions for teachers to develop pacing and planning using the new textbook series.
- Implemented new Next Generation Science series in grades K and 1. Purchased Next Generation Science subscription for grades 2 and 4 for training and curricular development and pacing purposes. Provided intensive teacher training in Spring of 2015 utilizing new materials.
- Conducted extensive curricular and assessment revisions to continue to align with Common Core, PARCC, and pacing adjustments through teacher stipend positions after school and during the summer.
- Planned and implemented capital improvement projects as follows:
 - i) Replacement of roofs at School #1, #5 and CHS.
 - ii) Electrical upgrades at School #14 and #16.
 - iii) Replacement of boilers at School #14 and #16.
 - iv) Replacement of lockers at CHS in the Girls Locker Room.

- v) Installation of surveillance cameras at CHS Annex, WWMS and CCMS.

4) **INTERNAL ACCOUNTING CONTROLS:** The management of the Clifton School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Clifton School District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the management.

As a recipient of federal and state financial assistance, the Clifton School District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the Clifton School District management.

As part of the Clifton School District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine if the Clifton School District has complied with applicable laws and regulations.

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the Clifton School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the grants and entitlements fund, and the repayment of 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 at June 30, 2015.

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

7) **DEBT ADMINISTRATION:** At June 30, 2015 the Clifton School District's outstanding long-term debt issues included \$11,512,000.00 of general obligation bonds, to provide funds for acquisition and construction of major capital facilities.

8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 3. The Clifton School District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

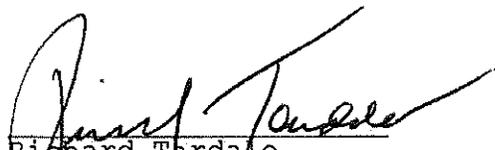
9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard, theft insurance on property and contents, and fidelity bonds.

10) **OTHER INFORMATION:** An Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, and Higgins LLP was selected by the Clifton Board of Education to conduct the independent audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as Amended and the related OMB Circular A-133, 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) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Clifton School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The

preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

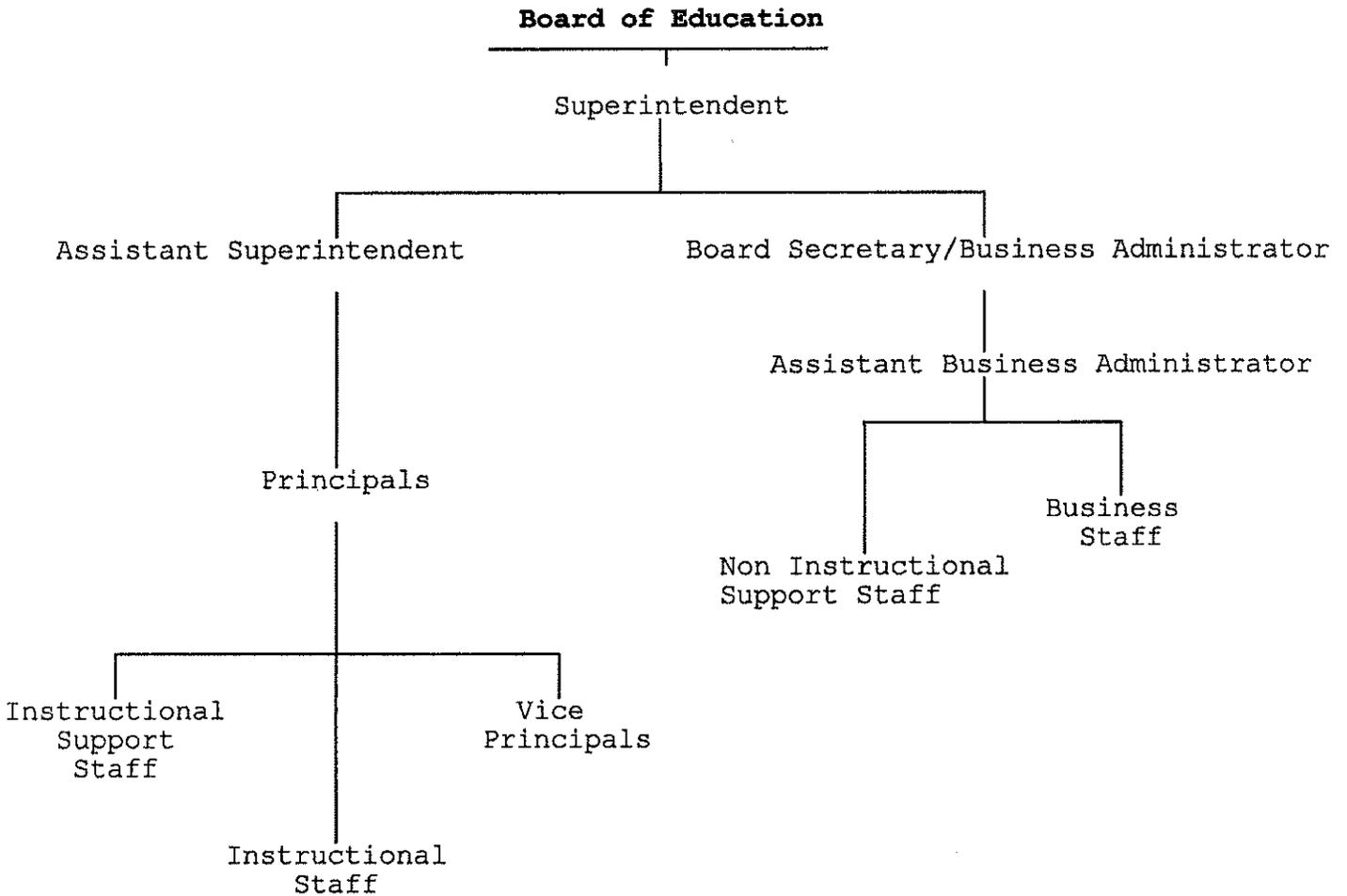


Richard Tardalo
Superintendent



Karen L. Perkins
Board Secretary/Business Administrator

CLIFTON BOARD OF EDUCATION
Organizational Chart
(Unit Control)



CLIFTON BOARD OF EDUCATION
Consultants and Advisors

Architects

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

Audit Firm

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

Attorneys

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

Cleary Giacobbe Alfieri Jacobs LLC
169 Ramapo Valley Road, Upper Level 105
Oakland, New Jersey 07436

Official Depository

TD Bank
101 Washington Street
Hoboken, New Jersey 07030

CLIFTON BOARD OF EDUCATION

CLIFTON, NEW JERSEY

June 30, 2015

Roster of Officials

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Arlene Agresti, Vice President	2017
Tafari Anderson	2015
Judith Bassford	2017
James Daley	2015
Lucy Danny	2017
Michael Evans	2015
John Houston	2015
Gary Passenti, President	2016
Rosemary Pino	2016

Administrators

Richard Tardalo, Superintendent

Mark Tietjen, Assistant Superintendent

Karen L. Perkins, Board Secretary/Business Administrator

Carolina Rodriguez, Assistant Board Secretary
/Assistant Business Administrator

Raymond R. Jacobus, Treasurer

FINANCIAL SECTION

LMH LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clifton Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Clifton Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

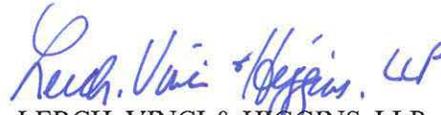
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clifton Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Clifton Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 2015 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Clifton Board of Education's internal control over financial reporting and compliance.



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



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 10, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

This discussion and analysis of the Clifton School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- District-Wide - Overall revenues were \$197,944,385. General revenues accounted for \$145,482,158 or 73 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$52,462,227 or 27 percent of total revenues.
- District-Wide - The School District had \$194,694,297 in expenses; only \$52,462,227 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and unrestricted state aid) of \$145,482,158 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Clifton Board of Education's governmental funds reported combined ending fund balances of \$14,745,741, a decrease of \$2,438,368 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2015 and 2014, the unassigned fund balance reported in the General Fund was \$(54,937) and \$(185,926) respectively, an increase from the prior year of \$130,989.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2015

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2015

District-wide Statements (Continued)

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

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

Fund Financial Statements

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

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

The district has three kinds of funds:

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

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2015

Fund Financial Statements (Continued)

- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others such as the scholarship fund, payroll agency fund, unemployment fund and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the District-Wide and fund financial statements.

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position. The following table provides a summary of the school district's net position for fiscal years 2015 and 2014. For 2015 and 2014 they were \$31,279,725 and \$28,029,637, respectively.

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

CLIFTON BOARD OF EDUCATION

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Statement of Net Position
As of June 30, 2015 and 2014

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
		(Restated)				(Restated)
Assets						
Current and Other Assets	\$ 17,996,434	\$ 22,273,043	\$ 840,338	\$ 843,299	\$ 18,836,772	\$ 23,116,342
Capital Assets	<u>70,102,054</u>	<u>67,612,382</u>	<u>182,189</u>	<u>219,498</u>	<u>70,284,243</u>	<u>67,831,880</u>
Total Assets	<u>88,098,488</u>	<u>89,885,425</u>	<u>1,022,527</u>	<u>1,062,797</u>	<u>89,121,015</u>	<u>90,948,222</u>
Deferred Outflows of Resources						
Deferred Amounts on Debt Refunding	600,784	664,709			600,784	664,709
Deferred Amounts on Net Pension Liability	<u>1,043,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,043,553</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,644,337</u>	<u>664,709</u>	<u>-</u>	<u>-</u>	<u>1,644,337</u>	<u>664,709</u>
Total Assets and Deferred Outflows of Resources	<u>89,742,825</u>	<u>90,550,134</u>	<u>1,022,527</u>	<u>1,062,797</u>	<u>90,765,352</u>	<u>91,612,931</u>
Liabilities						
Current Liabilities	3,373,591	5,343,554		46,765	3,373,591	5,390,319
Noncurrent Liabilities	<u>53,321,168</u>	<u>58,192,808</u>	<u>-</u>	<u>-</u>	<u>53,321,168</u>	<u>58,192,808</u>
Total Liabilities	<u>56,694,759</u>	<u>63,536,362</u>	<u>-</u>	<u>46,765</u>	<u>56,694,759</u>	<u>63,583,127</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue			1,446	167	1,446	167
Deferred Amounts on Net Pension Liability	<u>2,789,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,789,422</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>2,789,422</u>	<u>-</u>	<u>1,446</u>	<u>167</u>	<u>2,790,868</u>	<u>167</u>
Total Liabilities and Deferred Inflows of Resources	<u>59,484,181</u>	<u>63,536,362</u>	<u>1,446</u>	<u>46,932</u>	<u>59,485,627</u>	<u>63,583,294</u>
Net Position						
Net Investment in Capital Assets	56,825,142	51,332,383	182,189	219,498	57,007,331	51,551,881
Restricted	12,705,602	15,246,242	-	-	12,705,602	15,246,242
Unrestricted	<u>(39,272,100)</u>	<u>(39,564,853)</u>	<u>838,892</u>	<u>796,367</u>	<u>(38,433,208)</u>	<u>(38,768,486)</u>
Total Net Position	<u>\$ 30,258,644</u>	<u>\$ 27,013,772</u>	<u>\$ 1,021,081</u>	<u>\$ 1,015,865</u>	<u>\$ 31,279,725</u>	<u>\$ 28,029,637</u>

Governmental activities. Governmental activities increased the District's net position by \$3,244,872. Key elements of this increase are as follows.

CLIFTON BOARD OF EDUCATION

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 102,656		\$ 1,965,308	\$ 1,980,905	\$ 2,067,964	\$ 1,980,905
Operating Grants and Contributions	46,092,373	\$ 29,398,684	3,063,249	2,967,954	49,155,622	32,366,638
Capital Grants and Contributions	1,238,641				1,238,641	-
General Revenues						
Property Taxes	125,879,099	123,583,481			125,879,099	123,583,481
Unrestricted State Aid	18,620,492	18,131,549			18,620,492	18,131,549
State Aid Restricted for Debt Service	170,304	174,797			170,304	174,797
Other	844,834	1,107,607	(32,571)	1,532	812,263	1,109,139
Total Revenues	<u>192,948,399</u>	<u>172,396,118</u>	<u>4,995,986</u>	<u>4,950,391</u>	<u>197,944,385</u>	<u>177,346,509</u>
Expenses						
Instruction						
Regular	82,872,309	74,460,151			82,872,309	74,460,151
Special	27,741,474	24,962,054			27,741,474	24,962,054
Other Instruction	10,229,725	9,124,366			10,229,725	9,124,366
School Sponsored Activities & Ath.	2,515,645	2,241,871			2,515,645	2,241,871
Support Services						
Student and Instruction Related Serv.	24,638,222	21,805,477			24,638,222	21,805,477
Educational Media/School Library	3,012,399	2,824,930			3,012,399	2,824,930
School Administrative Services	10,119,311	9,125,903			10,119,311	9,125,903
General Administrative Services	2,744,739	2,768,583			2,744,739	2,768,583
Plant Operations and Maintenance	14,955,471	10,860,152			14,955,471	10,860,152
Pupil Transportation	7,670,696	6,250,087			7,670,696	6,250,087
Central Services	2,667,556	2,711,969			2,667,556	2,711,969
Food Service			4,470,841	4,665,714	4,470,841	4,665,714
Other Non-Major			519,929	430,995	519,929	430,995
Interest on Long-Term Debt	535,980	873,173	-	-	535,980	873,173
Total Expenses	<u>189,703,527</u>	<u>168,008,716</u>	<u>4,990,770</u>	<u>5,096,709</u>	<u>194,694,297</u>	<u>173,105,425</u>
Change in Net Position	3,244,872	4,387,402	5,216	(146,318)	3,250,088	4,241,084
Net Position, Beginning of Year	27,013,772	60,467,524	1,015,865	1,162,183	28,029,637	61,629,707
Prior Period Adjustment	-	(37,841,154)	-	-	-	(37,841,154)
Net Position, End of Year	<u>\$ 30,258,644</u>	<u>\$ 27,013,772</u>	<u>\$ 1,021,081</u>	<u>\$ 1,015,865</u>	<u>\$ 31,279,725</u>	<u>\$ 28,029,637</u>

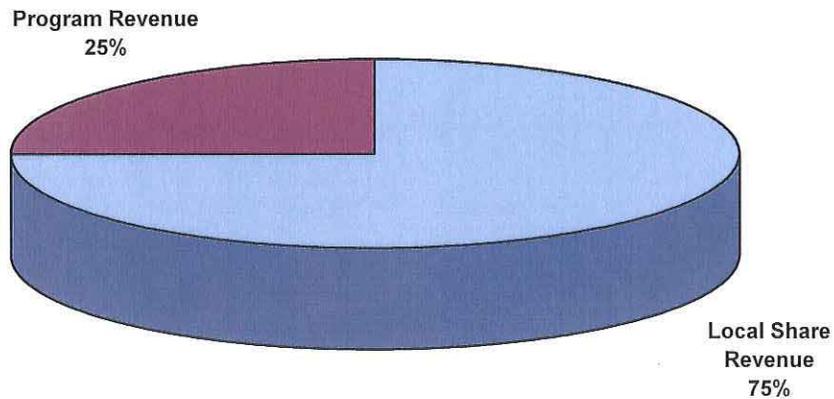
CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2015

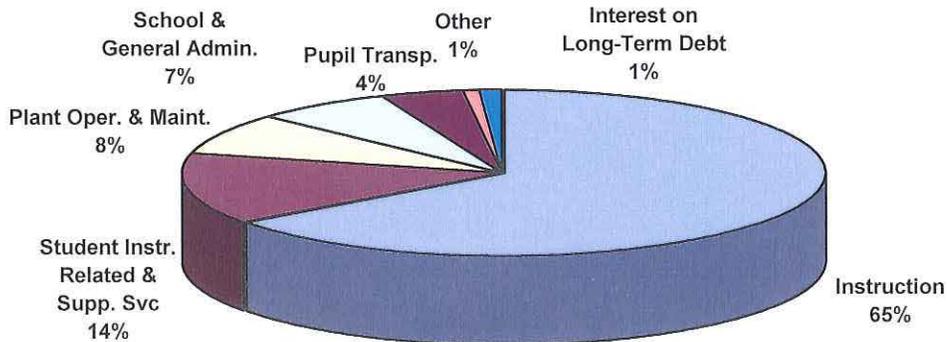
Governmental activities. The District's total governmental revenues were \$192,948,399. The local share of the revenues, that included property taxes, interest, unrestricted state aid, state and restricted for debt service and miscellaneous revenue, amounted to \$145,514,729 or 75% of total revenues. Program revenues from state and federal sources and charges for services and sales amounted to \$47,433,670 or 25%.

The District's total governmental expenses were \$189,703,527 which are predominantly related to instruction and support services. Instruction totaled \$123,359,153 (65%), student support services totaled \$65,808,394 (34%) and interest on long-term debt total \$535,980 (1%) of total expenditures.

Revenue by Type – Governmental Activities
For Fiscal Year 2015



Expenditures by Type- Governmental Activities
For Fiscal Year 2015



CLIFTON BOARD OF EDUCATION

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2015 and 2014**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Instruction				
Regular	\$ 82,872,309	\$ 74,460,151	\$ 66,989,772	\$ 67,510,439
Special Education	27,741,474	24,962,054	14,682,520	14,972,427
Other Instruction	10,229,725	9,124,366	5,809,997	5,285,303
School Sponsored Activities and Athletics	2,515,645	2,241,871	2,062,970	2,044,645
Support Services				
Student and Instruction Related Svcs.	24,638,222	21,805,477	16,377,641	16,041,379
Educational Media/School Library	3,012,399	2,824,930	2,403,604	2,568,546
General Administrative Services	2,744,739	2,768,583	2,744,739	2,661,322
School Administrative Services	10,119,311	9,125,903	7,966,487	8,206,048
Plant Operations and Maintenance	14,955,471	10,860,152	12,949,710	10,091,644
Pupil Transportation	7,670,696	6,250,087	7,078,881	5,643,137
Central Services	2,667,556	2,711,969	2,667,556	2,711,969
Interest on Long-Term Debt	535,980	873,173	535,980	873,173
	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities	<u>\$ 189,703,527</u>	<u>\$ 168,008,716</u>	<u>\$ 142,269,857</u>	<u>\$ 138,610,032</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$4,990,770. These costs were funded by operating grants, charges for services and investment earnings. The operations resulted in an increase in net position of \$5,216.

Major Enterprise Fund

Food Service Program

- Food service revenues were greater than expenses by \$43,982.
- Charges for services represent 32 percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program, School Breakfast Program, and interest revenue.

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2015

Non-Major Enterprise Funds

Extensions Child Care Program and Driver's Education.

- Expenses were greater than revenues by \$38,766.
- Charges for services represent 100 percent of revenue.
- Revenues are comprised of program fees.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$14,745,741. At June 30, 2014, the fund balance was \$17,184,109.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$178,288,712 and expenditures were \$181,139,556.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2015 and 2014.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Local Sources	\$ 126,800,671	\$ 124,708,102	\$ 2,092,569	1.68%
State Sources	44,096,324	39,819,119	4,277,205	10.74%
Federal Sources	<u>7,391,717</u>	<u>7,868,897</u>	<u>(477,180)</u>	-6.06%
Total	<u>\$ 178,288,712</u>	<u>\$ 172,396,118</u>	<u>\$ 5,892,594</u>	3.42%

CLIFTON BOARD OF EDUCATION

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and 2014.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Current:				
Instruction	\$ 112,237,404	\$ 108,442,939	\$ 3,794,465	3.50%
Undistributed	58,010,919	55,299,888	2,711,031	4.90%
Capital Outlay	6,814,736	6,036,565	778,171	12.89%
Debt Service				
Principal	3,377,159	3,370,356	6,803	0.20%
Interest and Other Costs	<u>699,338</u>	<u>805,306</u>	<u>(105,968)</u>	-13.16%
 Total	 <u>\$ 181,139,556</u>	 <u>\$ 173,955,054</u>	 <u>\$ 7,184,502</u>	 4.13%

General Fund Budgetary Highlights

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

- Payment for unused sick leave to retirees due to a greater number of personnel retiring than anticipated in the budget.
- Salary adjustments due to coverage for leaves of absences and reassignment of personnel, and retroactive adjustments for salaries based on settled contracts.
- Tuition costs for students selecting to attend charter schools and for students required by IEP's to attend out of district schools.
- Increases in appropriations for under budgeted costs.
- Implementing budgets for specially funded projects, which include both Federal and State grants.
- Reinstating prior year purchase orders being carried over to the 2015 school year.

Capital Assets

At June 30, 2015 the District – Governmental Activities had invested \$70,102,054 in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. The following schedule compares to the June 30, 2015 and 2014 balances.

CLIFTON BOARD OF EDUCATION

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

**Capital Assets as of June 30, 2015 and 2014
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Land	\$ 8,374,289	\$ 8,374,289			\$ 8,374,289	\$ 8,374,289
Land Improvements	1,638,434	1,638,434			1,638,434	1,638,434
Construction in Progress	689,698	705,884			689,698	705,884
Buildings and Improvements	110,625,560	104,541,381			110,625,560	104,541,381
Machinery, Equipment and Vehicles	<u>8,057,931</u>	<u>7,666,557</u>	\$ 827,260	\$ 819,136	<u>8,885,191</u>	<u>8,485,693</u>
 Total	 129,385,912	 122,926,545	 827,260	 819,136	 130,213,172	 123,745,681
Less: Accumulated Depreciation	<u>59,283,858</u>	<u>55,314,163</u>	<u>645,071</u>	<u>599,638</u>	<u>59,928,929</u>	<u>55,913,801</u>
 Total	 <u>\$ 70,102,054</u>	 <u>\$ 67,612,382</u>	 <u>\$ 182,189</u>	 <u>\$ 219,498</u>	 <u>\$ 70,284,243</u>	 <u>\$ 67,831,880</u>

Overall capital assets for Governmental Activities increased \$2,489,672 (net of depreciation) from fiscal year 2014 to fiscal year 2015.

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

Debt Administration

At June 30, 2015, the District had \$53,321,168 of outstanding debt. This debt is comprised of serial bonds for various school improvements, capital leases for the acquisition of student transportation (buses), technology upgrade and improvements, compensated absences and net pension liability.

Long-term Liabilities

**Long-Term Debt
Outstanding Long-Term Liabilities
As of June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u> (Restated)
General Obligation Bonds	\$ 12,149,593	\$ 14,863,018
Capital Leases	1,728,103	2,081,690
Compensated Absences Payable	6,257,252	6,411,013
Net Pension Liability	<u>33,186,220</u>	<u>34,837,087</u>
 Total	 <u>\$ 53,321,168</u>	 <u>\$ 58,192,808</u>

CLIFTON BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2015

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

- Capital Needs

During the past three school years, the district was able to place excess surplus in the capital reserve account in order to address capital projects to repair and/or replace roofs, windows, boilers, etc. in the district's aging facilities in order to maintain and improve the schools for educational programs. With the approval of ROD grants, some of the funds in the capital reserve account is budgeted for withdrawal during 2015-2015 to address some capital projects.

- State Aid

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Karen Perkins
745 Clifton Avenue
Clifton, New Jersey 07015
Telephone: 973-470-2288
Fax: 973-773-8357
Email: kperkins@cliftonschoools.net

BASIC FINANCIAL STATEMENTS

**CLIFTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 8,799,661	\$ 126,403	\$ 8,926,064
Receivables, net			
Receivables from Other Governments	8,548,518	1,177,401	9,725,919
Other	119,642	33,635	153,277
Internal Balances	528,613	(528,613)	-
Inventory		31,512	31,512
Capital Assets, net			
Not Being Depreciated	9,063,987		9,063,987
Being Depreciated	<u>61,038,067</u>	<u>182,189</u>	<u>61,220,256</u>
 Total Assets	 <u>88,098,488</u>	 <u>1,022,527</u>	 <u>89,121,015</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Debt Refunding	600,784		600,784
Deferred Amounts on Net Pension Liability	<u>1,043,553</u>	-	<u>1,043,553</u>
 Total Deferred Outflows of Resources	 <u>1,644,337</u>	 -	 <u>1,644,337</u>
 Total Assets and Deferred Outflows of Resources	 <u>89,742,825</u>	 <u>1,022,527</u>	 <u>90,765,352</u>
LIABILITIES			
Accounts Payable and Other Liabilities	3,102,401		3,102,401
Payable to State Government	148,292		148,292
Accrued Interest Payable	122,898		122,898
Noncurrent Liabilities			
Due within one year	4,512,839		4,512,839
Due beyond one year	<u>48,808,329</u>	-	<u>48,808,329</u>
 Total Liabilities	 <u>56,694,759</u>	 -	 <u>56,694,759</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,446	1,446
Deferred Amounts on Net Pension Liability	<u>2,789,422</u>	-	<u>2,789,422</u>
 Total Deferred Inflows of Resources	 <u>2,789,422</u>	 <u>1,446</u>	 <u>2,790,868</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>59,484,181</u>	 <u>1,446</u>	 <u>59,485,627</u>
NET POSITION			
Net Investment in Capital Assets	56,825,142	182,189	57,007,331
Restricted for			
Capital Projects	11,865,035		11,865,035
Debt Service	90,567		90,567
Other Purposes	750,000		750,000
Unrestricted	<u>(39,272,100)</u>	<u>838,892</u>	<u>(38,433,208)</u>
 Total Net Position	 <u>\$ 30,258,644</u>	 <u>\$ 1,021,081</u>	 <u>\$ 31,279,725</u>

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

**CLIFTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction							
Regular	\$ 82,872,309	\$ 102,656	\$ 15,779,881		\$ (66,989,772)		\$ (66,989,772)
Special Education	27,741,474		13,056,699	\$ 2,255	(14,682,520)		(14,682,520)
Other Instruction	10,229,725		4,416,728	3,000	(5,809,997)		(5,809,997)
School Sponsored Activities and Athletics	2,515,645		452,675		(2,062,970)		(2,062,970)
Support Services							
Student and Instruction Related Services	24,638,222		8,260,581		(16,377,641)		(16,377,641)
Educational Media/School Library	3,012,399		608,795		(2,403,604)		(2,403,604)
General and Business Administrative Services	2,744,739				(2,744,739)		(2,744,739)
School Administrative Services	10,119,311		2,152,824		(7,966,487)		(7,966,487)
Plant Operations and Maintenance	14,955,471		772,375	1,233,386	(12,949,710)		(12,949,710)
Pupil Transportation	7,670,696		591,815		(7,078,881)		(7,078,881)
Central Services	2,667,556				(2,667,556)		(2,667,556)
Interest on Long-Term Debt	535,980	-	-	-	(535,980)	-	(535,980)
Total Governmental Activities	<u>189,703,527</u>	<u>102,656</u>	<u>46,092,373</u>	<u>1,238,641</u>	<u>(142,269,857)</u>	<u>-</u>	<u>(142,269,857)</u>
Business-Type Activities							
Food Service	4,470,841	\$ 1,451,309	3,063,249			\$ 43,717	43,717
Other Non Major	<u>519,929</u>	<u>513,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,930)</u>	<u>(5,930)</u>
Total Business-Type Activities	<u>4,990,770</u>	<u>1,965,308</u>	<u>3,063,249</u>	<u>-</u>	<u>-</u>	<u>37,787</u>	<u>37,787</u>
Total Primary Government	<u>\$ 194,694,297</u>	<u>\$ 2,067,964</u>	<u>\$ 49,155,622</u>	<u>\$ 1,238,641</u>	<u>(142,269,857)</u>	<u>37,787</u>	<u>(142,232,070)</u>
General Revenues							
Property Taxes, Levied for General Purposes, Net					122,854,257		122,854,257
Taxes Levied for Debt Service					3,024,842		3,024,842
State Aid - Restricted for Debt Service					170,304		170,304
State Aid Unrestricted					18,620,492		18,620,492
Miscellaneous Income					811,998	265	812,263
Transfers					<u>32,836</u>	<u>(32,836)</u>	<u>-</u>
Total General Revenues					<u>145,514,729</u>	<u>(32,571)</u>	<u>145,482,158</u>
Change in Net Position					3,244,872	5,216	3,250,088
Net Position, Beginning of Year (Restated)					<u>27,013,772</u>	<u>1,015,865</u>	<u>28,029,637</u>
Net Position, End of Year					<u>\$ 30,258,644</u>	<u>\$ 1,021,081</u>	<u>\$ 31,279,725</u>

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

FUND FINANCIAL STATEMENTS

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<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	\$ 6,801,043		\$ 1,908,051	\$ 90,567	\$ 8,799,661
Receivables, Net					
Receivables from Other Governments	728,583	\$ 6,451,427	1,368,508		8,548,518
Other	119,526				119,526
Due from Other Funds	6,060,007	-	-	-	6,060,007
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 13,709,159</u>	<u>\$ 6,451,427</u>	<u>\$ 3,276,559</u>	<u>\$ 90,567</u>	<u>\$ 23,527,712</u>
 LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Accrued Salaries	\$ 1,155,557	\$ 772,282	\$ 24,465		\$ 1,952,304
Due to Other Funds		5,511,139	20,139		5,531,278
Payable to State Government		148,292			148,292
Unearned Revenue	-	19,714	1,130,383	-	1,150,097
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,155,557</u>	<u>6,451,427</u>	<u>1,174,987</u>	<u>-</u>	<u>8,781,971</u>
 Fund Balances					
Restricted:					
Excess Surplus	250,197				250,197
Excess Surplus - Designated for Subsequent Year's Expenditures	507,661				507,661
Capital Reserve	6,397,963				6,397,963
Capital Reserve- Designated for Subsequent Year's Expenditures	3,365,500				3,365,500
Maintenance Reserve	750,000				750,000
Capital Projects			2,101,572		2,101,572
Debt Service				\$ 90,567	90,567
Assigned:					
Year End Encumbrances	208,955				208,955
Designated for Subsequent Year's Expenditures	1,000,000				1,000,000
ARRA/SEMI-Unreserved - Designated for Subsequent Year's Expenditures	128,263				128,263
Unassigned:					
General Fund	(54,937)	-	-	-	(54,937)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>12,553,602</u>	<u>-</u>	<u>2,101,572</u>	<u>90,567</u>	<u>14,745,741</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 13,709,159</u>	<u>\$ 6,451,427</u>	<u>\$ 3,276,559</u>	<u>\$ 90,567</u>	

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

Total Fund Balances (Exhibit B-1)		14,745,741
Amounts reported for <i>governmental activities</i> 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 \$129,385,912 and the accumulated depreciation is \$59,283,858		70,102,054
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.		600,784
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	\$ 1,043,553	
Deferred Inflows of Resources	<u>(2,789,422)</u>	(1,745,869)
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:		(122,898)
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, Net	\$ (12,149,593)	
Capital Leases Payable	(1,728,103)	
Compensated Absences Payable	(6,257,252)	
Net Pension Liability	<u>(33,186,220)</u>	(53,321,168)
Net position of governmental activities (Exhibit A-1)		<u>\$ 30,258,644</u>

**CLIFTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 122,854,257			\$ 3,024,842	\$ 125,879,099
Miscellaneous	910,903	\$ 6,918	-	3,751	921,572
Total - Local Sources	123,765,160	6,918		3,028,593	126,800,671
State Sources	41,910,080	782,554	\$ 1,233,386	170,304	44,096,324
Federal Sources	567,490	6,824,227	-	-	7,391,717
Total Revenues	166,242,730	7,613,699	1,233,386	3,198,897	178,288,712
EXPENDITURES					
Current					
Instruction					
Regular Instruction	74,905,333	83,288			74,988,621
Special Education Instruction	24,832,771	718,339			25,551,110
Other Instruction	6,648,325	2,758,363			9,406,688
School-Sponsored Activities and Athletics	2,290,985				2,290,985
Support Services					
Student and Instruction Related Services	18,379,529	4,048,454			22,427,983
Educational Media/School Library	2,710,258				2,710,258
General Administrative Services	2,682,265				2,682,265
School Administrative Services	9,034,587				9,034,587
Plant Operations and Maintenance	11,149,236				11,149,236
Pupil Transportation	7,367,115				7,367,115
Central Services	2,639,475				2,639,475
Debt Service					
Principal	707,159			2,670,000	3,377,159
Interest and Other Charges	190,770			482,500	673,270
Cost of Issuance on Refunding				26,068	26,068
Capital Outlay	4,042,700	5,255	2,766,781	-	6,814,736
Total Expenditures	167,580,508	7,613,699	2,766,781	3,178,568	181,139,556
Excess (Deficiency) of Revenues Over Expenditures	(1,337,778)	-	(1,533,395)	20,329	(2,850,844)
OTHER FINANCING SOURCES (USES)					
Capital Leases (Non-Budget)	353,572				353,572
Payments to Refunding Escrow Agent				(2,503,932)	(2,503,932)
Refunding Bond Proceeds				2,530,000	2,530,000
Transfer In	32,836		3,506,653		3,539,489
Transfer Out	(3,506,653)	-	-	-	(3,506,653)
Total Other Financing Sources and (Uses)	(3,120,245)	-	3,506,653	26,068	412,476
Net Change in Fund Balances	(4,458,023)	-	1,973,258	46,397	(2,438,368)
Fund Balance, Beginning of Year	17,011,625	-	128,314	44,170	17,184,109
Fund Balance, End of Year	\$ 12,553,602	\$ -	\$ 2,101,572	\$ 90,567	\$ 14,745,741

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, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (2,438,368)

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

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

Capital Outlay	\$ 6,814,736	
Depreciation Expense	<u>(4,325,064)</u>	2,489,672

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

Capital Leases		(353,572)
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In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	153,761	
Increase in Pension Expense	<u>(95,002)</u>	58,759

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

Debt Issuance		
Refunding Bond Proceeds	(2,530,000)	
Principal Payments-		
Bonds	2,670,000	
Capital Leases	707,159	
Payments to Refunding Escrow	<u>2,503,932</u>	3,351,091

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	103,425	
Amortization of Deferred Amount on Refunding	<u>(97,857)</u>	5,568

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>131,722</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 3,244,872**

**CLIFTON BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<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	\$ 51,357	\$ 75,046	\$ 126,403
Intergovernmental Receivable			
State	21,019		21,019
Federal	1,156,382		1,156,382
Other Receivables	22,365	11,270	33,635
Inventories	31,512	-	31,512
	<u>1,282,635</u>	<u>86,316</u>	<u>1,368,951</u>
Total Current Assets			
Noncurrent Assets			
Equipment	827,260		827,260
Less: Accumulated Depreciation	(645,071)	-	(645,071)
	<u>182,189</u>	<u>-</u>	<u>182,189</u>
Total Noncurrent Assets			
Total Assets	<u>1,464,824</u>	<u>86,316</u>	<u>1,551,140</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds	528,613	-	528,613
	<u>528,613</u>	<u>-</u>	<u>528,613</u>
Total Current Liabilities			
Total Liabilities	<u>528,613</u>	<u>-</u>	<u>528,613</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	1,446	-	1,446
	<u>530,059</u>	<u>-</u>	<u>530,059</u>
Total Liabilities and Deferred Inflows of Resources			
NET POSITION			
Investment in Capital Assets	182,189		182,189
Unrestricted	752,576	86,316	838,892
	<u>934,765</u>	<u>86,316</u>	<u>1,021,081</u>
Total Net Position	<u>\$ 934,765</u>	<u>\$ 86,316</u>	<u>\$ 1,021,081</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, 2015**

	<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		\$ 513,999	\$ 513,999
Daily Sales	\$ 1,190,107		1,190,107
Special Functions	261,202	-	261,202
	<u>1,451,309</u>	<u>513,999</u>	<u>1,965,308</u>
Total Operating Revenues			
OPERATING EXPENSES			
Cost of Sales	1,600,011		1,600,011
Salaries and Employee Benefits	1,984,551	505,600	2,490,151
Purchased Services	460,331		460,331
Supplies and Materials	354,808	14,329	369,137
Miscellaneous	25,707		25,707
Depreciation	45,433	-	45,433
	<u>4,470,841</u>	<u>519,929</u>	<u>4,990,770</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(3,019,532)</u>	<u>(5,930)</u>	<u>(3,025,462)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	50,720		50,720
Federal Sources			
School Breakfast Program	356,218		356,218
National School Lunch Program	2,343,990		2,343,990
Child and Adult Food Program	69,330		69,330
After School Snack/ Seemless Summer Options Program	17,459		17,459
Fresh Fruit and Vegetable Program	26,495		26,495
Food Distribution Program - Non Cash Assistance	199,037		199,037
Interest and Investment Revenue	265	-	265
	<u>3,063,514</u>	<u>-</u>	<u>3,063,514</u>
Total Nonoperating Revenues			
OTHER FINANCING (USES)			
Transfer Out	-	(32,836)	(32,836)
	<u>-</u>	<u>(32,836)</u>	<u>(32,836)</u>
Total Other Financing (Uses)			
Change in Net Position	43,982	(38,766)	5,216
Total Net Position, Beginning of Year	<u>890,783</u>	<u>125,082</u>	<u>1,015,865</u>
Total Net Position, End of Year	<u>\$ 934,765</u>	<u>86,316</u>	<u>\$ 1,021,081</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, 2015**

	<u>Food Service</u>	<u>Other Non Major Enterprise Funds</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 1,473,144	\$ 513,999	\$ 1,987,143
Cash Payments for Employees' Salaries and Benefits	(1,984,551)	(505,600)	(2,490,151)
Cash Payments to Suppliers for Goods and Services	<u>(2,265,193)</u>	<u>(36,862)</u>	<u>(2,302,055)</u>
Net Cash Provided by (Used by) Operating Activities	<u>(2,776,600)</u>	<u>(28,463)</u>	<u>(2,805,063)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from State and Federal Subsidy Reimbursements	2,289,780		2,289,780
Cash Received from Other Funds	<u>528,613</u>	<u>(32,836)</u>	<u>495,777</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>2,818,393</u>	<u>(32,836)</u>	<u>2,785,557</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	<u>(8,124)</u>	<u>-</u>	<u>(8,124)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(8,124)</u>	<u>-</u>	<u>(8,124)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	<u>265</u>	<u>-</u>	<u>265</u>
Net Cash Provided by Investing Activities	<u>265</u>	<u>-</u>	<u>265</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	33,934	(61,299)	(27,365)
Cash and Cash Equivalents, Beginning of Year	<u>17,423</u>	<u>136,345</u>	<u>153,768</u>
Cash and Cash Equivalents, End of Year	<u>\$ 51,357</u>	<u>\$ 75,046</u>	<u>\$ 126,403</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES			
Operating (Loss)	\$ (3,019,532)	\$ (5,930)	\$ (3,025,462)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities			
Depreciation	45,433		45,433
Food Distribution Program- Non Cash Assistance	200,316		200,316
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable	21,835	(2,085)	19,750
Increase/(Decrease) in Accounts Payable	(26,317)	(20,448)	(46,765)
(Increase)/Decrease in Inventory	<u>1,665</u>	<u>-</u>	<u>1,665</u>
Total Adjustments	<u>242,932</u>	<u>(22,533)</u>	<u>220,399</u>
Net Cash Provided by (Used by) Operating Activities	<u>\$ (2,776,600)</u>	<u>\$ (28,463)</u>	<u>\$ (2,805,063)</u>
NON CASH INVESTING, INVESTING CAPITAL AND FINANCING ACTIVITIES VALUE RECEIVE - FOOD DISTRIBUTION PROGRAM			
	\$ 199,037		

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

**CLIFTON BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 442,222	\$ 73,106	\$ 1,198,144
Due from Other Funds	<u>-</u>	<u>-</u>	<u>97,442</u>
Total Assets	<u>442,222</u>	<u>73,106</u>	<u>\$ 1,295,586</u>
 LIABILITIES			
Payroll Deductions and Withholdings			\$ 833,310
Accrued Salaries and Wages			922
Due to Other Funds	97,442		116
Due to Student Groups			461,238
Intergovernmental Payable	<u>59,873</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>157,315</u>	<u>-</u>	<u>\$ 1,295,586</u>
 NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 284,907</u>	<u>\$ 73,106</u>	

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

**CLIFTON BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust</u>	Private Purpose <u>Trust Funds</u>
ADDITIONS		
Contributions Employees	\$ 258,633	
Investment Earnings Interest	<u>705</u>	\$ <u>46</u>
Total Additions	<u>259,338</u>	<u>46</u>
DEDUCTIONS		
Unemployment Claims and Contributions	<u>310,153</u>	<u>-</u>
Change in Net Position	(50,815)	46
Net Position, Beginning of the Year	<u>335,722</u>	<u>73,060</u>
Net Position, End of the Year	<u>\$ 284,907</u>	<u>\$ 73,106</u>

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, 2015**

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 is appointed by the Board and is responsible for the administrative control 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 also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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, before and after school child care, driver education 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.

The accompanying financial statements present the District and its component units, entities for which the District is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the District-wide financial statements to emphasize that it is legally separate from the District.

Complete financial statements for each of the individual component units may be obtained from the respective entity's Treasurer.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

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 and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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

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

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

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

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *extensions child care program and drivers education fund* accounts for the activities of the District's before and after care program and drivers education program which provides enriching child care and drivers education instruction.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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, 2015**

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 with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) 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 and acquisitions under capital leases are reported as other financing sources.

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

When both restricted and unrestricted resources are available for use, it is the government'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, 2015**

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 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. Donated capital assets are recorded at estimated fair market 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss 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, 2015**

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, 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 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 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 sick leave benefits. A long-term liability of accumulated 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 do not permit the accrual of unused sick leave. 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*

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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *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. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses 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 net of the applicable 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.

9. *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, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

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

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.

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

ARRA/SEMI – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

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

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Non-Operating 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, of the extensions program and drivers education 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$4,244,799. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$54,937 in the General Fund as of June 30, 2015 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 2014/2015 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 Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$54,937 in the General Fund is less than the delayed state aid payments.

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, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 14,573,758
Increased by:		
Interest earnings	\$ 8,976	
Unexpended Capital Outlay Funds	485,726	
Deposits Approved by Board Resolution	<u>1,770,656</u>	
		2,265,358
Withdrawals		
Approved in District Budget	6,822,653	
Approved by Board Resolution	<u>253,000</u>	
		<u>7,075,653</u>
Balance, June 30, 2015		<u>\$ 9,763,463</u>

The District's 2015/16 budget includes a withdrawal from the capital reserve account of \$3,365,500.

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, 2015 is as follows:

Balance, June 30, 2014		\$ 500,000
Increased by:		
Deposits Approved by Board Resolution	<u>250,000</u>	
Balance, June 30, 2015		<u>\$ 750,000</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Transfers to Capital Outlay

During the 2014/2015 school year, the district transferred \$253,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to fund the predevelopment costs rendered for capital outlay projects approved in the District's 2015-2016 budget.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$757,858. Of this amount, \$507,661 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$250,197 will be appropriated in the 2016/2017 original budget certified for taxes.

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$10,639,536 and bank and brokerage firm balances of the Board's deposits amounted to \$13,041,638. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured \$ 13,041,638

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 the Board’s bank balance was not exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2015 for the district’s individual major funds, and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Other Non-Major</u>	<u>Total</u>
Receivables:						
Accounts	\$ 119,526			\$ 22,365	\$ 11,270	\$ 153,161
Intergovernmental						
State	566,811		\$ 1,368,508	21,019		1,956,338
Federal	<u>161,772</u>	<u>\$ 6,451,427</u>	<u>-</u>	<u>1,156,382</u>	<u>-</u>	<u>7,769,581</u>
Net Total Receivables	<u>\$ 848,109</u>	<u>\$ 6,451,427</u>	<u>\$ 1,368,508</u>	<u>\$ 1,199,766</u>	<u>\$ 11,270</u>	<u>\$ 9,879,080</u>

C. Unearned Revenue

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

Capital Projects Fund	
Unrealized School Facilities Grant	\$ 1,130,383
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>19,714</u>
 Total Unearned Revenues for Governmental Funds	 <u>\$ 1,150,097</u>

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Restated Balance, July 1, 2014 (Restated)	Increases	Decreases	Transfers	Balance, June 30, 2015
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 8,374,289				\$ 8,374,289
Construction in Progress	705,884	\$ 463,064	-	\$ (479,250)	689,698
Total Capital Assets, Not Being Depreciated	9,080,173	463,064	-	(479,250)	9,063,987
Capital Assets, Being Depreciated:					
Land Improvements	1,638,434				1,638,434
Building and Building Improvements	104,541,381	5,604,929		479,250	110,625,560
Machinery and Equipment	7,666,557	746,743	\$ (355,369)	-	8,057,931
Total Capital Assets Being Depreciated	113,846,372	6,351,672	(355,369)	479,250	120,321,925
Less Accumulated Depreciation for:					
Land Improvements	(1,142,289)	(37,145)			(1,179,434)
Building and Building Improvements	(48,019,178)	(3,701,370)			(51,720,548)
Machinery and Equipment	(6,152,696)	(586,549)	355,369	-	(6,383,876)
Total Accumulated Depreciation	(55,314,163)	(4,325,064)	355,369	-	(59,283,858)
Total Capital Assets, Being Depreciated, Net	58,532,209	2,026,608	-	479,250	61,038,067
Governmental Activities Capital Assets, Net	\$ 67,612,382	\$ 2,489,672	\$ -	\$ -	\$ 70,102,054

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 819,136	\$ 8,124	-	\$ 827,260
Total Capital Assets Being Depreciated	<u>819,136</u>	<u>8,124</u>	<u>-</u>	<u>827,260</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(599,638)</u>	<u>(45,433)</u>	<u>-</u>	<u>(645,071)</u>
Total Accumulated Depreciation	<u>(599,638)</u>	<u>(45,433)</u>	<u>-</u>	<u>(645,071)</u>
Total Capital Assets, Being Depreciated, Net	<u>219,498</u>	<u>(37,309)</u>	<u>-</u>	<u>182,189</u>
Business-Type Activities Capital Assets, Net	<u>\$ 219,498</u>	<u>\$ (37,309)</u>	<u>\$ -</u>	<u>\$ 182,189</u>

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

Governmental activities:

Instruction	
Regular	\$ 93,563
Total Instruction	<u>93,563</u>
Support Services	
Student and instruction related services	119,786
General administration	30,858
School administration	16,290
Operations and maintenance of plant	3,765,036
Student transportation	281,985
Central Services	<u>17,546</u>
Total Support Services	<u>4,231,501</u>
Total depreciation expense - governmental activities	<u>\$ 4,325,064</u>
Business-type activities:	
Food Service Fund	<u>\$ 45,433</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015:

<u>Project</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Window Replacement at School #14, #16 and Woodrow Wilson Middle School	\$ 49,448	\$ <u>1,532,552</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 5,511,139
General Fund	Capital Projects Fund	20,139
General Fund	Food Service Fund	528,613
General Fund	Payroll Agency	116
Payroll Agency	Unemployment	<u>97,442</u>
 Total		 <u>\$ 6,157,449</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, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	Transfer In:		
	Capital Project Fund	General Fund	Total
Transfer Out:			
General Fund	\$ 3,506,653		\$ 3,506,653
Driver Education Fund	-	\$ 32,836	32,836
Total transfers out	\$ 3,506,653	\$ 32,836	\$ 3,539,489

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

Capital Leases

The District is leasing transportation, utility vehicles and technology upgrades totaling \$3,130,946 under capital leases. The leases are for terms of 3 to 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 660,763
2017	567,614
2018	484,526
2019	90,419
2020	6,239
Total minimum lease payments	1,809,561
Less: amount representing interest	81,458
Present value of minimum lease payments	\$ 1,728,103

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2015 are comprised of the following issues:

\$2,417,000, 2007 Bonds, due in annual installments of \$275,000 to \$287,000 through May 1, 2017 interest at 3.75% to 3.875%	\$ 562,000
\$2,812,000, 2012 Refunding Bonds, due in annual installments of \$540,000 to \$550,000 through May 1, 2017 interest at 4.00%	1,090,000
\$7,410,000, 2013 Refunding Bonds, due in annual installments of \$590,000 to \$810,000 through March 1, 2025 interest at 3.00% to 4.00%	7,330,000
\$2,530,000, 2015 Refunding Bonds, due in annual installments of \$810,000 to \$875,000 through December 15, 2017 interest at 1.30%	<u>2,530,000</u>
	<u>\$ 11,512,000</u>

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

Governmental Activities:

<u>Fiscal Year Ending June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 2,295,000	\$ 373,386	\$ 2,668,386
2017	2,282,000	312,144	2,594,144
2018	1,400,000	250,265	1,650,265
2019	765,000	221,400	986,400
2020	785,000	190,800	975,800
2021-2025	<u>3,985,000</u>	<u>474,800</u>	<u>4,459,800</u>
	<u>\$ 11,512,000</u>	<u>\$ 1,822,795</u>	<u>\$ 13,334,795</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 378,780,883
Less: Net Debt	<u>11,512,000</u>
Remaining Borrowing Power	<u>\$ 367,268,883</u>

Current Refundings of Debt

On March 10, 2015 the District issued \$2,530,000 in School District Refunding Bonds having an interest rate of 1.30%. These Bonds were issued in order to currently refund certain principal maturities of the 2004 School Bonds of the District. The total principal currently refunded was \$2,470,000. The reacquisition price exceeded the net carrying amount of the old debt by \$33,932. This amount has been reported as Deferred Outflows of Resources on the financial statements and amortized over the remaining life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next four years by \$76,756 and resulted in an economic gain of \$75,711.

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 (Restated)	Additions	Reductions	Balance, June 30, 2015	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 14,122,000	\$ 2,530,000	\$ 5,140,000	\$ 11,512,000	\$ 2,295,000
Deferred Amounts					
Add: Original Issue Premium	<u>741,018</u>	<u>-</u>	<u>103,425</u>	<u>637,593</u>	<u>-</u>
Total Bonds Payable	14,863,018	2,530,000	5,243,425	12,149,593	2,295,000
Capital Leases	2,081,690	353,572	707,159	1,728,103	618,681
Compensated Absences	6,411,013	709,728	863,489	6,257,252	
Net Pension Liability	<u>34,837,087</u>	<u>-</u>	<u>1,650,867</u>	<u>33,186,220</u>	<u>1,599,158</u>
Governmental Activity Long-Term Liabilities	<u>\$ 58,192,808</u>	<u>\$ 3,593,300</u>	<u>\$ 8,464,940</u>	<u>\$ 53,321,168</u>	<u>\$ 4,512,839</u>

The liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the pooled Insurance Program of New Jersey (PIPNJ). 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 fund 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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

PIPNJ provides 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 respective insurance funds 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, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015		\$ 258,633	\$ 310,153	\$ 284,907
2014		268,684	272,026	335,722
2013		238,690	242,079	338,191

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

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.

Pending Litigation –

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, 2015, 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, 2015, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, 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 and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 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, 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.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

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 member 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 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer 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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 1,444,633	\$ 3,673,828	\$ 51,251
2014	1,450,940	2,691,972	8,759
2013	1,444,049	4,077,937	8,629

For fiscal years 2014/2015 and 2012/2013, the state contributed \$3,673,828 and \$4,077,937, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$2,691,972 for normal cost pension and NCGI premium.

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 No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$5,061,934 during the fiscal year ended June 30, 2015 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 a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$33,186,220 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was 0.17725 percent, which was a decrease of 0.00502 percent from its proportionate share measured as of June 30, 2013.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,539,635 for PERS. At June 30, 2015, 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>
Changes of Assumptions	\$ 1,043,553	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 1,977,718
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>-</u>	<u>811,704</u>
Total	<u>\$ 1,043,553</u>	<u>\$ 2,789,422</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (451,810)
2017	(451,810)
2018	(451,810)
2019	(451,810)
2020	42,619
Thereafter	<u>18,752</u>
	<u>\$ (1,745,869)</u>

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	3.15-5.40%
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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 pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

PERS

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, 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 (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 41,749,260</u>	<u>\$ 33,186,220</u>	<u>\$ 25,995,430</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability 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 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, 2015**

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)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey 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% 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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$18,300,680 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$340,101,994. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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 pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

CLIFTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

TPAF

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2027

Municipal Bond Rate * From July 1, 2027
 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, 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 (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
District's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$409,054,272</u>	<u>\$ 340,101,994</u>	<u>\$ 282,753,996</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports 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 plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state 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. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**CLIFTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$5,832,206, \$4,413,821 and \$4,611,116, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

On July 1, 2014, the Clifton Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Clifton Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$34,837,087.

In addition, for fiscal year ending June 30, 2014, the District did not report certain capital leases. The result of this restatement is to increase long-term liabilities of governmental activities in the statement of net position with a corresponding reduction in total net position of \$371,897 in the statement of net position.

Finally, the financial statements for June 30, 2014 have also been restated to reflect an updated inventory of the District's capital assets as provided by an independent consultant. The effect of this restatement results in a net decrease of \$2,632,170 in governmental activities capital assets with a corresponding decrease in the net investment in capital assets component of net position at June 30, 2014.

In the District-wide financial statements, the above restatements reduced total net position of governmental activities at June 30, 2014 from \$64,854,926 as originally reported to \$27,013,772.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 122,854,257		\$ 122,854,257	\$ 122,854,257	
Interest Earned on Capital Reserve	8,000		8,000	8,976	\$ 976
Tuition				102,656	102,656
Miscellaneous	800,000	-	800,000	799,271	(729)
Sub-Total Local Sources	123,662,257	-	123,662,257	123,765,160	102,903
State Sources					
Special Education Aid	6,592,227		6,592,227	6,592,227	
Equalization Aid	17,684,735		17,684,735	17,684,735	
Security Aid	770,787		770,787	770,787	
Transportation Aid	485,830		485,830	485,830	
Under Adequacy Aid	500,000		500,000	500,000	
PARCC Readiness Aid	112,730		112,730	112,730	
Per Pupil Growth Aid	112,730		112,730	112,730	
Extraordinary Aid	580,000	\$ 174,248	754,248	754,248	
Nonpublic Transportation Aid				102,230	102,230
Homeless Tuition Aid Reimbursement				214,140	214,140
On-behalf TPAF Pension Contrib. (Non-budgeted)					
Normal				3,427,253	3,427,253
NCGI				246,575	246,575
Post-Retirement Medical Contribution				5,832,206	5,832,206
Reimbursed TPAF Social Security Contr. (Non-budgeted)	-	-	-	5,061,934	5,061,934
Sub-Total State Sources	26,839,039	174,248	27,013,287	41,897,625	14,884,338
Federal Sources					
ARRA Medicaid Reimbursement				128,263	128,263
Medicaid Reimbursement	202,831	-	202,831	439,227	236,396
Sub-Total Federal Sources	202,831	-	202,831	567,490	364,659
Total Revenues	150,704,127	174,248	150,878,375	166,230,275	15,351,900
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	2,655,190	(400,500)	2,254,690	2,176,554	78,136
Grades 1-5	15,699,223	245,500	15,944,723	15,944,713	10
Grades 6-8	10,493,988	(144,000)	10,349,988	10,334,470	15,518
Grades 9-12	14,199,186	(725,000)	13,474,186	13,461,159	13,027
Regular Programs - Home Instruction					
Salaries of Teachers	130,000	(20,000)	110,000	108,383	1,617
Purchased Professional-Educational Services	50,000	50,000	100,000	69,962	30,038
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	252,720	18,000	270,720	252,049	18,671
Purchased Technical Services	593,471	(170,000)	423,471	406,502	16,969
Other Purchased Services	7,000	-	7,000	2,225	4,775
General Supplies	2,595,900	300,000	2,895,900	2,877,586	18,314
Textbooks	808,537	520,000	1,328,537	1,325,479	3,058
Total Regular Programs	47,485,215	(326,000)	47,159,215	46,959,082	200,133
Special Education					
Cognitive - Moderate					
Salaries of Teachers	128,776	8,500	137,276	136,727	549
Other Purchased Services	1,500	-	1,500	508	992
General Supplies	657	-	657	529	128
Textbooks	200	-	200	-	200
Total Cognitive - Moderate	131,133	8,500	139,633	137,764	1,869

CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	\$ 2,677,582	\$ (46,500)	\$ 2,631,082	\$ 2,630,564	\$ 518
Other Salaries for Instruction	1,164,185	(169,000)	995,185	994,869	316
General Supplies	10,124	-	10,124	9,238	886
Textbooks	2,703	-	2,703	-	2,703
Total Learning/Language Disabilities	3,854,594	(215,500)	3,639,094	3,634,671	4,423
Behavioral Disabilities					
Salaries of Teachers	625,942	9,000	634,942	634,348	594
Other Salaries for Instruction	194,257	4,000	198,257	198,164	93
Other Purchased Services	1,210	(500)	710	168	542
General Supplies	2,997	(500)	2,497	2,178	319
Total Behavioral Disabilities	824,406	12,000	836,406	834,858	1,548
Multiple Disabilities					
Salaries of Teachers	718,168	(45,000)	673,168	671,934	1,234
Other Purchased Services	500	1,000	1,500	92	1,408
General Supplies	1,043	-	1,043	1,043	-
Total Multiple Disabilities	719,711	(44,000)	675,711	673,069	2,642
Resource Room/Resource Center					
Salaries of Teachers	4,789,741	(150,000)	4,639,741	4,639,052	689
General Supplies	8,629	-	8,629	8,126	503
Total Resource Room/Resource Center	4,798,370	(150,000)	4,648,370	4,647,178	1,192
Autism					
Salaries of Teachers	164,608	4,000	168,608	167,940	668
Other Salaries for Instruction	223,484	146,500	369,984	369,679	305
General Supplies	6,480	-	6,480	4,302	2,178
Total Autism	394,572	150,500	545,072	541,921	3,151
Preschool Disabilities - Part - Time					
Salaries of Teachers	914,960	40,000	954,960	951,180	3,780
Other Salaries for Instruction	507,243	(14,000)	493,243	492,737	506
Purchased Professional Educational Services	2,181	-	2,181	1,000	1,181
General Supplies	3,487	-	3,487	3,403	84
Total Preschool Handicapped - Part - Time	1,427,871	26,000	1,453,871	1,448,320	5,551
Total Special Education	12,150,657	(212,500)	11,938,157	11,917,781	20,376
Basic Skills/Remedial					
Salaries of Teachers	1,806,841	204,500	2,011,341	2,001,773	9,568
General Supplies	5,815	-	5,815	5,576	239
Total Basic Skills/Remedial	1,812,656	204,500	2,017,156	2,007,349	9,807

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 2,444,470	\$ (157,500)	\$ 2,286,970	\$ 2,280,965	\$ 6,005
Other Salaries for Instruction	182,623	2,000	184,623	183,915	708
Purchased Professional/Educational Services	13,800	-	13,800	579	13,221
General Supplies	39,300	-	39,300	33,554	5,746
Textbooks	27,000	-	27,000	22,205	4,795
Total Bilingual Education	<u>2,707,193</u>	<u>(155,500)</u>	<u>2,551,693</u>	<u>2,521,218</u>	<u>30,475</u>
School Sponsored Co-Curricular Activities					
Salaries	279,607	132,000	411,607	401,700	9,907
Purchased Services	137,900	(27,000)	110,900	110,493	407
Supplies and Materials	46,938	(10,000)	36,938	32,040	4,898
Other Objects	17,200	(5,000)	12,200	10,000	2,200
Total School Sponsored Co-Curricular Activities	<u>481,645</u>	<u>90,000</u>	<u>571,645</u>	<u>554,233</u>	<u>17,412</u>
School Sponsored Athletics					
Salaries	890,857	(55,000)	835,857	817,536	18,321
Purchased Services	86,750	-	86,750	60,552	26,198
Supplies and Materials	153,150	(2,008)	151,142	146,701	4,441
Other Objects	160,560	-	160,560	133,345	27,215
Total School Sponsored Athletics	<u>1,291,317</u>	<u>(57,008)</u>	<u>1,234,309</u>	<u>1,158,134</u>	<u>76,175</u>
Total - Instruction	<u>65,928,683</u>	<u>(456,508)</u>	<u>65,472,175</u>	<u>65,117,797</u>	<u>354,378</u>
Undistributed Expenditures					
Instruction					
Tuition Other LEA's Within the State - Regular	99,875	(10,000)	89,875	84,374	5,501
Tuition Other LEA's Within the State - Special	378,024	(147,000)	231,024	218,982	12,042
Tuition to County Vocational School - Regular	5,160,000	236,000	5,396,000	5,395,263	737
Tuition to County Vocational School - Special	217,475	(55,000)	162,475	146,866	15,609
Tuition to CSSD & Regional Day Schools	762,379	75,000	837,379	819,804	17,575
Tuition for Private Schools for the Disabled - Within State	5,245,883	543,500	5,789,383	5,750,428	38,955
Out of State	69,300	43,000	112,300	85,914	26,386
Tuition - State Facilities	199,047	-	199,047	199,047	-
Tuition - Other	83,538	(30,000)	53,538	39,780	13,758
Total Undistributed Expenditures - Instruction	<u>12,215,521</u>	<u>655,500</u>	<u>12,871,021</u>	<u>12,740,458</u>	<u>130,563</u>
Attendance and Social Work Services					
Salaries	260,806	(13,300)	247,506	246,315	1,191
Purchased Professional/Technical Services	27,500	-	27,500	24,045	3,455
Other Purchased Services	100	-	100	-	100
Supplies and Materials	6,500	-	6,500	3,577	2,923
Total Attendance and Social Work Services	<u>294,906</u>	<u>(13,300)</u>	<u>281,606</u>	<u>273,937</u>	<u>7,669</u>
Health Services					
Salaries	1,875,384	(155,700)	1,719,684	1,717,392	2,292
Purchased Professional and Technical Services	69,000	-	69,000	53,049	15,951
Other Purchased Services	500	-	500	117	383
Supplies and Materials	25,000	-	25,000	21,563	3,437
Total Health Services	<u>1,969,884</u>	<u>(155,700)</u>	<u>1,814,184</u>	<u>1,792,121</u>	<u>22,063</u>

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Speech OT/PT and Related Services					
Salaries	\$ 1,993,034	\$ (12,000)	\$ 1,981,034	\$ 1,974,797	\$ 6,237
Purchased Professional- Educational Services	498,200	(163,000)	335,200	318,756	16,444
Supplies and Materials	6,389	-	6,389	3,867	2,522
Total Speech, OT/PT & Related Serv.	<u>2,497,623</u>	<u>(175,000)</u>	<u>2,322,623</u>	<u>2,297,420</u>	<u>25,203</u>
Other Support Services - Students Extra Serv.					
Salaries	1,719,671	218,000	1,937,671	1,937,338	333
Purchased Professional/Educational Services	1,023,241	(106,500)	916,741	893,775	22,966
Supplies and Materials	800	-	800	-	800
Other Objects	5,000	-	5,000	-	5,000
Total Other Support Serv. - Students Extra Serv.	<u>2,748,712</u>	<u>111,500</u>	<u>2,860,212</u>	<u>2,831,113</u>	<u>29,099</u>
Guidance					
Salaries of Other Professional Staff	2,748,911	(60,000)	2,688,911	2,684,659	4,252
Salaries of Secretarial and Clerical Staff	304,605	5,000	309,605	303,149	6,456
Other Salaries	23,400	-	23,400	22,052	1,348
Purchased Professional/Educational Services	8,000	8,000	16,000	12,073	3,927
Other Purchased Professional/Technical Services	6,384	-	6,384	3,325	3,059
Other Purchased Services	10,000	-	10,000	2,065	7,935
Supplies and Materials	16,531	15,000	31,531	29,343	2,188
Total Guidance	<u>3,117,831</u>	<u>(32,000)</u>	<u>3,085,831</u>	<u>3,056,666</u>	<u>29,165</u>
Child Study Teams					
Salaries of Other Professional Staff	1,784,881	72,500	1,857,381	1,835,533	21,848
Salaries of Secretarial and Clerical Staff	57,839	12,000	69,839	68,224	1,615
Purchased Professional/Educational Services	70,000	(12,000)	58,000	45,907	12,093
Other Purchased Professional/Technical Services	56,000	(43,000)	13,000	9,934	3,066
Miscellaneous Purchased Services	5,500	-	5,500	4,295	1,205
Supplies and Materials	34,700	5,500	40,200	40,012	188
Total Child Study Teams	<u>2,008,920</u>	<u>35,000</u>	<u>2,043,920</u>	<u>2,003,905</u>	<u>40,015</u>
Improvement of Instruction Services/ Supplies and Materials	550,140	6,000	556,140	555,517	623
	10,800	-	10,800	8,110	2,690
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	<u>560,940</u>	<u>6,000</u>	<u>566,940</u>	<u>563,627</u>	<u>3,313</u>
Educational Media Services/School Library					
Salaries	1,532,357	(25,000)	1,507,357	1,506,917	440
Salaries of Technology Coordinators	119,854	13,000	132,854	132,816	38
Purchased Professional/Technical Services	119,900	(7,500)	112,400	110,658	1,742
Other Purchased Services	1,000	-	1,000	209	791
Supplies and Materials	187,827	(3,000)	184,827	181,483	3,344
Total Educational Media Services/School Library	<u>1,960,938</u>	<u>(22,500)</u>	<u>1,938,438</u>	<u>1,932,083</u>	<u>6,355</u>
Instructional Staff Training Services					
Purchased Professional Educational Services	120,000	50,000	170,000	164,478	5,522
Total Instructional Staff Training Services	<u>120,000</u>	<u>50,000</u>	<u>170,000</u>	<u>164,478</u>	<u>5,522</u>

CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 655,119	\$ 10,000	\$ 665,119	\$ 647,857	\$ 17,262
Legal Services	385,000	-	385,000	190,523	194,477
Audit Fees	68,000	69,500	137,500	77,390	60,110
Other Purchased Professional Services	77,000	147,000	224,000	81,328	142,672
Purchased Technical Services	174,810	(73,000)	101,810	100,005	1,805
Communications/Telephone	517,740	(18,500)	499,240	496,881	2,359
BOE Other Purchased Services	4,000	4,000	8,000	5,488	2,512
Other Purchased Services	576,111	50,000	626,111	625,878	233
General Supplies	15,000	(2,500)	12,500	7,557	4,943
BOE In-House Training/Meeting Supplies	1,300	-	1,300	300	1,000
Miscellaneous Expenditures	4,000	-	4,000	2,350	1,650
BOE Membership Dues and Fees	28,500	-	28,500	27,263	1,237
Total Support Services General Administration	2,506,580	186,500	2,693,080	2,262,820	430,260
School Administration					
Salaries of Principals/Assistant Principals	3,513,292	15,000	3,528,292	3,527,470	822
Salaries of Other Professional Staff	976,710	14,000	990,710	986,385	4,325
Salaries of Secretarial and Clerical Assistants	1,214,389	68,500	1,282,889	1,282,858	31
Other Salaries	14,508	(9,000)	5,508	1,722	3,786
Purchased Professional and Technical Services	426,647	(94,500)	332,147	316,161	15,986
Other Purchased Services	20,535	-	20,535	10,375	10,160
Supplies and Materials	168,947	(12,900)	156,047	151,578	4,469
Other Objects	6,000	-	6,000	-	6,000
Total School Administration	6,341,028	(18,900)	6,322,128	6,276,549	45,579
Central Services					
Salaries	1,037,668	(50,000)	987,668	968,727	18,941
Purchased Technical Services	106,000	(20,000)	86,000	67,867	18,133
Miscellaneous Purchased Services	4,500	-	4,500	1,746	2,754
Supplies and Materials	32,000	28	32,028	27,040	4,988
Other Objects	3,500	-	3,500	3,033	467
Total Central Services	1,183,668	(69,972)	1,113,696	1,068,413	45,283
Administrative Information Technology					
Salaries	260,341	10,001	270,342	261,618	8,724
Purchased Technical Services	730,600	(193,501)	537,099	456,681	80,418
Supplies and Materials	58,850	-	58,850	38,393	20,457
Total Administrative Information Technology	1,049,791	(183,500)	866,291	756,692	109,599
Required Maintenance for School Facilities					
Salaries	563,513	(30,000)	533,513	505,771	27,742
Cleaning, Repair and Maintenance Services	308,000	-	308,000	232,390	75,610
General Supplies	193,300	-	193,300	181,604	11,696
Total Required Maintenance for School Facilities	1,064,813	(30,000)	1,034,813	919,765	115,048

CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 4,259,406	\$ (175,000)	\$ 4,084,406	\$ 4,066,607	\$ 17,799
Purchased Professional and Technical Services	234,600	148,906	383,506	336,649	46,857
Cleaning, Repair and Maintenance Services	246,000	(76,200)	169,800	122,635	47,165
Rental of Land/Bldg. Other than Lease Pur. Agrmt.	117,500	1,800	119,300	117,456	1,844
Other Purchased Property Services	1,100	400	1,500	716	784
Insurance	137,004	1,000	138,004	137,109	895
Miscellaneous Purchased Services	28,000	-	28,000	21,351	6,649
General Supplies	342,000	(109,087)	232,913	209,705	23,208
Energy (Electricity)	1,098,774	116,000	1,214,774	1,093,676	121,098
Energy (Natural Gas)	1,187,615	(365,000)	822,615	657,885	164,730
Other Objects	25,500	-	25,500	8,710	16,790
Total Custodial Services	7,677,499	(457,181)	7,220,318	6,772,499	447,819
Care & Upkeep of Grounds					
Salaries	247,761	(500)	247,261	238,919	8,342
Cleaning, Repair and Maintenance Services	7,284	-	7,284	6,600	684
General Supplies	26,530	500	27,030	26,838	192
Total Care & Upkeep of Grounds	281,575	-	281,575	272,357	9,218
Student Transportation Services					
Salaries of Non-Instructional Aides	803,229	127,000	930,229	929,264	965
Salaries for Pupil Transportation (Between Home and School) - Regular	524,967	98,000	622,967	622,260	707
Salaries for Pupil Transportation (Between Home and School) - Special	824,327	(8,000)	816,327	814,577	1,750
Salaries for Pupil Transportation (Other Than Between Home and School)	121,447	56,000	177,447	155,834	21,613
Management Fee - ESC & CTSA Transportation	67,341	13,000	80,341	70,546	9,795
Other Purchased Professional/Technical Services	23,000	2,000	25,000	24,587	413
Cleaning, Repair and Maintenance Services	10,000	(2,501)	7,499	468	7,031
Lease Purchase Payments - School Buses	392,144	2,501	394,645	394,642	3
Contracted Services (Other than Between Home & School)- Vendors	80,000	7,000	87,000	86,568	432
Contracted Services (Regular Students) - ESCs & CTSA	779,734	323,000	1,102,734	1,054,310	48,424
Contracted Services (Spl. Ed. Students) - ESCs & CTSA	1,464,976	(33,000)	1,431,976	953,496	478,480
Contracted Services-Aid in Lieu of Payments- Non-Public Schools	697,500	(151,500)	546,000	544,806	1,194
Miscellaneous Purchased Services - Transportation	40,500	-	40,500	34,129	6,371
Supplies and Materials	265,000	110,966	375,966	374,761	1,205
Transportation Supplies	40,500	-	40,500	29,733	10,767
Total Student Transportation Services	6,134,665	544,466	6,679,131	6,089,981	589,150

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 1,850,000	\$ 125,248	\$ 1,975,248	\$ 1,936,237	\$ 39,011
Other Retirement Contributions	1,598,293	(102,000)	1,496,293	1,495,884	409
Workmen's Compensation	850,000	(152,000)	698,000	696,346	1,654
Health Benefits	22,702,442	(426,000)	22,276,442	22,272,443	3,999
Tuition Reimbursement	70,000	7,000	77,000	76,873	127
Other Employee Benefits	1,840,150	606,480	2,446,630	2,445,652	978
Total Unallocated Benefits	28,910,885	58,728	28,969,613	28,923,435	46,178
On-behalf TPAF Pension Contr. (Non-budgeted)					
Normal				3,427,253	(3,427,253)
NCGI				246,575	(246,575)
Post-Retirement Medical Costs				5,832,206	(5,832,206)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	5,061,934	(5,061,934)
Total Undistributed Expenditures	82,645,779	489,641	83,135,420	95,566,287	(12,430,867)
Total Current Expenditures	148,574,462	33,133	148,607,595	160,684,084	(12,076,489)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 6-8	80,000	(2,000)	78,000	72,367	5,633
Grades 9-12	352,500	60,000	412,500	411,821	679
School-Sponsored and Other Instructional Program	17,000	6,000	23,000	22,923	77
Undistributed Expenditures					
School Administration	30,369	29,993	60,362	59,573	789
Admin Information Technology		86,000	86,000	85,843	157
Operation and Maintenance of Plant	2,500	32,000	34,500	34,230	270
Non Instructional Equipment					
School Buses - Regular	61,500	(26,500)	35,000	34,871	129
School Buses - Special	34,500	-	34,500	33,752	748
Total Equipment	578,369	185,493	763,862	755,380	8,482
Facilities Acquisition and Construction Services					
Other Purchased Prof. and Tech. Services		432,602	432,602	182,135	250,467
Construction Services	3,475,000	269,258	3,744,258	3,117,293	626,965
Assessment for Debt Service on SDA Funding	130,701	-	130,701	130,701	-
Total Facilities Acquis. and Const. Services	3,605,701	701,860	4,307,561	3,430,129	877,432

CLIFTON BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY (Continued)					
Assets Acquired Under Capital Leases (Non-Budgeted)					
Undistributed Expenditures					
Student Transportation	-	-	-	\$ 353,572	\$ (353,572)
Total Assets Acquired Under Capital Leases (Non-Budgeted)	-	-	-	353,572	(353,572)
Interest Deposit to Capital Reserve	\$ 8,000	-	\$ 8,000	-	8,000
Total Capital Outlay	4,192,070	\$ 887,353	5,079,423	4,539,081	540,342
Transfer Funds to Charter School	2,227,989	148,500	2,376,489	2,357,343	19,146
Total Expenditures	154,994,521	1,068,986	156,063,507	167,580,508	(11,517,001)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,290,394)	(894,738)	(5,185,132)	(1,350,233)	3,834,899
Other Financing Sources (Uses)					
Capital Leases (Non-Budgeted)				353,572	353,572
Transfer In				32,836	32,836
Transfer Out	(3,347,653)	(159,000)	(3,506,653)	(3,506,653)	-
Total Other Financing Sources(Uses)	(3,347,653)	(159,000)	(3,506,653)	(3,120,245)	386,408
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,638,047)	(1,053,738)	(8,691,785)	(4,470,478)	4,221,307
Fund Balances, Beginning of Year	20,304,559	-	20,304,559	20,304,559	-
Fund Balances, End of Year	\$ 12,666,512	\$ (1,053,738)	\$ 11,612,774	\$ 15,834,081	\$ 4,221,307
Recapitulation					
Restricted Fund Balance					
Excess Surplus				\$ 250,197	
Excess Surplus- Designated for Subsequent Year's Expenditures				507,661	
Capital Reserve				6,397,963	
Capital Reserve- Designated for Subsequent Year's Expenditures				3,365,500	
Maintenance Reserve				750,000	
Assigned fund Balance					
Year-End Encumbrances				208,955	
Designated for Subsequent Year's Expenditures				1,000,000	
ARRA/SEMI - Unreserved - Designated for Subsequent Year's Expenditures				128,263	
Unassigned Fund Balance				3,225,542	
Budgetary Fund Balance				15,834,081	
Reconciliation to Governmental Funds statements (GAAP):					
Last State Aid Payments not recognized on GAAP Basis			\$ 2,526,231		
Extraordinary Aid not recognized on a GAAP Basis			754,248		
				3,280,479	
Fund Balances Per Governmental Funds (GAAP)				\$ 12,553,602	

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 662,651	\$ 268,195	\$ 930,846	\$ 782,554	\$ (148,292)
Federal	5,074,831	2,721,986	7,796,817	6,824,227	(972,590)
Local Sources					
Miscellaneous	-	26,632	26,632	6,918	(19,714)
Total Revenues	<u>5,737,482</u>	<u>3,016,813</u>	<u>8,754,295</u>	<u>7,613,699</u>	<u>(1,140,596)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	1,630,000	1,239,549	2,869,549	2,863,528	6,021
Other Salaries for Instruction		194,198	194,198	128,138	66,060
Purchased Professional/Technical Services		124,374	124,374	93,079	31,295
Purchased Professional/Educational Services	400,000	(367,659)	32,341	21,343	10,998
Purchased Professional Services		-	-	-	-
Tuition		-	-	-	-
Other Purchased Services		2,176	2,176	2,176	-
General Supplies	226,839	417,950	644,789	370,709	274,080
Miscellaneous Expenditures		15,681	15,681	14,470	1,211
Textbooks	57,253	10,371	67,624	65,263	2,361
Total Instruction	<u>2,314,092</u>	<u>1,636,640</u>	<u>3,950,732</u>	<u>3,558,706</u>	<u>392,026</u>
Support Services					
Salaries of Teachers		39,000	39,000		39,000
Salaries of Principal, Asst. Principals & Directors		136,283	136,283	135,635	648
Salaries of Supervisors of Instruction	310,000	(266,330)	43,670	43,670	-
Salaries of Other Professional Staff	1,150,000	238,809	1,388,809	1,319,195	69,614
Salaries of Secretarial and Clerical Asst.	130,000	101,794	231,794	209,291	22,503
Salaries of Literacy/Math Coach	150,000	(2,955)	147,045	147,045	-
Salaries of Technology Coordinator		60,712	60,712	60,712	-
Personal Services-Employee Benefits	642,623	407,632	1,050,255	750,414	299,841
Purchased Professional/Educational Services	986,833	(450,112)	536,721	491,027	45,694
Purchased Professional/Technical Services		96,090	96,090	93,628	2,462
Purchased Professional Services	53,934	670,358	724,292	613,148	111,144
Travel		6,682	6,682	6,117	565
Other Purchased Services		76,158	76,158	55,643	20,515
Supplies and Materials	-	235,924	235,924	124,213	111,711
Total Support Services	<u>3,423,390</u>	<u>1,350,045</u>	<u>4,773,435</u>	<u>4,049,738</u>	<u>723,697</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	30,128	30,128	5,255	24,873
Total Facilities Acquisition and Construction	<u>-</u>	<u>30,128</u>	<u>30,128</u>	<u>5,255</u>	<u>24,873</u>
Total Expenditures	<u>5,737,482</u>	<u>3,016,813</u>	<u>8,754,295</u>	<u>7,613,699</u>	<u>1,140,596</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**CLIFTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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.

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 166,230,275	C-2	\$ 7,613,699
Difference- Budget to GAAP			
State Aid payments and Extraordinary Aid Payment (2013/2014) recognized for GAAP Purposes not recognized for budgetary statements.	3,292,934		
Difference - Budget to GAAP:			
State Aid payments and Extraordinary Aid Payment (2014/2015) recognized for budgetary purposes, not recognized for GAAP statements	<u>(3,280,479)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2 <u>166,242,730</u>	B-2	<u>\$ 7,613,699</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1 \$ 167,580,508	C-2	\$ 7,613,699
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2 <u>\$ 167,580,508</u>	B-2	<u>\$ 7,613,699</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.17725 %	0.18227 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 33,186,220	\$ 34,837,087
District's Covered-Employee Payroll	\$ 12,593,399	\$ 12,135,990
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	264%	287%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,444,633	\$ 1,450,940
Contributions in Relation to the Contractually Required Contributions	<u>1,444,633</u>	<u>1,450,940</u>
Contribution Deficiency (Excess)	-	-
District's Covered- Employee Payroll	\$ 12,593,399	\$ 12,135,990
Contributions as a Percentage of Covered-Employee Payroll	11.47%	11.96%

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

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

**TEACHERS PENSION AND ANNUITY FUND
Last Two Fiscal Years ***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.63633 %	0.63110 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 340,101,994</u>	<u>\$ 318,957,104</u>
Total	\$ 340,101,994	\$ 318,957,104
District's Covered-Employee Payroll	\$ 69,759,296	\$ 63,665,771
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

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

**CLIFTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms:

None.

Change of Assumptions:

The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

**CLIFTON BOARD OF EDUCATION
GENERAL FUND
COMBINING BALANCE SHEET
AS OF JUNE 30, 2015**

NOT APPLICABLE

**SCHEDULE OF EXPENDITURES
ALLOCATED BY RESOURCE TYPE - ACTUAL
AS OF JUNE 30, 2015**

NOT APPLICABLE

**SCHEDULE OF BLENDED EXPENDITURES
BUDGET AND ACTUAL
AS OF JUNE 30, 2015**

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, 2015

	<u>NCLB Title I</u>	<u>NCLB Title II A</u>	<u>NCLB Title III</u>	<u>NCLB Title III Immigrant</u>	<u>Total Exhibit E-1 Page 2</u>	<u>Total Exhibit E-1 Page 3</u>	<u>Total Exhibit 2015</u>
REVENUES							
Local Sources					\$ 6,918		\$ 6,918
State Sources						\$ 782,554	782,554
Federal Sources	\$ 2,655,012	\$ 354,601	\$ 95,660	\$ 53,855	3,665,099	-	6,824,227
Total Revenues	<u>\$ 2,655,012</u>	<u>\$ 354,601</u>	<u>\$ 95,660</u>	<u>\$ 53,855</u>	<u>\$ 3,672,017</u>	<u>\$ 782,554</u>	<u>\$ 7,613,699</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 1,936,137	\$ 159,930	\$ 74,112	\$ 50,028	\$ 643,321		\$ 2,863,528
Other Salaries for Instruction					128,138		128,138
Purchased Professional/Technical Services					93,079		93,079
Purchased Professional/Educational Services	21,343						21,343
Other Purchased Services					2,176		2,176
General Supplies	26,203		18,269		247,905	\$ 78,332	370,709
Miscellaneous Expenditure					14,470		14,470
Textbooks	-	-	-	-	-	65,263	65,263
Total Instruction	<u>1,983,683</u>	<u>159,930</u>	<u>92,381</u>	<u>50,028</u>	<u>1,129,089</u>	<u>143,595</u>	<u>3,558,706</u>
Support Services							
Salaries of Principal, Asst. Principals & Directors	30,670				104,965		135,635
Salaries of Supervisors of Instruction	43,670						43,670
Salaries of Other Professional Staff	3,150				1,316,045		1,319,195
Salaries of Secretarial and Clerical Asst.	31,082				152,398	25,811	209,291
Salaries of Literacy/Math Coach	88,227	58,818					147,045
Salaries of Technology Coordinator		60,712					60,712
Purchased Prof./Educational Services	80,055	9,183	3,279		398,510		491,027
Purchased Professional/Technical Services					93,628		93,628
Purchased Professional Services					-	613,148	613,148
Travel	183				5,934		6,117
Personal Services- Employee Benefits	362,342	48,486		3,827	335,759		750,414
Other Purchased Services	31,950	17,472			6,221		55,643
Supplies and Materials	-	-	-	-	124,213	-	124,213
Total Support Services	<u>671,329</u>	<u>194,671</u>	<u>3,279</u>	<u>3,827</u>	<u>2,537,673</u>	<u>638,959</u>	<u>4,049,738</u>
Facilities Acquisition and Construction							
Instructional Equipment	-	-	-	-	5,255	-	5,255
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,255</u>	<u>-</u>	<u>5,255</u>
Total Expenditures	<u>\$ 2,655,012</u>	<u>\$ 354,601</u>	<u>\$ 95,660</u>	<u>\$ 53,855</u>	<u>\$ 3,672,017</u>	<u>\$ 782,554</u>	<u>\$ 7,613,699</u>

CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Local Programs	Carl Perkins	L.D.E.A.- Part B	L.D.E.A.- Part B- Basic Preschool	Twenty-First Century	Race to the Top	Total Exhibit E-1 Page 2
REVENUES							
Local Sources	\$ 6,918						\$ 6,918
State Sources							-
Federal Sources	-	\$ 81,214	\$ 2,945,987	\$ 78,227	\$ 454,628	\$ 105,043	3,665,099
Total Revenues	\$ 6,918	\$ 81,214	\$ 2,945,987	\$ 78,227	\$ 454,628	\$ 105,043	\$ 3,672,017
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 3,938		\$ 473,036		\$ 166,347		\$ 643,321
Other Salaries for Instruction			128,138				128,138
Purchased Professional/Technical Services		\$ 1,000	2,099		89,980		93,079
Other Purchased Services		2,176					2,176
Miscellaneous Expenditures		490			13,980		14,470
General Supplies	1,696	72,704	115,066	-	58,439	-	247,905
Total Instruction	5,634	76,370	718,339	-	328,746	-	1,129,089
Support Services							
Salaries of Principal, Asst. Principals & Directors			11,520		58,830	\$ 34,615	104,965
Salaries of Other Professional Staff			1,253,960	\$ 62,085			1,316,045
Salaries of Secretarial and Clerical Asst.			137,478		14,920		152,398
Purchased Prof./Educational Services			398,510				398,510
Purchased Professional/Technical Services					23,200	70,428	93,628
Personal Services- Employee Benefits			305,588	16,142	14,029		335,759
Other Purchased Services		1,150			5,071		6,221
Travel	851				5,083		5,934
Supplies and Materials	433	3,694	118,337	-	1,749	-	124,213
Total Support Services	1,284	4,844	2,225,393	78,227	122,882	105,043	2,537,673
Facilities Acquisition and Construction							
Instructional Equipment	-	-	2,255	-	3,000	-	5,255
Total Facilities Acquisition and Construction	-	-	2,255	-	3,000	-	5,255
Total Expenditures	\$ 6,918	\$ 81,214	\$ 2,945,987	\$ 78,227	\$ 454,628	\$ 105,043	\$ 3,672,017

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CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Nonpublic Technology</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic ESL</u>	<u>Compensatory Education</u>	<u>Nonpublic Transportation</u>	<u>Supplemental Instruction</u>	<u>Nonpublic Exam. and Class</u>	<u>Nonpublic Corrective Speech</u>	<u>New Jersey Exhibit E-1 Page 3</u>
REVENUES										
Local Sources										
State Sources	\$ 30,934	\$ 105,285	\$ 65,263	\$ 27,569	\$ 275,806	\$ 77,585	\$ 47,398	\$ 88,741	\$ 63,973	\$ 782,554
Federal Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 30,934</u>	<u>\$ 105,285</u>	<u>\$ 65,263</u>	<u>\$ 27,569</u>	<u>\$ 275,806</u>	<u>\$ 77,585</u>	<u>\$ 47,398</u>	<u>\$ 88,741</u>	<u>\$ 63,973</u>	<u>\$ 782,554</u>
EXPENDITURES										
Instruction										
General Supplies	\$ 30,934						\$ 47,398			\$ 78,332
Textbooks	-	-	\$ 65,263	-	-	-	-	-	-	65,263
Total Instruction	<u>30,934</u>	<u>-</u>	<u>65,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,398</u>	<u>-</u>	<u>-</u>	<u>143,595</u>
Support Services										
Salaries of Secretarial and Clerical Asst.					\$ 25,811					25,811
Purchased Professional Services	-	\$ 105,285	-	\$ 27,569	249,995	\$ 77,585	-	\$ 88,741	\$ 63,973	613,148
Total Support Services	<u>-</u>	<u>105,285</u>	<u>-</u>	<u>27,569</u>	<u>275,806</u>	<u>77,585</u>	<u>-</u>	<u>88,741</u>	<u>63,973</u>	<u>638,959</u>
Total Expenditures	<u>\$ 30,934</u>	<u>\$ 105,285</u>	<u>\$ 65,263</u>	<u>\$ 27,569</u>	<u>\$ 275,806</u>	<u>\$ 77,585</u>	<u>\$ 47,398</u>	<u>\$ 88,741</u>	<u>\$ 63,973</u>	<u>\$ 782,554</u>

**CLIFTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**CLIFTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2015</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Roof Replacement at School #1 and High School	\$ 1,912,400	\$ 111,847	\$ 1,487,318	\$ 313,235
Boiler Upgrades at School #14 and #16	1,003,500	56,566	581,437	365,497
Electrical Upgrades at School #14 and #16	911,750	58,052	271,814	581,884
Window Replacement at School #14, #16 and Woodrow Wilson Middle School	2,157,772	63,314	128,096	1,966,362
Video/Security Woodrow Wilson and Christopher Columbus Middle School	<u>330,000</u>	<u>26,907</u>	<u>298,116</u>	<u>4,977</u>
	<u>\$ 6,315,422</u>	<u>\$ 316,686</u>	<u>\$ 2,766,781</u>	<u>\$ 3,231,955</u>
Project Balances				\$ 3,231,955
Less:				
Unearned SDA Revenue				<u>(1,130,383)</u>
Fund Balance - GAAP Basis				<u>\$ 2,101,572</u>
<u>Analysis of Balance</u>				
Year End Encumbrances				\$ 1,542,830
Uncommitted Project Balances				<u>558,742</u>
				<u>\$ 2,101,572</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, 2015**

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ 3,506,653
	<u>3,506,653</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	151,661
Facilities Acquisition and Construction Services	<u>2,615,120</u>
	<u>2,766,781</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	739,872
Fund Balance, July 1, 2014 - Budgetary Basis	<u>2,492,083</u>
Fund Balance, June 30, 2015 - Budgetary Basis	<u>\$ 3,231,955</u>
Reconciliation fo Fund Balance - GAAP Basis	
Fund Balance, June 30, 2015 - Budgetary Basis	\$ 3,231,955
Less Unearned Revenue - SDA Grant	<u>(1,130,383)</u>
Fund Balance, June 30, 2015 - GAAP Basis	<u>\$ 2,101,572</u>

**CLIFTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT AT HIGH SCHOOL AND SCHOOL #1
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 716,760		\$ 716,760	\$ 716,760
Local Share- Transfer from Capital Reserve	<u>120,500</u>	<u>\$1,075,140</u>	<u>1,195,640</u>	<u>1,195,640</u>
Total Revenues and Other Financing Sources	<u>837,260</u>	<u>1,075,140</u>	<u>1,912,400</u>	<u>1,912,400</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical services	111,847	16,700	128,547	299,690
Facilities Acquisition and Construction Services	<u>-</u>	<u>1,470,618</u>	<u>1,470,618</u>	<u>1,612,710</u>
Total Expenditures and Other Financing Uses	<u>111,847</u>	<u>1,487,318</u>	<u>1,599,165</u>	<u>1,912,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 725,413</u>	<u>\$ (412,178)</u>	<u>\$ 313,235</u>	<u>\$ -</u>

Additional Project Information:

Project Number	0900-080-14-G2XU 0900-030-14-G2LJ
Grant Date	5/28/2014
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,791,900
Additional Appropriation	<u>120,500</u>
Revised Authorized Cost	<u>\$ 1,912,400</u>
Change Order Percentage	N/A
Percentage Completion	84%
Original Target Completion Date	12/31/2014
Revised Target Completion Date	N/A

**CLIFTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BOILER REPLACEMENT AT SCHOOL #14 AND #16
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 375,000		\$ 375,000	\$ 375,000
Local Share- Transfer from Capital Reserve	<u>66,000</u>	<u>\$ 562,500</u>	<u>628,500</u>	<u>628,500</u>
Total Revenues and Other Financing Sources	<u>441,000</u>	<u>562,500</u>	<u>1,003,500</u>	<u>1,003,500</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical services	56,566	14,790	71,356	159,750
Facilities Acquisition and Construction Services	<u>-</u>	<u>566,647</u>	<u>566,647</u>	<u>843,750</u>
Total Expenditures and Other Financing Uses	<u>56,566</u>	<u>581,437</u>	<u>638,003</u>	<u>1,003,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 384,434</u>	<u>\$ (18,937)</u>	<u>\$ 365,497</u>	<u>\$ -</u>

Additional Project Information:

Project Number	0900-190-14-G2LN 0900-210-G2LR
Grant Date	5/28/2014
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 937,500
Additional Appropriation	<u>66,000</u>
Revised Authorized Cost	<u>\$ 1,003,500</u>
Change Order Percentage	N/A
Percentage Completion	64%
Original Target Completion Date	12/31/2014
Revised Target Completion Date	12/31/2015

**CLIFTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ELECTRICAL UPGRADES AT SCHOOL #14 AND #16
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 337,500		\$ 337,500	\$ 337,500
Local Share- Transfer from Capital Reserve	<u>68,000</u>	<u>\$ 506,250</u>	<u>574,250</u>	<u>574,250</u>
Total Revenues and Other Financing Sources	<u>405,500</u>	<u>506,250</u>	<u>911,750</u>	<u>911,750</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical services	58,052	11,564	69,616	152,375
Facilities Acquisition and Construction Services	<u>-</u>	<u>260,250</u>	<u>260,250</u>	<u>759,375</u>
Total Expenditures and Other Financing Uses	<u>58,052</u>	<u>271,814</u>	<u>329,866</u>	<u>911,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 347,448</u>	<u>\$ 234,436</u>	<u>\$ 581,884</u>	<u>\$ -</u>

Additional Project Information:

Project Number	0900-210-14G2LS 0900-190-14-G2LO
Grant Date	5/28/2014
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 843,750
Additional Appropriation	<u>68,000</u>
Revised Authorized Cost	<u>\$ 911,750</u>
Change Order Percentage	N/A
Percentage Completion	36%
Original Target Completion Date	12/31/2014
Revised Target Completion Date	N/A

**CLIFTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENT AT SCHOOL #14, #16 AND WOODROW WILSON MIDDLE SCHOOL
COLUMBUS MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 802,509		\$ 802,509	\$ 802,509
Local Share- Transfer from Capital Reserve	<u>151,500</u>	<u>\$ 1,203,763</u>	<u>1,355,263</u>	<u>1,355,263</u>
 Total Revenues and Other Financing Sources	 <u>954,009</u>	 <u>1,203,763</u>	 <u>2,157,772</u>	 <u>2,157,772</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical services	63,314	78,648	141,962	352,127
Facilities Acquisition and Construction Services	<u>-</u>	<u>49,448</u>	<u>49,448</u>	<u>1,805,645</u>
 Total Expenditures and Other Financing Uses	 <u>63,314</u>	 <u>128,096</u>	 <u>191,410</u>	 <u>2,157,772</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 890,695</u>	 <u>\$ 1,075,667</u>	 <u>\$ 1,966,362</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	0900-070-14-G2LM
	0900-190-14-G2LP
	0900-210-14-G2LQ
Grant Date	5/28/2014
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,006,272
Additional Appropriation	<u>151,500</u>
Revised Authorized Cost	<u>\$ 2,157,772</u>
 Change Order Percentage	 N/A
Percentage Completion	9%
Original Target Completion Date	12/31/2014
Revised Target Completion Date	12/31/2015

CLIFTON BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
 PROJECT STATUS - BUDGETARY BASIS
 VIDEO CAMERA/SECURITY UPRGRADE AT WOODDROW WILSON AND CHRISTOPHER
 COLUMBUS MIDDLE SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 132,000		\$ 132,000	\$ 132,000
Local Share- Transfer from Capital Reserve	<u>39,000</u>	<u>\$ 159,000</u>	<u>198,000</u>	<u>198,000</u>
Total Revenues and Other Financing Sources	<u>171,000</u>	<u>159,000</u>	<u>330,000</u>	<u>330,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical services	26,907	29,959	56,866	33,000
Facilities Acquisition and Construction Services	<u>-</u>	<u>268,157</u>	<u>268,157</u>	<u>297,000</u>
Total Expenditures and Other Financing Uses	<u>26,907</u>	<u>298,116</u>	<u>325,023</u>	<u>330,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 144,093</u>	<u>\$ (139,116)</u>	<u>\$ 4,977</u>	<u>\$ -</u>

Additional Project Information:

Project Number	0900-070-14-G2LL 0900-035-14-G2LK
Grant Date	5/28/2014
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 330,000
Additional Appropriation	-
Revised Authorized Cost	\$ 330,000
Change Order Percentage	N/A
Percentage Completion	98%
Original Target Completion Date	12/31/2014
Revised Target Completion Date	N/A

NON-MAJOR ENTERPRISE FUNDS

**CLIFTON BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Driver Education</u>	<u>Extensions Child Care Program</u>	<u>Non-Major Enterprise Fund Total</u>
ASSETS			
Cash and Cash Equivalents		\$ 75,046	\$ 75,046
Other Receivables	-	<u>11,270</u>	<u>11,270</u>
Total Assets	<u>-</u>	<u>86,316</u>	<u>86,316</u>
NET POSITION			
Unrestricted	<u>-</u>	<u>86,316</u>	<u>86,316</u>
Total Net Position	<u>\$ -</u>	<u>\$ 86,316</u>	<u>\$ 86,316</u>

**CLIFTON BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Driver Education</u>	<u>Extensions Child Care Program</u>	<u>Non-Major Enterprise Fund Total</u>
OPERATING REVENUES			
Local Sources			
Program Fees	\$ 28,120	\$ 485,879	\$ 513,999
Total Operating Revenues	<u>28,120</u>	<u>485,879</u>	<u>513,999</u>
OPERATING EXPENSES			
Salaries and Wages	21,733	483,867	505,600
Supplies and Materials	<u>-</u>	<u>14,329</u>	<u>14,329</u>
Total Operating Expenses	<u>21,733</u>	<u>498,196</u>	<u>519,929</u>
Operating Income (Loss)	<u>6,387</u>	<u>(12,317)</u>	<u>(5,930)</u>
OTHER FINANCING (USES)			
Transfer Out	<u>(32,836)</u>	<u>-</u>	<u>(32,836)</u>
Total Other Financing (Uses)	<u>(32,836)</u>	<u>-</u>	<u>(32,836)</u>
Change in Net Position	(26,449)	(12,317)	(38,766)
Total Net Position, Beginning of Year	<u>26,449</u>	<u>98,633</u>	<u>125,082</u>
Total Net Position, End of Year	<u>\$ -</u>	<u>\$ 86,316</u>	<u>\$ 86,316</u>

**CLIFTON BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Driver Education</u>	<u>Extensions Child Care Program</u>	<u>Non-Major Enterprise Fund Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 28,120	\$ 485,879	\$ 513,999
Cash Payments for Employees			
Salaries & Benefits	(21,733)	(483,867)	(505,600)
Cash Payments to Suppliers for Goods and Services	<u>(2,143)</u>	<u>(34,719)</u>	<u>(36,862)</u>
Net Cash Provided/(Used) by Operating Activities	<u>4,244</u>	<u>(32,707)</u>	<u>(28,463)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Disbursed from Other Funds	<u>(32,836)</u>	<u>-</u>	<u>(32,836)</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(32,836)</u>	<u>-</u>	<u>(32,836)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(28,592)	(32,707)	(61,299)
Cash and Cash Equivalents, Beginning of Year	<u>28,592</u>	<u>107,753</u>	<u>136,345</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 75,046</u>	<u>\$ 75,046</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES			
Operating Income/(Loss)	\$ 6,387	\$ (12,317)	\$ (5,930)
Adjustments to Reconcile Operating Change in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable		(2,085)	(2,085)
Increase/(Decrease) in Accounts Payable	<u>(2,143)</u>	<u>(18,305)</u>	<u>(20,448)</u>
Total Adjustments	<u>(2,143)</u>	<u>(20,390)</u>	<u>(22,533)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 4,244</u>	<u>\$ (32,707)</u>	<u>\$ (28,463)</u>

EXHIBIT G-4

**CLIFTON BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-5

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-6

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

**CLIFTON BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 461,238	\$ 736,906	\$ 1,198,144
Due from Other Funds	-	97,442	97,442
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 461,238</u>	<u>\$ 834,348</u>	<u>\$ 1,295,586</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 833,310	\$ 833,310
Accrued Salaries and Wages		922	922
Due to Other Funds		116	116
Due to Student Groups	\$ 461,238	-	461,238
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 461,238</u>	<u>\$ 834,348</u>	<u>\$ 1,295,586</u>

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**CLIFTON BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
MIDDLE SCHOOLS				
Woodrow Wilson	\$ 22,804	\$ 136,068	\$ 133,300	\$ 25,572
Christopher Columbus	<u>23,615</u>	<u>32,990</u>	<u>31,918</u>	<u>24,687</u>
 Total Middle Schools	 <u>46,419</u>	 <u>169,058</u>	 <u>165,218</u>	 <u>50,259</u>
 HIGH SCHOOL				
Clifton High School	<u>339,925</u>	<u>340,569</u>	<u>357,028</u>	<u>323,466</u>
 OTHER				
Internal Account	95,954	494,857	509,397	81,414
Athletic Account	4,591	54,808	57,298	2,101
Athletic Hall of Fame Acct	<u>4,646</u>	<u>-</u>	<u>648</u>	<u>3,998</u>
 Total Other	 <u>105,191</u>	 <u>549,665</u>	 <u>567,343</u>	 <u>87,513</u>
 Total All Schools	 <u>\$ 491,535</u>	 <u>\$ 1,059,292</u>	 <u>\$ 1,089,589</u>	 <u>\$ 461,238</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipt</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
Payroll Deductions and Withholdings	\$ 1,015,052	\$ 42,661,528	\$ 42,843,270	\$ 833,310
Accrued Salaries and Wages	2,491	57,907,122	57,908,691	922
Due from/to Other Funds	<u>(97,171)</u>	<u>5,342,835</u>	<u>5,342,990</u>	<u>(97,326)</u>
 Total	 <u>\$ 920,372</u>	 <u>\$ 105,911,485</u>	 <u>\$ 106,094,951</u>	 <u>\$ 736,906</u>

LONG-TERM DEBT

**CLIFTON BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

96

<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, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	6/15/1998	\$ 6,520,000				\$ 460,000		\$ 460,000	-
Refunding Bonds	9/15/2004	9,855,000							
						3,310,000		3,310,000	-
School Improvements	2/1/2005	11,149,000				550,000		550,000	-
School Improvements	5/15/2007	2,417,000	5/1/2016	275,000	3.75%				
			5/1/2017	287,000	3.875%	827,000		265,000	\$ 562,000
Refunding Bonds	1/12/2012	2,812,000	5/1/2016	540,000	4.000%				
			5/1/2017	550,000	4.000%	1,640,000		550,000	1,090,000
Refunding Bonds	6/4/2013	7,410,000	3/1/2016	605,000	3.000%				
			3/1/2017	600,000	3.000%				
			3/1/2018	590,000	4.000%				
			3/1/2019	765,000	4.000%				
			3/1/2020	785,000	4.000%				
			3/1/2021	810,000	4.000%				
			3/1/2022	805,000	4.000%				
			3/1/2023-24	800,000	4.000%				
			3/1/2025	770,000	4.000%	7,335,000		5,000	7,330,000
Refunding Bonds	3/10/2015	2,525,000	12/15/2015	875,000	1.300%				
			12/15/2016	845,000	1.300%				
			12/15/2017	810,000	1.300%				
						-	\$ 2,530,000	-	2,530,000
						<u>\$ 14,122,000</u>	<u>\$ 2,530,000</u>	<u>\$ 5,140,000</u>	<u>\$ 11,512,000</u>
							Budget Appropriation	\$ 2,670,000	
							Refunded	<u>2,470,000</u>	
								<u>\$ 5,140,000</u>	

**CLIFTON BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

97	<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2014</u> (Restated)	<u>Issued Current Year</u>	<u>Payments</u>	<u>Balance June 30, 2015</u>
	2010 (2) 54 Passenger Buses	4.78%	\$ 162,574	\$ 18,085		\$ 18,085	
	2010 (3) 16 Passenger Buses	4.78%	133,275	9,937		9,937	
	2011 (3) 54 Passenger Buses	3.98%	252,600	52,494		52,494	
	2011 (3) 16 Passenger Buses	3.98%	137,619	28,593		28,593	
	2012 Student Transportation- (3) 24 Passenger Buses (3) 54 Passenger Buses (1) Chevy Impala	3.20%	436,632	177,434		87,265	\$ 90,169
	2013 Student Transportation (3) 54 Passenger Buses and (3) 24 Passenger Buses	2.34%	444,870	266,951		87,053	179,898
	2014 (3) 24 Passenger Buses	2.19%	160,500	134,773		31,158	103,615
	2014 (3) 54 Passenger Buses	2.00%	282,375	237,124		55,122	182,002
	Technology Upgrade/Improvements	2.70%	1,452,997	1,156,299		275,122	881,177
	2015 (2) 54 Passenger, (2) 20 Passenger and (1) 19 Passenger Buses	2.37%	353,572	-	\$ 353,572	62,330	291,242
				<u>\$ 2,081,690</u>	<u>\$ 353,572</u>	<u>\$ 707,159</u>	<u>\$ 1,728,103</u>

**CLIFTON BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 3,024,842		\$ 3,024,842	\$ 3,024,842	
Miscellaneous				3,751	\$ 3,751
State Sources					
Debt Service Aid	<u>170,304</u>	<u>-</u>	<u>170,304</u>	<u>170,304</u>	<u>-</u>
Total Revenues	<u>3,195,146</u>	<u>-</u>	<u>3,195,146</u>	<u>3,198,897</u>	<u>3,751</u>
EXPENDITURES					
Regular Debt Service					
Principal	2,670,000		2,670,000	2,670,000	
Interest	525,146		525,146	482,500	42,646
Cost of Issuance on Refunding	-	-	-	26,068	(26,068)
Total Expenditures	<u>3,195,146</u>	<u>-</u>	<u>3,195,146</u>	<u>3,178,568</u>	<u>16,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,329</u>	<u>20,329</u>
OTHER FINANCING SOURCES(USES)					
Payments to Refunding Escrow Agent				(2,503,932)	(2,503,932)
Refunding Bond Proceeds	-	-	-	2,530,000	2,530,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,068</u>	<u>26,068</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,397</u>	<u>46,397</u>
Fund Balances, Beginning of Year	<u>44,170</u>	<u>-</u>	<u>44,170</u>	<u>44,170</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 44,170</u>	<u>\$ -</u>	<u>\$ 44,170</u>	<u>\$ 90,567</u>	<u>\$ 46,397</u>
Recapitulation of Fund Balance:					
Restricted					
Designated for Subsequent Year's Budget				\$ 44,170	
Available for Future Debt Service Expenditures				<u>46,397</u>	
				<u>\$ 90,567</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						(Restated)			(Restated)	
Governmental activities										
Net Investment in capital assets	\$ 30,775,120	\$33,383,517	\$39,274,156	\$42,503,225	\$ 42,797,060	\$ 42,982,992	\$ 46,050,770	\$ 49,664,750	\$ 51,332,383	\$ 56,825,142
Restricted	146,489	154,001	201,024	251,808	152,608	3,990,856	6,020,388	11,900,580	15,246,242	12,705,602
Unrestricted	3,208,553	861,866	(5,843,568)	(9,502,267)	(7,204,470)	(5,008,334)	(1,042,740)	(1,097,806)	(39,564,853)	(39,272,100)
Total governmental activities net position	<u>\$ 34,130,162</u>	<u>\$34,399,384</u>	<u>\$33,631,612</u>	<u>\$33,252,766</u>	<u>\$ 35,745,198</u>	<u>\$ 41,965,514</u>	<u>\$ 51,028,418</u>	<u>\$ 60,467,524</u>	<u>\$ 27,013,772</u>	<u>\$ 30,258,644</u>
Business-type activities										
Net Investment in Capital Assets	\$ 89,258	\$ 104,352	\$ 100,099	\$ 97,834	\$ 134,696	\$ 118,590	\$ 97,993	\$ 215,922	\$ 219,498	\$ 182,189
Unrestricted	(37,366)	144,314	227,909	399,392	685,691	1,058,601	974,466	946,261	796,367	838,892
Total business-type activities net position	<u>\$ 51,892</u>	<u>\$ 248,666</u>	<u>\$ 328,008</u>	<u>\$ 497,226</u>	<u>\$ 820,387</u>	<u>\$ 1,177,191</u>	<u>\$ 1,072,459</u>	<u>\$ 1,162,183</u>	<u>\$ 1,015,865</u>	<u>\$ 1,021,081</u>
District-wide										
Net Investment in capital assets	\$ 30,864,378	\$33,487,869	\$39,374,255	\$42,601,059	\$ 42,931,756	\$ 43,101,582	\$ 46,148,763	\$ 49,880,672	\$ 51,551,881	\$ 57,007,331
Restricted	146,489	154,001	201,024	251,808	152,608	3,990,856	6,020,388	11,900,580	15,246,242	12,705,602
Unrestricted	3,171,187	1,006,180	(5,615,659)	(9,102,875)	(6,518,779)	(3,949,733)	(68,274)	(151,545)	(38,768,486)	(38,433,208)
Total district net position	<u>\$ 34,182,054</u>	<u>\$34,648,050</u>	<u>\$33,959,620</u>	<u>\$33,749,992</u>	<u>\$ 36,565,585</u>	<u>\$ 43,142,705</u>	<u>\$ 52,100,877</u>	<u>\$ 61,629,707</u>	<u>\$ 28,029,637</u>	<u>\$ 31,279,725</u>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 58,552,959	\$ 64,441,197	\$ 67,460,969	\$ 66,490,450	\$ 68,933,131	\$ 66,658,266	\$ 69,187,055	\$ 71,463,155	\$ 74,460,151	\$ 82,872,309
Special education	17,929,007	19,759,391	22,014,557	22,135,331	22,442,611	21,060,092	22,405,872	24,308,541	24,962,054	27,741,474
Other instruction	5,843,224	6,520,084	6,791,340	7,819,030	8,786,469	8,682,981	8,835,690	8,938,202	9,124,366	10,229,725
School Sponsored Activities and Athletics	1,466,108	1,609,940	1,695,298	1,812,413	1,821,826	1,658,877	1,791,516	1,713,200	2,241,871	2,515,645
Support Services:										
Student & instruction related services	17,464,704	18,833,353	19,633,038	20,445,742	20,266,953	19,998,682	20,505,150	20,938,361	21,805,477	24,638,222
Educational Media/School Library	3,240,944	3,379,492	3,495,426	3,485,013	3,332,302	2,194,043	2,556,649	2,891,497	2,824,930	3,012,399
School Administrative services	7,481,370	8,196,494	8,301,460	8,152,419	8,500,580	8,181,918	7,872,388	8,605,927	9,125,903	10,119,311
General administration	3,009,420	3,100,257	3,376,168	3,092,680	2,888,848	2,744,597	2,694,879	2,793,661	2,768,583	2,744,739
Central Services	2,368,487	2,783,984	2,742,118	2,509,388	2,614,709	2,597,369	2,460,908	2,579,787	2,711,969	2,667,556
Plant operations and maintenance	10,798,555	11,409,353	11,985,653	11,181,780	12,095,275	11,246,507	11,102,076	10,959,361	10,860,152	14,955,471
Pupil transportation	5,434,295	5,929,400	6,744,694	6,836,546	6,518,303	6,590,112	6,520,750	6,723,371	6,250,087	7,670,696
Interest on long-term debt	1,622,143	1,462,769	1,450,344	1,306,716	1,343,236	1,010,561	989,666	968,684	873,173	535,980
Total governmental activities expenses	135,211,216	147,425,714	155,691,065	155,267,508	159,544,243	152,624,005	156,922,599	162,883,747	168,008,716	189,703,527
Business-type activities:										
Food service	2,639,788	2,759,018	3,200,508	3,401,829	3,624,744	3,720,149	3,981,710	4,212,477	4,665,714	4,470,841
Other Non Major	213,350	215,424	243,358	287,938	371,989	242,605	237,165	305,275	430,995	519,929
Total business-type activities expense	2,853,138	2,974,442	3,443,866	3,689,767	3,996,733	3,962,754	4,218,875	4,517,752	5,096,709	4,990,770
Total district expenses	\$ 138,064,354	\$ 150,400,156	\$ 159,134,931	\$ 158,957,275	\$ 163,540,976	\$ 156,586,759	\$ 161,141,474	\$ 167,401,499	\$ 173,105,425	\$ 194,694,297
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 32,423	\$ 118,770			\$ 163,840	\$ 218,265				\$ 102,656
Operating grants and contributions	25,989,927	30,167,740	\$ 32,559,368	\$ 25,354,325	30,279,308	24,939,721	\$ 26,592,025	\$ 29,870,023	\$ 29,398,684	46,092,373
Capital grants and contributions	2,802,673	-	1,145,327	3,664	50,469	68,178	1,587,105	-	-	1,238,641
Total governmental activities program revenues	28,825,023	30,286,510	33,704,695	25,357,989	30,493,617	25,226,164	28,179,130	29,870,023	29,398,684	47,433,670

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services										
Food service	\$ 1,757,550	\$ 1,663,818	\$ 1,723,341	\$ 1,722,265	\$ 1,738,352	\$ 1,691,304	\$ 1,660,615	\$ 1,673,337	\$ 1,531,120	\$ 1,451,309
Other Non Major	205,546	206,983	231,425	268,838	344,735	265,266	281,594	348,439	449,785	513,999
Operating grants and contributions	972,846	1,251,511	1,542,366	1,843,456	2,205,537	2,358,851	2,390,050	2,584,784	2,967,954	3,063,249
Total business type activities program revenues	2,935,942	3,122,312	3,497,132	3,834,559	4,288,624	4,315,421	4,332,259	4,606,560	4,948,859	5,028,557
Total district program revenues	\$ 31,760,965	\$ 33,408,822	\$ 37,201,827	\$ 29,192,548	\$ 34,782,241	\$ 29,541,585	\$ 32,511,389	\$ 34,476,583	\$ 34,347,543	\$ 52,462,227
Net (Expense)/Revenue										
Governmental activities	\$ (106,386,193)	\$ (117,139,204)	\$ (121,986,370)	\$ (129,909,519)	\$ (129,050,626)	\$ (127,397,841)	\$ (128,743,469)	\$ (133,013,724)	\$ (138,610,032)	\$ (142,269,857)
Business-type activities	82,804	147,870	53,266	144,792	291,891	352,667	113,384	88,808	(147,850)	37,787
Total district-wide net expense	\$ (106,303,389)	\$ (116,991,334)	\$ (121,933,104)	\$ (129,764,727)	\$ (128,758,735)	\$ (127,045,174)	\$ (128,630,085)	\$ (132,924,916)	\$ (138,757,882)	\$ (142,232,070)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 103,545,393	\$ 105,901,654	\$ 109,600,671	\$ 111,747,537	\$ 116,045,650	\$ 117,891,086	\$ 119,728,264	\$ 121,630,815	\$ 123,583,481	\$ 125,879,099
State Aid restricted for debt service	205,607	205,227	202,193	406,440	222,259	184,062	181,134	178,050	174,797	170,304
Unrestricted grants and contributions	9,193,993	9,335,015	9,842,006	16,188,770	14,534,014	14,999,272	17,005,219	17,777,000	18,131,549	18,620,492
Miscellaneous income	1,761,779	1,976,677	1,580,266	1,207,026	768,389	543,737	1,001,353	2,866,965	1,107,607	811,998
Transfers	(11,493)	(10,147)	(6,538)	(19,100)	(27,254)	3,962	3,962	-	-	32,836
Total governmental activities	114,695,279	117,408,426	121,218,598	129,530,673	131,543,058	133,618,157	137,919,932	142,452,830	142,997,434	145,514,729
Business-type activities:										
Investment earnings	31,538	38,757	19,538	5,326	4,016	4,137	1,312	916	1,532	265
Transfers	11,493	10,147	6,538	19,100	27,254	-	(3,962)	-	-	(32,836)
Total business-type activities	43,031	48,904	26,076	24,426	31,270	4,137	(2,650)	916	1,532	(32,571)
Total district-wide	\$ 114,738,310	\$ 117,457,330	\$ 121,244,674	\$ 129,555,099	\$ 131,574,328	\$ 133,622,294	\$ 137,917,282	\$ 142,453,746	\$ 142,998,966	\$ 145,482,158
Change in Net Position										
Governmental activities	\$ 8,309,086	\$ 269,222	\$ (767,772)	\$ (378,846)	\$ 2,492,432	\$ 6,220,316	\$ 9,176,463	\$ 9,439,106	\$ 4,387,402	\$ 3,244,872
Business-type activities	125,835	196,774	79,342	169,218	323,161	356,804	110,734	89,724	(146,318)	5,216
Total district	\$ 8,434,921	\$ 465,996	\$ (688,430)	\$ (209,628)	\$ 2,815,593	\$ 6,577,120	\$ 9,287,197	\$ 9,528,830	\$ 4,241,084	\$ 3,250,088

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 2,635,546	\$ 4,695,990	\$ 1,263,246	\$ 494,618	\$ 1,068,024					
Unreserved	5,501,708	1,190,769	(68,936)	(1,658,837)	(480,504)					
Restricted						\$ 3,990,855	\$ 8,453,827	\$ 14,334,020	\$ 15,581,419	\$ 11,271,321
Assigned						913,999	3,062,633	3,102,293	1,616,132	1,337,218
Unassigned						350,415	(97,438)	(179,677)	(185,926)	(54,937)
Total general fund	<u>\$ 8,137,254</u>	<u>\$ 5,886,759</u>	<u>\$ 1,194,310</u>	<u>\$ (1,164,219)</u>	<u>\$ 587,520</u>	<u>\$ 5,255,269</u>	<u>\$ 11,419,022</u>	<u>\$ 17,256,636</u>	<u>\$ 17,011,625</u>	<u>\$ 12,553,602</u>
All Other Governmental Funds										
Reserved	\$ 7,148,268	\$ 7,112,324	\$ 8,027,449				\$ 33,413	\$ 33,412		
Unreserved	1,152,431	3,244,549	1,466,827	\$ 1,031,298	\$ 192,067					
Restricted						\$ 36,759			\$ 172,484	\$ 2,192,139
Total all other governmental funds	<u>\$ 8,300,699</u>	<u>\$ 10,356,873</u>	<u>\$ 9,494,276</u>	<u>\$ 1,031,298</u>	<u>\$ 192,067</u>	<u>\$ 36,759</u>	<u>\$ 33,413</u>	<u>\$ 33,412</u>	<u>\$ 172,484</u>	<u>\$ 2,192,139</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 103,545,393	\$ 105,901,654	\$ 109,600,671	\$ 111,747,537	\$ 116,045,650	\$ 117,891,086	\$ 119,728,264	\$ 121,630,815	\$ 123,583,481	\$ 125,879,099
Tuition charges	32,423	118,770								
Miscellaneous	1,761,779	1,988,774	1,591,630	1,214,799	942,129	770,467	1,010,802	2,873,405	1,124,621	921,572
State sources	34,241,612	35,447,893	39,254,815	36,726,537	35,351,726	32,289,743	35,518,121	41,057,622	39,819,119	44,096,324
Federal sources	3,950,588	4,244,453	4,482,715	5,218,889	9,724,424	7,955,095	9,837,913	6,761,011	7,868,897	7,391,717
Total revenue	143,531,795	147,701,544	154,929,831	154,907,762	162,063,929	158,906,391	166,095,100	172,322,853	172,396,118	178,288,712
Expenditures										
Instruction										
Regular instruction	56,509,944	62,838,866	65,563,194	64,804,238	67,689,412	65,867,269	67,724,971	69,933,611	72,745,471	74,988,621
Special education instruction	17,452,247	19,400,811	21,565,864	21,692,493	22,174,058	20,884,571	22,033,373	23,890,871	24,539,059	25,551,110
Other instruction	5,685,249	6,379,107	6,620,191	7,641,460	8,662,716	8,614,069	8,693,757	8,788,560	8,965,936	9,406,688
School sponsored activities and athletics	1,429,956	1,567,473	1,644,348	1,746,555	1,814,006	1,624,714	1,751,843	1,673,254	2,192,473	2,290,985
Support Services:										
Student & inst. related services	16,731,335	18,163,682	18,896,916	19,651,131	19,678,998	19,385,050	19,710,518	20,547,144	21,423,515	22,427,983
Attendance and Social Work	311,218	347,125	364,452	365,542	400,291	432,272	434,011	-	-	-
Educational Media/School Library	3,125,890	3,293,122	3,391,300	3,384,611	3,302,756	2,170,936	2,506,105	2,835,144	2,760,715	2,710,258
General administration	2,968,300	3,069,522	3,336,929	3,053,296	2,874,942	2,745,594	2,668,180	2,768,775	2,741,718	2,682,265
School administrative services	7,196,357	7,983,474	8,053,398	7,897,822	8,372,555	8,082,098	7,690,891	8,413,140	8,895,512	9,034,587
Central services	2,310,601	2,736,219	2,681,059	2,433,921	2,604,179	2,575,636	2,419,204	2,532,172	2,661,285	2,639,475
Plant operations and maintenance	10,532,546	11,197,551	11,706,754	10,830,205	12,089,328	11,151,601	10,912,454	10,763,418	10,664,928	11,149,236
Pupil transportation	5,332,205	5,850,266	6,645,269	6,690,712	6,516,614	6,546,750	6,440,990	6,641,328	6,152,215	7,367,115
Capital outlay	3,296,047	2,379,097	4,587,880	10,510,316	1,170,321	671,734	3,436,175	4,215,591	6,036,565	6,814,736
Debt service:										
Refunding bond issuance costs							58,685	100,366	-	26,068
Advance Refunding Escrow							61,170	610,495	-	-
Principal	3,634,288	3,829,180	4,108,932	4,050,235	2,923,378	2,916,955	2,999,522	3,031,865	3,370,356	3,377,159
Interest and other charges	1,640,329	1,467,990	1,462,487	1,277,416	1,146,462	1,114,920	974,132	895,237	805,306	673,270
Total expenditures	138,156,512	150,503,485	160,628,973	166,029,953	161,420,016	154,784,169	160,515,981	167,640,971	173,955,054	181,139,556
Excess (Deficiency) of revenues over (under) expenditures	5,375,283	(2,801,941)	(5,699,142)	(11,122,191)	643,913	4,122,222	5,579,119	4,681,882	(1,558,936)	(2,850,844)

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing sources (uses)										
Proceeds from borrowing		\$ 2,417,000								
Capital leases (non-budgeted)	\$ 318,287	197,228	\$ 150,634	\$ 319,784	\$ 295,849	\$ 390,219	\$ 436,632	\$ 444,870	\$ 1,452,997	\$ 353,572
Accrued interest		3,539								
Refunding Bond Proceeds							2,785,000	7,410,000	-	2,530,000
Premium on Refunding Bonds							167,694	774,861	-	
Payment to refunded bond escrow agent							(2,812,000)	(7,474,000)	-	(2,503,932)
Transfers in	239,932	251,676	616,819	52,356	571,829	159,574	49,824	-	445,000	3,539,489
Transfers out	(251,425)	(261,823)	(623,357)	(71,456)	(599,083)	(159,574)	(45,862)	-	(445,000)	(3,506,653)
Total other financing sources (uses)	<u>306,794</u>	<u>2,607,620</u>	<u>144,096</u>	<u>300,684</u>	<u>268,595</u>	<u>390,219</u>	<u>581,288</u>	<u>1,155,731</u>	<u>1,452,997</u>	<u>412,476</u>
Net change in fund balances	<u>\$ 5,682,077</u>	<u>\$ (194,321)</u>	<u>\$ (5,555,046)</u>	<u>\$ (10,821,507)</u>	<u>\$ 912,508</u>	<u>\$ 4,512,441</u>	<u>\$ 6,160,407</u>	<u>\$ 5,837,613</u>	<u>\$ (105,939)</u>	<u>\$ (2,438,368)</u>
Debt service as a percentage of noncapital expenditures	3.91%	3.58%	3.57%	3.43%	2.54%	2.62%	2.53%	2.40%	2.49%	2.32%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended <u>June 30,</u>	<u>Interest Earned</u>	<u>Book Fines</u>	<u>Rentals</u>	<u>Refund P/Y Expend</u>	<u>Cancellation PY Payables</u>	<u>Tuition</u>	<u>E-Rate Refund</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 831,307	\$ 12,607	\$ 186,449	\$ 73,515			\$ 170,649	\$ 247,320	\$ 1,521,847
2007	1,210,888	8,655	188,237	68,598			160,636	87,987	1,725,001
2008	784,780	7,029	183,807	75,546		\$ 61,273	178,066	12,846	1,303,347
2009	186,043	4,160	118,630	322,385		172,981	231,814	118,657	1,154,670
2010	89,846	11,042	95,367	211,741		173,839	297,693	40,872	920,400
2011	86,146	14,396	103,701	203,126		218,265	122,644	9,458	757,736
2012	29,301	12,763	121,933	394,779			185,030	257,501	1,001,307
2013	27,646		161,916	114,802	\$ 2,184,520		215,206	162,875	2,866,965
2014	27,469	13,001	174,495	29,973	513,421		191,376	148,602	1,098,337
2015	29,134	8,723	160,789	186,372		102,656	197,792	225,437	910,903

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
2006	\$ 50,982,900	\$ 3,682,556,500	\$ 275,600	\$ 11,300	\$ 734,930,000	\$ 651,736,500	\$ 134,394,400	\$ 5,254,887,200	\$ 7,226,110	\$ 5,262,142,010	\$ 9,024,344,668	\$ 2.014
2007	48,668,900	3,710,979,000	264,300	11,300	738,047,000	641,444,900	133,743,700	5,273,159,500	6,239,481	5,279,398,981	10,542,328,040	2.080
2008	54,923,000	3,745,403,300		11,600	744,422,200	634,379,500	132,588,300	5,311,727,900	6,318,889	5,318,046,789	11,351,818,555	2.101
2009	44,246,800	3,746,058,100		11,600	769,762,700	625,859,000	132,718,500	5,318,656,700	7,719,425	5,326,376,125	11,366,889,723	2.179
2010	48,270,200	3,744,605,200		11,600	761,627,100	615,699,100	138,332,200	5,308,545,400	9,599,427	5,318,144,827	10,725,528,322	2.217
2011	47,389,400	3,749,517,700		11,600	755,451,600	600,826,800	138,520,300	5,291,717,400	8,198,800	5,299,916,200	10,725,528,322	2.259
2012	44,528,100	3,746,979,000		11,900	771,504,900	579,642,100	138,159,500	5,280,825,500	8,525,158	5,289,350,658	9,795,029,000	2.300
2013	40,759,600	3,746,259,000		304,000	796,276,600	586,032,700	138,258,000	5,307,889,900	8,385,316	5,316,275,216	9,449,850,579	2.325
2014	38,276,900	3,759,934,300		304,200	811,607,300	599,812,900	138,806,600	5,348,742,200	6,824,144	5,355,566,344	9,877,196,508	2.351
2015	39,415,500	3,772,378,500	292,100	12,100	813,665,200	577,381,000	139,836,800	5,342,981,200	7,174,308	5,350,155,508	9,558,441,489	2.399

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)

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
		<u>Municipality</u>	<u>County</u>	
2006	\$ 2.014	\$ 1.023	\$ 0.913	\$ 3.950
2007	2.080	1.123	0.987	4.190
2008	2.101	1.123	1.077	4.301
2009	2.179	1.264	1.074	4.516
2010	2.217	1.350	1.083	4.650
2011	2.259	1.413	1.122	4.794
2012	2.300	1.429	1.174	4.903
2013	2.325	1.447	1.200	4.972
2014	2.351	1.463	1.292	5.106
2015	2.399	1.458	1.352	5.209

Source: County Abstract of Ratables

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

Taxpayer	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	0.70%
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%
	\$ 359,667,404	6.73%

	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman La Roche	\$ 132,089,200	1.46%
Clifton Commons, LLC	40,863,500	0.45%
Castleton Assoc. LLC	35,026,800	0.39%
Morris Clifton Assoc. LLC	34,350,000	0.38%
Public Service	32,424,300	0.36%
Country Club Towers I & II LLC	23,471,900	0.26%
ITT Industries Inc.	23,000,000	0.25%
Styertowne Shopping Center	19,527,600	0.22%
Clifpass Development	16,680,000	0.18%
Reckson Operating Part LP	15,272,700	0.17%
	\$ 372,706,000	4.12%

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	
2006	\$ 103,545,393	\$ 103,545,393	100.00%	-
2007	105,901,654	105,901,654	100.00%	-
2008	109,600,671	109,600,671	100.00%	-
2009	111,747,537	111,747,537	100.00%	-
2010	116,045,650	116,045,650	100.00%	-
2011	117,891,086	117,891,086	100.00%	-
2012	119,728,264	119,728,264	100.00%	-
2013	121,630,815	121,630,815	100.00%	-
2014	123,583,481	123,583,481	100.00%	-
2015	125,879,099	125,879,099	100.00%	-

Source: District Records

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

<u>Governmental Activities</u>					
<u>Fiscal Year</u> <u>Ended June</u> <u>30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Capital Leases</u>	<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
2006	\$ 36,217,000	\$ 831,003	\$ 37,048,003	78,057	\$ 475
2007	35,179,000	654,051	35,833,051	77,762	461
2008	31,379,000	495,753	31,874,753	77,811	406
2009	27,648,000	496,302	28,144,302	78,224	360
2010	24,958,000	558,773	25,516,773	84,188	303
2011	22,293,000	697,037	22,990,037	84,792	271
2012	19,591,000	809,147	20,400,147	85,100	240
2013	16,872,000	877,152	17,749,152	85,582	207
2014	14,122,000	1,709,793	15,831,793	85,927	184
2015	11,512,000	1,728,103	13,240,103	85,927 *	154

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		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2006	\$ 36,217,000		\$ 36,217,000	0.69%	\$ 464
2007	35,179,000		35,179,000	0.67%	452
2008	31,379,000	\$ 399,815	30,979,185	0.58%	398
2009	27,648,000	99,816	27,548,184	0.52%	352
2010	24,958,000	1	24,957,999	0.47%	296
2011	22,293,000	1	22,292,999	0.42%	263
2012	19,591,000	33,413	19,557,587	0.37%	230
2013	16,872,000	33,412	16,838,588	0.32%	197
2014	14,122,000	44,170	14,077,830	0.26%	164
2015	11,512,000	90,567	11,421,433	0.21%	133

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, 2014
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Board of Education	\$ 12,822,000	\$ 12,822,000	
City	<u>93,142,967</u>	<u>27,367,138</u>	\$ <u>65,775,829</u>
	<u>\$ 105,964,967</u>	<u>\$ 40,189,138</u>	65,775,829
Overlapping Debt Apportioned to the Municipality:			
Passaic County:			
County of Passaic (A)			81,131,077
Passaic County Utilities Authority- Solid Waste (A)			12,101,483
Passaic Valley Sewerage Commission (B)			15,317,305
Passaic Valley Water Commission (C)			18,770,248
North Jersey District Water Supply Commission (B)			<u>1,321,727</u>
Total Direct and Overlapping Debt			<u>\$ 194,417,669</u>

Source:

(1) City's 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to the City by dividing the municipality's 2014 equalized value by the total 2014 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)**

Fiscal Year Ended June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$282,585,208	\$ 320,791,932	\$ 406,901,847	\$435,569,120	\$ 438,582,493	\$ 426,755,589	\$406,618,635	\$ 389,117,194	\$381,860,555	\$378,780,883
Total net debt applicable to limit	<u>39,537,846</u>	<u>36,221,529</u>	<u>31,383,909</u>	<u>27,652,909</u>	<u>24,962,909</u>	<u>22,297,909</u>	<u>19,591,000</u>	<u>16,872,000</u>	<u>14,122,000</u>	<u>11,512,000</u>
Legal debt margin	<u>\$243,047,362</u>	<u>\$ 284,570,403</u>	<u>\$ 375,517,938</u>	<u>\$407,916,211</u>	<u>\$ 413,619,584</u>	<u>\$ 404,457,680</u>	<u>\$387,027,635</u>	<u>\$ 372,245,194</u>	<u>\$367,738,555</u>	<u>\$367,268,883</u>
Total net debt applicable to the limit as a percentage of debt limit	13.99%	11.29%	7.71%	6.35%	5.69%	5.22%	4.82%	4.34%	3.70%	3.04%

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Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis
	2014 \$ 9,448,405,229
	2013 9,684,163,291
	2012 <u>9,275,997,716</u>
	<u>\$ 28,408,566,236</u>
Average equalized valuation of taxable property	\$ 9,469,522,079
Debt limit (4 % of average equalization value)	378,780,883
Total Net Debt Applicable to Limit	<u>11,512,000</u>
Legal debt margin	<u>\$ 367,268,883</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>
2005	78,325	\$ 36,142	4.60%
2006	78,057	38,584	4.90%
2007	77,762	40,839	4.70%
2008	77,811	41,657	6.00%
2009	78,224	41,050	7.40%
2010	84,188	41,936	10.20%
2011	84,792	43,853	7.40%
2012	85,100	44,600	10.10%
2013	85,582	44,688	8.80%
2014	85,927	44,688 *	6.90%

Source: New Jersey State Department of Labor and Workforce Development

N/A - Not Available

* Estimate

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	638	657	665	684	659	642	665	682	693	703
Special education	136	134	143	135	120	121	131	143	150	152
Other special education	40	62	50	50	52	60	59	146	160	168
Vocational										
Other instruction	61	61	61	11	13	27	24	22	26	23
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	176	163	163	166	166	152	162	177	177	186
General administration	9	9	9	10	8	8	7	7	7	7
School administrative services	76	76	76	76	78	73	70	72	77	78
Other administrative services										
Central services	17	17	17	17	16	15	15	18	18	17
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	100	100	100	98	98	96	94	94	98	96
Pupil transportation	47	44	42	44	47	47	47	47	47	47
Other support services	33	33	33	43	55	62	72	24	24	24
Food Service	25	22	22	21	15	14	13	10	10	7
Total	<u>1,361</u>	<u>1,381</u>	<u>1,384</u>	<u>1,358</u>	<u>1,330</u>	<u>1,320</u>	<u>1,362</u>	<u>1,445</u>	<u>1,490</u>	<u>1,511</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	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2006	10,366	\$ 129,585,848	\$ 12,501	5.74%	786	14.71	11.62	12.65	10,336	9,859	0.29%	95.39%
2007	10,349	142,827,218	13,801	10.40%	791	12.62	12.29	14.48	10,349	9,830	0.13%	94.99%
2008	10,524	150,469,674	14,298	3.60%	808	13.57	12.12	12.61	10,426	9,865	0.74%	94.62%
2009	10,452	150,191,986	14,370	0.50%	819	14.27	11.79	12.39	10,452	9,859	0.25%	94.33%
2010	10,731	156,179,855	14,554	1.28%	779	14.04	12.16	14.82	10,731	10,169	2.67%	94.76%
2011	10,940	150,080,560	13,719	-5.74%	763	14.09	13.25	15.75	10,940	10,353	1.95%	94.63%
2012	10,936	152,986,297	13,989	1.97%	796	13.98	12.49	14.46	10,936	10,393	-0.40%	95.03%
2013	10,918	158,787,417	14,544	3.96%	825	13.40	12.11	13.88	10,918	10,344	-0.16%	94.74%
2014	10,854	163,742,827	15,086	3.73%	843	12.87	12.00	13.66	10,854	10,298	-0.59%	94.88%
2015	10,851	170,248,323	15,690	4.00%	855	12.85	10.90	12.00	10,391	9,856	-4.27%	94.85%

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)

	2006	2007	2008	2009	2010	2012	2013	2014	2015
District Building									
<u>Elementary</u>									
School No. 1 (1930)									
Square Feet	32,035	32,035	32,035	32,035	32,035	32,035	32,035	32,035	32,035
Capacity (students)	209	209	209	209	209	209	209	209	209
Enrollment	281	274	281	277	290	300	307	297	301
School No. 2 (1930)									
Square Feet	60,660	60,660	60,660	60,660	60,660	60,660	60,600	60,600	60,600
Capacity (students)	339	339	339	339	339	339	339	339	339
Enrollment ^a	372	357	355	389	428	430	419	432	439
School No. 3 (1931)									
Square Feet	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
Enrollment	251	256	269	273	285	300	319	312	292
School No. 4 (1929)									
Square Feet	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
Enrollment	171	172	174	158	151	157	165	174	168
School No. 5 (1913)									
Square Feet	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
Enrollment ^a	324	330	340	342	367	368	376	365	384
School No. 8 (1926)									
Square Feet	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
Enrollment	188	188	198	202	219	220	232	226	217
School No. 9 (1924)									
Square Feet	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
Enrollment	257	273	274	288	309	333	342	345	325
School No. 11 (1905)									
Square Feet	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
Enrollment ^a	412	422	445	464	469	450	461	482	500
School No. 12 (1910)									
Square Feet	69,696	69,696	69,696	69,969	69,969	69,969	69,969	69,969	69,969
Capacity (students)	441	441	441	411	411	411	411	411	411
Enrollment	568	609	581	577	585	594	664	668	661

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

	2006	2007	2008	2009	2010	2012	2013	2014	2015
<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
Capacity (students)	350	350	350	350	350	350	350	350	350
Enrollment ^a	409	382	400	424	440	463	440	475	462
School No. 14 (1953)									
Square Feet	39,815	39,815	39,815	39,815	39,815	47,915	47,915	47,915	47,915
Capacity (students)	267	267	267	267	267	267	267	267	267
Enrollment	282	269	279	293	38	346	339	332	348
School No. 15 (1921)									
Square Feet	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
Enrollment	345	320	347	332	345	347	361	362	364
School No. 16 (1957)									
Square Feet	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
Enrollment ^a	222	231	239	245	235	207	214	225	249
School No. 17 (2004)									
Square Feet	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
Enrollment	510	514	527	532	554	561	552	593	600
<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
Capacity (students)	761	761	761	761	761	761	761	761	761
Enrollment	1,273	1,221	1,238	1,193	1,153	1,216	1,201	1,173	1,152
Woodrow Wilson (1955)									
Square Feet	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
Enrollment	1,190	1,187	1,154	1,224	1,303	1,346	1,295	1,263	1,218
<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
Capacity (students)	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337
Enrollment	3,313	3,346	3,423	3,239	2,819	3,299	3,235	3,130	2,712

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

	2006	2007	2008	2009	2010	2012	2013	2014	2015
<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
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
Capacity (students)	500	500	500	500	500	500	500	500	500
Enrollment					472				
Stadium Square Feet	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
Number of Schools at June 30, 2015									
Elementary									
Middle School									
Senior High School									

Source: District Records

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

		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
SCHOOL FACILITIES	PROJECT #										
Board of Education Building		\$ 923	\$ 23,157	\$ 47,450	\$ 42,994	\$ 41,155	\$ 27,053	\$ 36,082	\$ 29,801	\$26,843	\$21,398
Clifton Stadium				51,559	31,604	20,398	9,593	12,088	4,845	6,283	1,420
Transportation		2,424	10,209	31,990	30,385	26,443	24,657	20,918	28,127	20,154	19,862
Clifton High School	N/A	353,390	322,251	311,069	308,167	222,784	244,797	246,740	258,469	222,711	199,160
Clifton High School Annex							49,378	40,656	51,734	52,144	37,077
Woodrow Wilson Middle School	N/A	151,649	141,714	141,223	104,258	117,121	98,474	90,294	106,304	103,273	97,673
Christopher Columbus Middle School	N/A	128,932	114,979	115,536	118,698	84,449	78,121	74,594	92,079	64,681	76,951
School No. 1	N/A	36,656	38,920	33,037	35,471	24,513	30,459	20,204	23,676	21,650	30,719
School No. 2	N/A	58,299	61,185	58,220	51,582	49,520	37,714	36,972	45,171	40,140	35,699
School No. 3	N/A	45,721	49,094	47,843	45,384	41,583	34,318	31,742	35,862	29,390	41,882
School No. 4	N/A	23,929	29,245	23,074	23,860	20,380	24,938	13,384	15,801	21,752	18,632
School No. 5	N/A	57,245	52,160	49,159	41,618	42,630	35,675	32,441	37,600	29,828	37,791
School No. 8	N/A	28,949	35,206	27,983	28,622	23,242	18,283	48,389	20,568	18,718	27,195
School No. 9	N/A	52,866	54,720	47,676	45,470	36,627	33,187	35,456	38,597	31,811	28,221
School No. 11	N/A	54,923	62,025	50,968	58,837	44,086	38,550	35,100	42,086	34,458	34,960
School No. 12	N/A	63,988	62,613	72,111	53,797	49,556	45,418	39,032	51,509	46,535	42,060
School No. 12 Annex	N/A	8,159	8,455	9,814	8,396	62,488	-				
School No. 13	N/A	56,362	53,559	57,641	55,918	52,299	49,122	39,400	38,771	30,839	27,396
School No. 14	N/A	40,193	45,890	40,390	35,097	30,573	24,019	21,246	35,668	27,598	33,094
School No. 15	N/A	40,308	43,887	33,620	37,375	26,245	23,255	24,042	22,068	19,564	18,996
School No. 16	N/A	47,030	46,302	44,890	39,429	35,156	34,332	31,292	27,859	26,952	21,572
School No. 17	N/A	92,951	118,746	123,687	108,406	86,965	79,686	73,022	69,103	76,836	68,007
GRAND TOTAL		<u>\$ 1,344,897</u>	<u>\$ 1,374,317</u>	<u>\$ 1,418,940</u>	<u>\$ 1,305,368</u>	<u>\$ 1,138,213</u>	<u>\$ 1,041,029</u>	<u>\$ 1,003,094</u>	<u>\$ 1,075,698</u>	<u>\$ 952,160</u>	<u>\$ 919,765</u>

Source: District Records

**CLIFTON BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015**

	<u>Coverage</u>	<u>Deductible</u>
Package Policy - Zurich Insurance Company		
Policy CPO370159801		
<u>Property and Casualty</u>		
Building & Contents Including Equipment Breakdown	\$ 253,712,243	\$ 5,000
Commercial General Liability	1,000,000	N/A
Boiler & Machinery Blanket Property Limit	100,000,000	1,000
Crime- Blanket Employee Dishonesty	500,000	5,000
Forgery or Alteration	50,000	1,000
Form C- Loss Inside & Outside Money & Securities	50,000	1,000
Computer Fraud	50,000	1,000
Earthquake- Blanket coverage	5,000,000	5% of Limit
Flood (Outside Zones A,V or B)	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
 <u>Commercial Umbrella- American Alternative Ins. Co.</u>		
Policy 60A2UB000100401	Limit 9,000,000	Retention 10,000
 <u>Excess Liability- Fireman's Fund</u>		
Policy SHX-000-6940-1388	50,000,000	10,000
 <u>School Board Legal Liability E&O - Darwin National Assurance</u>		
Policy - 0202-0852	Limit 1,000,000	Deductible 25,000
Employment Practices Liability	1,000,000	75,000
 <u>Public Official Bonds-Hartford Fidelity Bonding</u>		
13BSBBD0888 Raymond Jacobus - Treasurer	575,000	N/A
13BSBBU3973 Karen Perkins - BA/BS	10,000	N/A
13BSBBU3966 G. Harriet Schuster - Student Activity Fund Director	50,000	N/A
13BSBGA2236 Thomas H. Kryger - Asst. BA/BS	10,000	N/A
 <u>Accidental Death & Dismemberment - Unum</u>		
Policy - BTA 37350		
Principal Sum	100,000	N/A
Aggregate	500,000	N/A

**CLIFTON BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<u>Environmental Impairment Liability-Site Specific-American Cas. Ins. Co.</u>		
<i>Claims Made From</i>	Limit	Deductible
<i>Policy - EIL-004059-08-09</i>		
Each Occurrence	\$ 1,000,000	
Aggregate	10,000,000	\$ 25,000
<u>Flood - American Bankers Ins Co of Florida</u>		
<i>Policy - 2044194300</i>	Limit	Deductible
School #16 - Building - 755 Grove St	105,000	1,250
Contents	25,000	1,250
<u>Flood - FEMA</u>		
<i>National Flood Insurance Program</i>		
<i>Policy - 2031428846</i>		
Christopher Columbus Middle School - Building	266,200	1,000
Contents	154,100	1,000
<u>Student Accident - Peoples Benefit Life Ins. Co.</u>		
<i>Policy-20441943000</i>		
P906 Interscholastic Sports		
Maximum Benefit Student Accident	5,000,000	N/A

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
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ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, 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 Trustees
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, 2015 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 10, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Clifton Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clifton Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

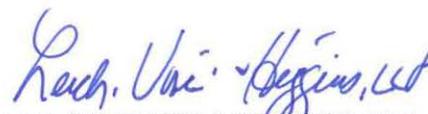
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clifton Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

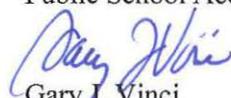
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Clifton Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 10, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clifton Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Clifton Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Gary J. Vinci
 Public School Accountant
 PSA Number CS00829

Fair Lawn, New Jersey
 December 10, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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JEFFREY C. BLISS, 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
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Clifton Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 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, 2015. The Clifton Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Clifton Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Clifton Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Clifton Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Clifton Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Clifton Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Clifton Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clifton Board of Education's internal control over compliance.

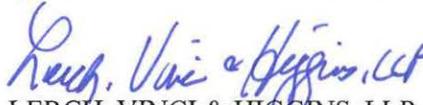
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 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. OMB Circular A-133 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, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 10, 2015, 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 U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 10, 2015

CLIFTON BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Number	Grant Period	Award Amount	Balance, July 1, 2014	A/R Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment (1)	Adjustment (2)	Refund of Prior Years' Balances	Balance, June 30, 2015			MEMO GAAP Receivable	
													(Accounts Receivable)	Unearned Revenue	Due to Grantor		
General Fund																	
U.S. Department of Health & Human Services- Passed-Through State Dept. of Education																	
ARRA- Special Education Medicaid Initiative	93.778	N/A	7/1/14-6/30/17	\$ 128,263				\$ 128,263	\$ 128,263								\$ (161,772)
Special Education Medicaid Initiative	93.778	N/A	7/1/14-6/30/15	439,227				277,455	439,227								
Total General Fund								405,718	567,490								(161,772)
U.S. Department of Agriculture Passed-Through State Dept. of Education																	
Food Distribution Program - Non Cash Assistan	10.555	N/A	9/1/14-6/30/15	200,316				200,316	198,870								\$ 1,446
Food Distribution Program - Non Cash Assistan	10.555	N/A	9/1/13-6/30/14	226,011	\$ 167				167								
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	356,218				206,385	356,218								(149,833)
School Breakfast Program	10.553	N/A	9/1/13-6/30/14	322,521	(79,971)			79,971									
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	2,343,990				1,361,531	2,343,990								(982,459)
National School Lunch Program	10.555	N/A	9/1/13-6/30/14	2,313,440	(503,166)			503,166									
After School Snacks	10.556	N/A	9/1/14-6/30/15	17,459				11,126	17,459								(6,333)
After School Snacks	10.556	N/A	7/1/13-6/30/14	25,206	(2,719)			2,719									
Child and Adult Food Program	10.558	N/A	7/1/14-6/30/15	69,330				57,243	69,330								(12,087)
Fresh Fruits and Vegetable Program	10.582	N/A	9/1/14-6/30/15	26,495				20,825	26,495								(5,670)
Fresh Fruits and Vegetable Program	10.582	N/A	9/1/13-6/30/14	25,279	(3,200)			3,200									
Total Enterprise Funds					(588,889)			2,446,482	3,012,529								(1,156,382)
U.S. Department of Education Passed-Through State Dept. of Education																	
NCLB Title I	84.010A	NCLBCV-110014	7/1/13-6/30/14	2,646,028	(2,314,414)	\$ 172,418	\$ (172,418)	2,197,976		\$ 114,670	\$ 1,768						
NCLB Title I	84.010A	NCLBCV-110015	7/1/14-6/30/15	2,599,934		(172,418)	172,418		2,655,012								(2,772,352)
NCLB Title II, Part A	84.367A	NCLBCV-110014	7/1/13-6/30/14	300,426	(146,367)	75,056	(75,056)	137,667		8,662	38						
NCLB Title II, Part A	84.367A	NCLBCV-110015	7/1/14-6/30/15	303,839		(75,056)	75,056		354,601								(378,895)
NCLB Title III	84.365A	NCLBCV-110014	7/1/13-6/30/14	149,340	(54,848)	94,454	(94,454)	54,886			(38)						
NCLB Title III, Carryover	84.365A	NCLBCV-110013	9/1/12-8/31/13	162,410	(3,090)			3,090									
NCLB Title III	84.365A	NCLBCV-110015	7/1/14-6/30/15	165,254		(94,454)	94,454		95,660								(259,708)
NCLB Title III Immigrant	84.365A	NCLBCV-110014	7/1/13-6/30/14	108,639	(31,577)	29	(29)	85,432	53,855								
NCLB Title III Immigrant	84.365A	NCLBCV-110015	7/1/14-6/30/15			(29)	29										(29)
I.D.E.A. Part B, Basic	84.027	FT-1100-14	7/1/13-6/30/14	2,596,281	(1,947,897)	738,735	(738,735)	1,857,546		90,351							
I.D.E.A. Part B, Basic, Carryover	84.027	FT-1100-13	9/1/12-8/31/13	2,751,400	(414,226)			414,226									
I.D.E.A. Part B, Basic	84.027	FT-1100-15	7/1/14-6/30/15	2,687,389		(738,735)	738,735		2,945,987								(3,426,124)
I.D.E.A. Part B, Preschool	84.173	PS-1100-14	7/1/13-6/30/14	79,555	4,352	79,555	(79,555)				(4,352)						
I.D.E.A. Part B, Preschool, Carryover	84.173	PS-1100-13	9/1/12-8/31/13	86,917	(78,990)			71,210		3,428	4,352						
I.D.E.A. Part B, Preschool	84.173	PS-1100-15	7/1/14-6/30/15	78,971		(79,555)	79,555		78,227								(157,198)
Twenty-First Century	84.287C		9/1/13-8/31/14	499,833	(356,835)			419,401	62,566								
Twenty-First Century	84.287X		9/1/14-8/31/15	499,833				256,379	392,062								(243,454)
Race to the Top	84.413A		9/1/11-11/30/15	248,113	(8,820)			8,820	105,043								(105,043)
Carl D. Perkins	84.243A	PERK219014	9/1/13-8/31/14	90,119	(90,119)			90,119									
Carl D. Perkins	84.243A	PERK219015	7/1/14-6/30/15	81,214					81,214								(81,214)
Total Special Revenue Fund					(5,442,831)			5,596,752	6,824,227	217,111	1,768						(7,424,017)
Total					\$(6,031,720)	\$ -	\$ -	\$ 8,448,952	\$ 10,404,246	\$ 217,111	\$ 1,768	\$ -	\$ (8,742,171)	\$ 974,036	\$ -		\$ (7,769,581)

(1) Unliquidated payables
 (2) To reclassify prior year expenditures
 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, 2015**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2015			Memo Only	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education																
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	\$ 17,684,735	\$ (1,716,802)				\$ 1,716,802								
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	17,684,735					15,983,388	\$ 17,684,735			\$ (1,701,347)			\$ 17,684,735	
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	6,592,227	(631,177)				631,177								
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	6,592,227					5,958,027	6,592,227			(634,200)			6,592,227	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	770,787	(75,741)				75,741								
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	770,787					696,634	770,787			(74,153)			770,787	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	485,830					439,091	485,830			(46,739)			485,830	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	485,830	(50,494)				50,494								
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	500,000					451,898	500,000			(48,102)			500,000	
Under Adequacy Aid	14-495-034-5120-096	7/1/13-6/30/14	500,000	(50,494)				50,494								
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	112,730					101,885	112,730			(10,845)			112,730	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	112,730					101,885	112,730			(10,845)			112,730	
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	768,226	(768,226)				768,226								
Extraordinary Aid	15-495-034-5120-014	7/1/14-6/30/15	754,248						754,248			(754,248)			754,248	
Non-Public Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	122,639	(122,639)												
Non-Public Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	102,230						102,230			(102,230)		\$ (102,230)	102,230	
Homeless Tuition Aid	N/A	7/1/14-6/30/15	214,140						214,140			(214,140)		\$ (214,140)	214,140	
TPAF Pension and Annuity Aid- Normal	15-495-034-5094-006	7/1/14-6/30/15	3,427,253					3,427,253	3,427,253						3,427,253	
NCCI	15-495-034-5094-007	7/1/14-6/30/15	246,575					246,575	246,575						246,575	
Post Retirement Medical	15-495-034-5094-001	7/1/14-6/30/15	5,832,206					5,832,206	5,832,206						5,832,206	
TPAF Social Security Aid	14-495-034-5095-002	7/1/13-6/30/14	5,067,934	(254,505)				254,505								
TPAF Social Security Aid	15-495-034-5094-003	7/1/14-6/30/15	5,061,934					4,811,493	5,061,934			(250,441)			(250,441)	5,061,934
Total General Fund				(3,670,078)	-	-	-	41,720,413	41,897,625	-	-	(3,847,290)	-	-	(566,811)	41,897,625
New Jersey Nonpublic Aid																
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	67,624					67,624	65,263					\$ 2,361	65,263	
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	67,357			\$ 722				\$ 722						
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	105,285					105,285	105,285						105,285	
Technology	15-100-034-5120-373	7/1/14-6/30/15	36,320					36,320	30,934				5,386		30,934	
Technology	14-100-034-5120-373	7/1/13-6/30/14	24,560			1,887				1,887						
Auxiliary Services																
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	290,149					290,149	275,806				14,343		275,806	
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	66,686					66,686	27,569				39,117		27,569	
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	59,357			16,759				16,759						
Transportation	15-100-034-5120-068	7/1/14-6/30/15	80,610					80,610	77,585				3,025		77,585	
Transportation	14-100-034-5120-068	7/1/13-6/30/14	93,989			23,361				23,361						
Handicapped Services																
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	127,517					127,517	88,741				38,776		88,741	
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	93,176			13,899				13,899						
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	84,463					84,463	63,973				20,490		63,973	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	66,792			4,296				4,296						
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	72,192					72,192	47,398				24,794		47,398	
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	67,502			20,191				20,191						
Total Special Revenue Fund				-	-	81,115	-	930,846	782,554	81,115	-	-	-	148,292	-	782,554
State Department of Education																
Debt Service Aid	15-100-034-5120-075	7/1/14-6/30/15	170,304					170,304	170,304							170,304
Total Debt Service				-	-	-	-	170,304	170,304	-	-	-	-	-	-	170,304

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, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance June 30, 2015			Memo Only	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Economic Development Authority																
Educational Facilities Construction and Financing Act																
Capital Projects Fund																
Roof Replacement at High School and School	0900-080-14-G2XU 0900-030-14-G2LJ	07/1/13-6/30/14	\$ 716,760	\$ (716,760)	\$ 716,760		\$ 639,666	\$ 639,666				\$ (77,094)	\$ 77,094		\$ (77,094)	\$ 639,666
Boiler Replacement at School #14 and #16	0900-190-14-G2LN 09-210-G2LR	07/1/13-6/30/14	375,000	(375,000)	375,000		225,600	255,201				(149,400)	119,799		(149,400)	255,201
Electrical Upgrades at School #14 and #16	0900-210-14-G2LS 0900-190-14-G2LO	07/1/13-6/30/14	337,500	(337,500)	337,500		68,074	131,946				(269,426)	205,554		(269,426)	131,946
Window Replacement at School #14, #16 and Woodrow Wilson Middle School and Columbus Middle School	0900-070-14-G2LM 0900-190-14-G2LP 0900-210-14-G2LQ	07/1/13-6/30/14	802,509	(802,509)	802,509			76,564				(802,509)	725,945		(802,509)	76,564
Video Camera/Security Upgrade at Woodrow Wilson and Christopher Columbus Middle School	0900-070-14-G2LL 0900-035-14-G2LK	07/1/13-6/30/14	132,000	(132,000)	132,000	-	61,921	130,009	-	-	-	(70,079)	1,991	-	(70,079)	130,009
				(2,363,769)	2,363,769	-	995,261	1,233,386	-	-	-	(1,368,508)	1,130,383	-	(1,368,508)	1,233,386
State Department of Agriculture																
National School Lunch Pgm.(State Share)	15-100-010-3350-023	7/1/14-6/30/15	50,720				29,701	50,720				(21,019)			(21,019)	50,720
National School Lunch Pgm.(State Share)	14-100-010-3350-023	7/1/13-6/30/14	53,928	(13,913)			13,913									
Total Enterprise Funds				(13,913)			43,614	50,720				(21,019)			(21,019)	50,720
Total				\$ (6,047,760)	\$ 2,363,769	\$ 81,115	\$ -	\$ 42,865,177	\$ 42,901,203	\$ 81,115	\$ -	\$ (3,868,309)	\$ -	\$ 148,292	\$ (587,830)	\$ 42,901,203
Less On-Behalf TPAF Pension and Annuity Aid																
Normal								3,427,253								
NCGI								246,575								
Post Retirement Medical								5,832,206								
Total for State Financial Assistance Determination								\$ 33,395,169								

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**CLIFTON BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$12,455 for the general 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	\$ 567,490	\$ 41,910,080	\$ 42,477,570
Special Revenue Fund	6,824,227	782,554	7,606,781
Capital Projects Fund		1,233,386	1,233,386
Debt Service Fund		170,304	170,304
Food Service Fund	<u>3,012,529</u>	<u>50,720</u>	<u>3,063,249</u>
Total Financial Assistance	<u>\$ 10,404,246</u>	<u>\$ 44,147,044</u>	<u>\$ 54,551,290</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, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$5,061,934 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$3,673,828 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$5,832,206 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions 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.

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

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

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))? yes X none reported

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>IDEA Part B Preschool</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>93.778</u>	<u>Special Education Medicaid Initiative</u>
<u>84.010A</u>	<u>Title I</u>
<u>84.367A</u>	<u>Title II</u>
<u>84.287</u>	<u>21st Century</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 312,000

Auditee qualified as low-risk auditee? yes X no

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? _____ yes X none reported

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>Various</u>	<u>Schools Development Authority</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 1,002,000

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

**CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 Government Auditing Standards.

There are none.

CLIFTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**CLIFTON BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-001:

Race to the Top

The employee's stipends charged to the grant were not approved in the official minutes of the District.

Current Status

Corrective action was taken.

Finding 2014-002:

NCLB – Title I/IDEA

Our audit of Federal grant expenditures revealed the following:

- NCLB-Title I/IDEA- There was one purchase for professional development workshops that included travel which included airfare, lodging, transportation and meals, however invoices to support these travel expenses was not available for our review.
- IDEA- There was one purchase for professional services that lacked detailed invoices.

Current Status

Corrective action was taken.